

HRM – Final Exam

Chapter 12

1. Frederick Taylor referred to the tendency of employees to work at the slowest pace possible and to produce at the minimum acceptable level as _____.

B) systematic soldiering

2. Which one of the following terms refers to financial rewards paid to workers whose production exceeds some predetermined standard?

D) financial incentives

3. A management approach based on improving work methods through observation and analysis is known as _____.

B) scientific management

4. Who proposed a two-factor theory that explains how motivator factors relate to satisfaction and hygiene factors relate to dissatisfaction?

C) Frederick Herzberg

5. Which one of the following is a true statement about Herzberg's Hygiene-Motivator theory?

D) Managers can create a self-motivated workforce by providing feedback and recognition.

6. According to Herzberg's Hygiene-Motivator theory, which one of the following factors will most likely satisfy employees' higher-level needs?

B) achievement

7. Which one of the following found that extrinsic rewards could detract from an employee's intrinsic motivation?

D) Edward Deci

8. Radi's manager wants to acknowledge her outstanding service record for the past quarter. The manager decides to give Radi a bonus of \$1000 as a reward. According to Edward Deci, which one of the following will most likely occur as a result?

B) The bonus will detract from Rebecca's inner desire to work hard

9. According to Victor Vroom, expectancy could also be referred to as the _____.

A) probability that effort will lead to success

10. The perceived relationship between successful performance and obtaining the reward is referred to by Vroom as _____.

A) instrumentality

11. In Vroom's theory of motivation, motivation is equal to $E * I * V$, where E represents _____.

B) expectancy

12. In Vroom's theory of motivation, motivation is equal to $E * I * V$, where I represents _____.

C) instrumentality

13. In Vroom's theory of motivation, which one of the following terms refers to the perceived value a person attaches to a reward?

A) valence

14. According to Vroom's theory, when managers design incentive plans they should do all of the following EXCEPT _____.

A) focus on behavior modification methods

15. Behavior modification is based upon the principles of rewards and punishments advanced by _____.

C) B.F. Skinner

16. Which one of the following terms refers to changing behavior through rewards or punishments that are contingent on performance?

A) behavior modification

17. Which one of the following is NOT a basic tenet of behavior modification?

D) Employees must understand the link between rewards, punishments, and behavior

18. Which one of the following terms refers to an incentive plan that ties a group's pay to the firm's profitability?

B) variable pay

19. Under the Fair Labor Standards Act, which one of the following would NOT be included in overtime pay computations?

B) Christmas bonus

20. What type of pay plan is being used when workers are paid a sum for each unit they produce?

C) piecework

21. Which one of the following terms refers to an incentive plan in which a person is paid a sum for each item he or she makes or sells, with a strict proportionality between results and rewards?

B) straight piecework

22. In which one of the following do workers receive a basic hourly rate plus a premium equal to the percent by which their performance exceeds the standard?

C) standard hour plan

23. All of the following are disadvantages associated with piecework plans EXCEPT that workers _____.

C) view the plans as unfair and complicated

24. Which one of the following is the primary advantage of piecework plans?

A) powerful incentive to workers

25. Which one of the following terms refers to any salary increase the firm awards to an individual employee based on his or her individual performance?

C) merit pay

26. How does merit pay differ from a bonus?

A) Merit pay becomes part of an employee's base pay, but a bonus does not.

27. Studies indicate that in order for merit pay to be most effective, it should be linked to _____.

D) employee performance

28. Ryobi is a large, international power tool manufacturer that develops affordable, high-quality products, such as drills, circular saws, and routers, for both homeowners and craftspeople. As the company continues to grow, its top executives want to ensure that employees are appropriately paid for their performance and that financial incentives are both fair and effective. Currently, the firm provides merit raises based on performance appraisals; however, executives are considering changing the current incentive plan.

Which one of the following, if true, supports the argument that Ryobi should eliminate all merit raises?

A) Performance appraisals at Ryobi occur annually, and standards vary from manager to manager.

29. Ryobi is a large, international power tool manufacturer that develops affordable, high-quality products, such as drills, circular saws, and routers, for both homeowners and craftspeople. As the company continues to grow, its top executives want to ensure that employees are appropriately paid for their performance and that financial incentives are both fair and effective. Currently, the firm provides merit raises based on performance appraisals; however, executives are considering changing the current incentive plan. Which one of the following, if true, undermines the argument that Ryobi should discontinue all merit raises?

C) Ryobi managers have noticed significant productivity improvements among employees who receive merit raises.

30. Ryobi is a large, international power tool manufacturer that develops affordable, high-quality products, such as drills, circular saws, and routers, for both homeowners and craftspeople. As the company continues to grow, its top executives want to ensure that employees are appropriately paid for their performance and that financial incentives are both fair and effective. Currently, the firm provides merit raises based on performance appraisals; however, executives are considering changing the current incentive plan. Which one of the following questions is most relevant to the decision by Ryobi executives to discontinue all merit raises?

D) What is the connection between merit pay increases and employee productivity?

31. _____ is a program where informal manager-employee exchanges such as praise, approval, or expressions of appreciation are given for a job well done.

B) A social recognition program

32. Carlos is a line manager at a paper supply company. All of the following are methods that Carlos should most likely implement to motivate his subordinates EXCEPT _____.

B) encouraging workers to earn overtime pay

33. Which one of the following was shown by the Harvard Business School to have the greatest impact on employee engagement?

B) job design

34. Enterprise incentive management systems enable firms to _____.

C) efficiently administer employee incentive programs

35. A straight salary is most appropriate when a salesperson's primary duties involve _____.

A) finding new clients

36. Using a straight salary to compensate salespeople is most likely ineffective because it _____.

B) lacks connection to performance

37. All of the following are disadvantages of straight commission plans EXCEPT _____.

C) payments are complicated to calculate

38. Which one of the following is the primary advantage of using a combination of salary and commission as compensation for salespeople?

A) provides a guaranteed minimum salary

39. Eduardo is the new sales manager at Wilson Auto Mart. The previous sales manager set commission rates informally without considering how much each sale covered expenses. As a result, Wilson Auto Mart barely breaks even on each car sale once commissions are paid. Eduardo wants to motivate his sales force but avoid having excessive commissions. All of the following questions are relevant to developing an effective sales compensation plan EXCEPT:

C) What is the average annual bonus received by Wilson's CEO?

40. Eduardo is the new sales manager at Wilson Auto Mart. The previous sales manager set commission rates informally without considering how much each sale covered expenses. As a result, Wilson Auto Mart barely breaks even on each car sale once commissions are paid. Eduardo wants to motivate his sales force but avoid having excessive commissions. Which one of the following, if true, supports the argument that Eduardo should pay his sales team a combination of salary plus commission?

B) Wilson Auto Mart has a sales force that has a significant desire for a floor to their earnings.

41. One possible outcome of a commission plan is _____.

C) commissions that limit earnings can discourage effort

42. Which one of the following terms refers to the right to purchase a stated number of shares of a company stock at today's price at some time in the future?

C) stock option

43. With which one of the following can an executive NOT profit until the stock makes significant gains?

D) premium priced options

44. With a _____, an executive receives units instead of shares of company stock. In the future, the executive receives cash equal to the appreciation of the units owned.

C) phantom stock plan

45. Which term refers to payments companies make in connection with a change in ownership or control of a company?

B) golden parachute

46. The most common eligibility determinant for bonuses is _____.

A) salary grade

47. All of the following are advantages of team incentive plans EXCEPT that _____.

B) wage equity is guaranteed

48. The employees at DataMax participate in a profit-sharing plan. DataMax distributes 15% of its profits as profit shares to employees at regular intervals. Which one of the following is most likely used at DataMax?

A) current profit-sharing

49. Tanner's employer puts a predetermined portion of profits into a trust account for Tanner's retirement. Which one of the following is most likely the type of profit-sharing plan used by Tanner's employer?

A) deferred profit-sharing plan

50. Which profit-sharing plan provides tax advantages for employees by postponing income taxes, often until the employee retires?

C) deferred profit-sharing plan

51. The Scanlon plan includes all of the following features EXCEPT _____.

D) a focus on individual achievement

52. Which incentive plan is based on a philosophy that managers and employees must cooperate together?

B) Scanlon plan

53. Which one of the following best explains identity in regards to the Scanlon plan?

B) clear articulation of the company mission

54. Competence in the Scanlon plan refers to a focus on _____.

C) employee abilities

55. The Scanlon plan is an early version of a _____ plan, an incentive plan that engages employees in a common effort to achieve productivity objectives.

C) gainsharing

56. Gainsharing is an incentive plan that _____.

B) engages employees in a common effort to achieve a company's productivity objectives with any resulting cost-savings gains shared among employees and the company

57. Which one of the following is NOT a type of gainsharing plan?

D) Roth

58. Tyler Oil offers a profit-sharing plan to its employees. Each year, Tyler Oil distributes total annual profits less taxes among employees based on employee merit ratings. Which one of the following is most likely used by Tyler Oil?

B) Lincoln incentive system

59. The Lincoln incentive system is an incentive plan that _____.

D) involves the firm distributing total annual profits each year among employees based on their merit rating

60. When hired by Delmar Designs, Hai agreed to forego 6% of his normal pay if he didn't meet his goals in return for a 12% bonus if he exceeded his goals. In which type of plan does Hai most likely participate?

A) earnings-at-risk pay plan

61. Anabet, the HR manager at Western Enterprises, will get stock distributed to her from a trust when she retires. This is known as a(n) _____.

C) Employee stock ownership plan (ESOP)

62. In _____, employees agree to put some portion of their normal pay at risk if they don't meet their goals, in return for a much larger bonus if they exceed their goals.

A) earnings-at-risk pay plans

63. Studies suggest that ESOPs probably do lead to increases in employee _____.

B) sense of ownership

64. What percentage of large employers use some type of group- or team-based incentives?

D) 85%

65. The main feature of broad-based stock option plans is _____.

D) all or most employees can participate

66. Employees at GameTime Software participate in a gainsharing plan. Employee bonuses are calculated by dividing payroll expenses by total sales. GameTime Software most likely uses which one of the following plans?

D) Scanlon

67. McDonald Manufacturing contributes cash to a trust established to purchase shares of McDonald stock for employees. Which one of the following is most likely offered by McDonald Manufacturing?

D) employee stock ownership plans

68. Which one of the following is the primary benefit of employee stock ownership plans?

C) Firms may borrow against employee stock held in trust.

69. Research indicates that employee stock ownership plans most likely _____.

C) increase employee commitment

70. Top executives at DYS Enterprises are considering the idea of implementing an employee incentive plan. Which one of the following suggests that an incentive plan would NOT be appropriate at DYS Enterprises?

C) Employees are unskilled but motivated.

Open questions:

1. Briefly describe Vroom's theory and its three components. How can managers use Vroom's theory as they develop effective incentive plans?

Vroom's theory of motivation suggests that people's motivation depends on three factors: valence (the value they place on a reward), instrumentality (the connection between performance and reward), and expectancy (the belief that their efforts will lead to desired outcomes). Managers can apply this theory by ensuring clear links between effort, performance, and rewards in incentive plans, making rewards attractive to employees.

2. Explain the advantages and disadvantages of using piecework as a pay plan.

Piecework pay plans offer simplicity and clarity, fostering motivation by directly linking effort to earnings. However, historical exploitation has tainted their reputation, leading to distrust and resistance among employees. Moreover, they risk promoting rigidity and prioritizing quantity over quality, which can undermine overall performance. Additionally, reluctance to embrace job rotation may hinder workforce flexibility. Balancing these factors is crucial for effective implementation and employee satisfaction.

3. Employers may award merit pay as traditional merit increases that increase an employee's base pay or as a lump sum merit raise. Explain the pros and cons of these two choices.

Employers have two options for awarding merit pay: traditional merit increases and lump sum merit raises. Traditional increases are cumulative, affecting subsequent raises, while lump sum raises offer a one-time payment. Lump sum raises can minimize payroll expenses over time and may seem more significant to employees due to the large one-time payout. However, traditional increases provide ongoing incremental growth and stability in earnings.

4. Sometimes managers need to reinforce positive behavior but cannot turn to a cash incentive to do so. Identify some positive reinforcement rewards that a manager could use on a day-to-day basis to reward employees.

Managers can reinforce positive behavior without resorting to cash incentives by utilizing various non-monetary rewards such as employee recognition, gift certificates, special events, merchandise incentives, training programs, work/life benefits, and travel opportunities. Additionally, verbal encouragement, allowing employees to set their own goals, and providing performance feedback can further motivate employees and foster a positive work environment conducive to continuous improvement.

5. You are the manager of large used car retailer, and sales are sluggish. What incentive plan would be best for motivating your sales team?

For motivating a sluggish sales team in a used car retailer, a combination incentive plan with around 70% base salary and 30% commission is effective. This ensures a balance

between providing a steady income and incentivizing sales performance, mitigating the risk for both the salesperson and the company.

6. You are the CEO of Blue Bay Motor Boat Company, a mid-size firm that manufactures speed boats. What incentive plan would you implement for the firm's engineers? What incentive plan would you implement for the firm's managers? Explain why.

Stock options, bonuses, and profit sharing would be appropriate for the engineers. Recognition-based awards and nonfinancial incentives would most likely encourage engineers to work hard as well. For executives, stock options, performance shares, stock plans, and golden parachutes are useful long-term incentives. Annual bonuses are useful in motivating the short-term performance of managers.

7. What is the Sarbanes-Oxley Act? How does it affect incentive plans? Do you support the legislation? Why or why not?

The Sarbanes-Oxley Act of 2002 holds executives and board members accountable for fiduciary responsibilities to shareholders, requiring repayment of bonuses and incentives in case of financial restatements due to misconduct. It impacts executive incentive programs by emphasizing transparency and accountability. My stance on the legislation depends on its effectiveness and overall impact on corporate governance and investor confidence.

8. In a brief essay, discuss the difference between annual bonuses for employees and gainsharing plans.

Annual bonuses motivate short-term performance for managers, with adjustments of up to 25% or more based on eligibility, fund size, and individual performance. Gainsharing plans involve all employees in achieving productivity objectives, sharing resulting cost-saving gains. Popular gainsharing plans include Scanlon, Lincoln, Rucker, and Improshare, each determining bonuses differently. For instance, Scanlon divides payroll expenses by total sales, while Lincoln Electric distributes annual profits among employees based on merit ratings. Companies often customize gainsharing plans to suit their needs.

9. Explain the advantages of employee stock ownership plans.

Employee stock ownership plans (ESOPs) offer several advantages. Companies receive tax deductions for shares transferred to the trustee and for dividends on ESOP-owned stock. Employees are taxed upon distribution, often at retirement when rates are lower. The Employee Retirement Income Security Act allows firms to borrow against ESOP-held stock, repaying loans with pretax dollars. ESOPs help diversify closely held corporation shareholders' assets by placing shares into the trust and purchasing other securities.

Additionally, ESOPs foster employee ownership, commitment, financial incentives, and teamwork.

10. Describe what a Scanlon Plan is and its five major elements.

The Scanlon Plan, developed by Joseph Scanlon in 1937, consists of five key elements. Firstly, it promotes a philosophy of cooperation to eliminate "us" vs. "them" attitudes between managers and workers. Secondly, it emphasizes identity by articulating the company's mission and ensuring employees understand its operations. Thirdly, it requires competence, demanding high levels of skill and training. The fourth element is an involvement system where employees suggest improvements to departmental committees, which are then evaluated by an executive committee. Finally, the plan includes a benefit-sharing formula where employees receive 75% of savings from successful suggestions, promoting teamwork and innovation.

11. In a brief essay discuss the three points relating incentive plans to employee engagement.

Incentive plans can significantly impact employee engagement in several ways. Firstly, while many compensation plans don't explicitly include employee engagement as a goal, incorporating engagement metrics into variable pay programs can enhance engagement levels. Secondly, directly encouraging supervisors to foster engagement among their teams and rewarding them for doing so can be effective. Thirdly, involving employees in developing incentive programs fosters cooperation and commitment, proving to be more impactful than the rewards themselves.

Chapter 13

1. The indirect financial and nonfinancial payments employees receive for continuing their employment with a company are called _____.

C) benefits

2. Nonfinancial payments like health and life insurance, pensions, time off with pay, and child care facilities are examples of _____.

C) benefits

3. Which one of the following benefits is required by federal or state law?

A) unemployment insurance

4. All of the following benefits are required by federal or state law EXCEPT _____.

C) disability insurance

5. Which one of the following terms refers to benefits for time not worked, such as unemployment insurance, vacation and holiday pay, and sick pay?

A) supplemental pay benefits

6. Keith works as a construction foreman, and he is viewed as a reliable, competent employee. During the 2007-2009 recession, Keith's employer reduced its workforce and Keith was let go without the expectation of being called back. Which one of the following would most likely provide Keith with benefits?

B) unemployment insurance

7. Which one of the following provides pay to an employee when he or she is temporarily out of work because of illness?

A) sick leave

8. What is the maximum number of weeks of unpaid leave that an employee may take under the Family and Medical Leave Act?

C) twelve

9. All of the following are true statements regarding the application of the Family and Medical Leave Act EXCEPT _____.

A) employers must receive advance notice and medical certification from the employee

10. To be eligible for leave under the Family and Medical Leave Act, an employee must have worked _____ hours during the past twelve consecutive months.

C) 1250

11. Eric has worked full-time for a large manufacturing company for over three years. Eric and his wife have recently adopted a baby, and Eric wants to take time off from work to care for the child. Which one of the following laws most likely applies to Eric's situation?

B) Family and Medical Leave Act

12. The Family and Medical Leave Act _____.

B) ensures that an employer must grant an employee up to 12 weeks of leave in a 12-month period for the birth or care of a newborn child, placement of a child for adoption, to care for a spouse, child, or parent with a serious health condition, or to care for the employee's own serious health condition

13. Which one of the following is NOT an employer cost associated with granting leave to employees under the Family and Medical Leave Act?

C) paying employee for time not worked

14. Rita was terminated from her position as an accounts manager with Carson Financial, Inc. On her last day at work, Rita received a check for \$3,500. Which one of the following did Rita most likely receive from Carson Financial?

C) severance pay

15. All of the following are typical reasons that employers provide severance pay when downsizing EXCEPT _____.

D) adhering to government requirements

16. Elizabeth works at an auto manufacturing firm that recently shut down for five weeks to change machinery. However, during the shutdown, Elizabeth was able to maintain her standard of living because of the firm's _____.

A) supplemental unemployment benefits

17. Which one of the following requires employers to treat women affected by pregnancy, childbirth, or related medical conditions the same as any employee not able to work, with respect to all benefits?

B) Pregnancy Discrimination Act

18. Who contributes funds for workers' compensation benefits?

D) employers

19. Which one of the following provides income and medical benefits to employment-related accident victims or their dependents?

C) workers' compensation

20. Employers must provide employees who have work-related injuries with all of the following EXCEPT _____.

D) time off with full pay

21. Which one of the following conditions must be met for an injured employee to receive workers' compensation from the employer?

A) The employee was injured while on the job.

22. Which one of the following is a popular workers' compensation cost-control measure that involves coordinating the medical care and health insurance coverage for each injured employee?

B) case management

23. Which health benefit is offered by almost all employers?

C) prescription drug coverage

24. Which one of the following is a prepaid health care system that provides medical services for employees who pay a nominal fee?

B) HMO

25. _____ are groups of health care providers that contract with employers, insurance companies, or third-party payers to provide medical care services at a reduced fee.

A) PPOs

26. The primary difference between health maintenance organizations and preferred provider organizations is that _____.

D) PPOs allow patients to choose from a list of doctors without referrals

27. All of the following are the most likely reasons that mental health costs are rising EXCEPT _____.

B) more mental health referrals by specialists

28. Which one of the following sets minimum mental health care benefits?

D) Mental Health Parity Act

29. Which one of the following requires that most private employers continue to make health benefits available to terminated or retired employees and their families for a period of time?

B) COBRA

30. The Consolidated Omnibus Budget Reconciliation Act _____.

C) requires that most private employers continue to make health benefits available to terminated or retired employees and their families for a period of time

31. COBRA requires most private employers to continue to make health benefits available to terminated or retired employees and their families for a period of time, generally _____ months.

C) 18

32. Which one of the following is NOT a true statement about the Protection and Affordable Care Act of 2010?

B) Employers will be required to pay a 20% excise tax on high-cost health insurance plans.

33. Which one of the following represents the largest proportion of all reported disabilities?

C) mental illness

34. Which one of the following best describes the purpose of the Newborn Mother's Protection Act?

B) prohibit employer health plans from using incentives to encourage employees to leave the hospital after childbirth sooner than legally required

35. All of the following are preventive services offered by employers as part of their wellness programs EXCEPT _____.

C) case management services

36. In which one of the following can employers and employees deposit pretax wages to pay for non-catastrophic medical expenses?

C) health savings accounts

37. All of the following are health care cost-control methods used by employers EXCEPT _____.

C) requiring disability insurance

38. Which one of the following provides lower rates for the employer or employee and includes all employees regardless of health or physical condition?

B) group life insurance

39. About how many million people work part-time in the United States?

D) 19

40. For individuals born in 1960 or later, the full retirement age for non-discounted Social Security benefits is _____.

C) 67

41. Social Security offers all of the following EXCEPT _____.

C) tax refunds for retirees who are 55 and older

42. How is the Social Security program funded?

B) tax on employee wages

43. Which one of the following provides a fixed sum when employees reach a predetermined retirement age or can no longer work due to disability?

C) pension plan

44. Taxes on employee wages to fund Social Security apply to all earnings up to _____.

C) \$117,000

45. Medicare provides a wide range of health services to people age _____ or over.

C) 65

46. When an employer makes all of the contributions to the pension plan, the pension plan is classified as _____.

D) non-contributory

47. A plan that contains a formula for determining retirement benefits is known as a _____.

B) defined benefit pension plan

48. Malcolm is interviewing for a new job and he is evaluating the quality of the pension plans offered for each company he is considering. One company offers a pension plan in which the company will make all contributions to the plan and will base his pension benefit on a formula linked to his pay at the time of retirement and the number of years he was with the firm. This pension plan is most likely classified as _____.

B) non-contributory, defined benefit

49. Michiko must contribute at least 5% of her annual salary to her pension plan, and her employer contributes a set amount as well. She is given choices regarding how the money is invested. When she retires, the amount she has available will depend on how much she invested herself, and the rate of return on the investments she chose. This pension plan is most likely classified as _____.

C) contributory, defined contribution

50. A plan in which the employer's contribution to employees' retirement savings funds is specified is known as a _____.

D) defined contribution pension plan

51. All of the following are characteristic of 401(k) plans EXCEPT _____.

B) deduction replaces Social Security tax

52. Which one of the following refers to a plan in which employees contribute a portion of their earnings to a fund and the employer typically matches the contribution in whole or part?

B) 401(k) plan

53. All of the following characterize cash balance plans EXCEPT _____.

A) lacks portability

54. Which one of the following requires that pension rights be vested and protected by the Pension Benefits Guarantee Corporation?

B) Employee Retirement Income Security Act

55. Which one of the following provides guidelines regarding what rates of return employers should use in computing their pension plan values?

B) Job Creation and Worker Assistance Act

56. _____ provide services like financial counseling, child care referrals, elder care referrals, adoption assistance, mental health counseling, and life event planning.

B) Employee assistance programs

57. _____ seek(s) to enable employees to balance their job and family responsibilities.

C) Work-life benefits

58. Which one of the following benefits is NOT classified as a type of family-friendly benefit?

A) sick leave

59. Which term refers to individualized plans allowed by employers to accommodate employee preferences for benefits?

B) cafeteria benefits plan

60. Orion is a business software firm based in Atlanta that employs over 400 people. Orion has traditionally provided legislatively required benefits for its employees including Social Security, workers' compensation, and unemployment insurance. In addition, Orion offers employees health and dental insurance. Orion employees work Monday through Friday on a 9 to 5 schedule. Orion's top executives are considering the idea of adding a flexible benefits plan and implementing a flexible work schedule. Which one of the following, if true, best supports the argument that Orion should offer its employees a cafeteria benefits plan?

B) Some Orion employees have indicated that they would like vision insurance, while others have no interest in dental insurance.

61. Orion is a business software firm based in Atlanta that employs over 400 people. Orion has traditionally provided legislatively required benefits for its employees including Social Security, workers' compensation, and unemployment insurance. In addition, Orion offers employees health and dental insurance. Orion employees work Monday through Friday on a 9 to 5 schedule. Orion's top executives are considering the idea of adding a flexible benefits plan and implementing a flexible work schedule. Which one of the following, if true, undermines the argument that Orion should offer its employees a cafeteria plan?

A) A survey of Orion employees indicates that the majority of employees are very satisfied with the firm's current benefit offerings.

62. Which one of the following best explains why many businesses use employee leasing firms?

C) Small companies are able to get better insurance rates.

63. Stephanie has opted to work from 7 am to 3 pm so that she can be home when her son finishes school in the afternoons. Her company must offer _____ for Stephanie to have this option.

B) flextime

64. Which one of the following is an example of a compressed workweek?

B) Shannon works from 7 am to 5 pm Monday-Thursday.

65. Which one of the following occupations is commonly subjected to compressed workweeks?

D) pilot

66. Anne and Martha are both accountant supervisors at a large marketing firm. Anne works from 7:00 a.m. until 12:00 p.m. each day. Martha takes over the same position at 12:00 p.m. and works until 5:00 p.m. each day. Which one of the following most likely describes this type of work arrangement?

B) job sharing

67. Curt works at a computer firm that is experiencing financial difficulties. In an attempt to save money and prevent layoffs, the firm is enforcing a temporary reduction in work hours for Curt's division. Curt now works 35 hours a week instead of 40. Which one of the following most likely describes this situation?

C) work sharing

68. Orion is a business software firm based in Atlanta that employs over 400 people. Orion has traditionally provided legislatively required benefits for its employees including Social Security, workers' compensation, and unemployment insurance. In addition, Orion offers employees health and dental insurance. Orion employees work Monday through Friday on a 9 to 5 schedule. Orion's top executives are considering the idea of adding a flexible benefits plan and implementing a flexible work schedule. All of the following questions are relevant to Orion's decision to add a cafeteria plan EXCEPT which one?

C) How would a cafeteria plan alter Orion employees' Social Security benefits?

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A) Orion's single-parent employees are frequently late when arriving to work.

70. Orion is a business software firm based in Atlanta that employs over 400 people. Orion has traditionally provided legislatively required benefits for its employees including Social Security, workers' compensation, and unemployment insurance. In addition, Orion offers employees health and dental insurance. Orion employees work Monday through Friday on a 9 to 5 schedule. Orion's top executives are considering the idea of adding a flexible benefits plan and implementing a flexible work schedule. All of the following questions are relevant to Orion's decision to offer flextime and job-sharing options to its employees EXCEPT which one?

C) What work schedule configurations are legal?

Open questions

1. What benefits are required by federal or state laws? What benefits are discretionary on the part of employers? Describe the basic nature of several of these benefits.

Benefits required by law include Social Security, unemployment insurance, workers' compensation, and leaves under the FMLA. Discretionary benefits include disability, health, and life insurance, pension plans, executive perks, paid time off, employee assistance programs, and family-friendly benefits.

2. What is sick leave? Why is sick leave problematic for many employers? Discuss some ways organizations can reduce sick leave related costs.

Sick leave provides pay to employees during illness-related absences, but it's problematic for employers when it's misused for non-illness reasons. This absenteeism costs U.S. employers around \$100 billion annually, with only a third due to actual illness. Employers employ various strategies to reduce sick leave costs, such as repurchasing unused sick days, holding lotteries for perfect attendance, allowing employees to trade sick days for other benefits, and implementing pooled leave plans that combine sick, vacation, and personal days. These tactics aim to incentivize attendance and discourage misuse of sick leave.

3. As an HR manager, you need to control costs associated with unemployment insurance. What are steps you can take to protect your employer from paying unemployment claims for employees who were dismissed for inadequate performance?

1. Maintain a documented history of lateness, absence, and warning notices to demonstrate a pattern of poor performance.
2. Issue warnings to chronically late employees before considering discharge.
3. Implement a policy where three days' absence without calling results in automatic discharge.
4. Require a doctor's note upon returning to work after an absence to verify the reason for the absence.
5. Mandate written approval for personal leave to ensure clarity and accountability.
6. Set a clear date for the employee's return to work from leave to avoid ambiguity.
7. Obtain a signed resignation statement from employees voluntarily leaving their position.

8. Send job abandonment letters if an employee fails to return to work on time following a leave.
9. Document all instances of poor performance and the steps taken to address them.
10. Ensure supervisors document efforts made to remedy performance issues.
11. File protests against former employees' unemployment claims promptly and with appropriate evidence.
12. Attend hearings and appeal unwarranted claims to contest them effectively.
13. Review every claim against the individual's personnel file for accuracy and completeness.
14. Conduct exit interviews routinely to gather information that can be used to protest unemployment claims effectively.

4. What policy issues must employers address when developing benefit plans? What federal laws influence employers' pension and health plans?

When developing benefit plans, employers must address several policy issues, including what benefits to offer, coverage eligibility, retiree inclusion, probationary periods, financing, employee choice, cost containment, and communication. Federal laws such as COBRA, ERISA, FMLA, HIPAA, and the ADA influence employers' pension and health plans.

5. Private employers forced to downsize are required to provide COBRA coverage, and some firms offer dismissed employees severance pay. How do employers benefit from providing severance pay to dismissed employees? How do employees benefit from COBRA?

Employers benefit from providing severance pay to dismissed employees by demonstrating goodwill, improving public relations, ensuring fairness, and potentially avoiding litigation. COBRA requires most private employers to offer continued health benefits to separated employees and their families for up to 18 months, allowing coverage to continue without interruption until the individual finds new employment or obtains their own insurance.

6. Because health care coverage is one of the most expensive benefits employers provide, many employers are trying to cut costs. What are some strategies for minimizing costs associated with employee health care?

Employers aim to minimize health care costs by implementing strategies such as measuring and auditing costs, instituting wellness programs, providing on-site primary

care, retaining cost containment specialists, offering health savings accounts, high deductible plans, defined contribution health insurance plans, and accountable care organizations (ACOs).

7. What are the three types of benefits provided by Social Security?

Social Security offers retirement benefits, survivor's death benefits, and disability payments. Retirement benefits provide income for those retiring at age 62 or later, death benefits offer monthly payments to dependents regardless of the deceased's age, and disability payments support those who are totally disabled and meet specific criteria, extending to their dependents if they work.

8. What are vested funds? What is the difference between cliff vesting and graded vesting?

Vested funds are contributions placed by both employer and employee in a pension fund, which cannot be forfeited. Cliff vesting requires a three-year period for acquiring nonforfeitable rights to employer matching contributions. Graded vesting mandates nonforfeitable rights to matching contributions incrementally, such as 20% after 2 years and 20% each subsequent year, reaching 100% after 6 years.

9. What are the key steps for launching a successful EAP program? Should firms offer EAPs? Why or why not?

Launching a successful EAP program involves key steps such as ensuring confidentiality, addressing legal issues, defining program purpose and procedures, and selecting qualified vendors. Employers should carefully consider offering EAPs as they can provide numerous benefits, including reduced absences and expert advice on various issues like elder care referrals.

10. Why are family-friendly benefits increasingly popular? Provide examples of family-friendly benefits.

Family-friendly benefits are growing in popularity due to increasing dual-income households, single-parent households, women's participation in the workforce, and heightened work demands. Examples of such benefits include child care, elder care, fitness facilities, sick child benefits, and educational subsidies.

Chapter 14

1. Joel is a manager who is doing an activity that involves establishing and maintaining the positive employee-employer relationships that contribute to satisfactory productivity and a cohesive work environment. This is defined as

A) employee relations

2. _____ is the activity that involves establishing and maintaining the positive employee-employer relationship.

B) Employee relations

3. Unfair treatment of employees in the workplace causes all the following EXCEPT _____.

C) reduced stress

4. Which of the following is NOT an effect of an abusive supervisor?

A) more likely to stay with the company

5. According to surveys, at work, fair treatment reflects concrete actions such as, "Employees are treated with respect and _____."

B) treated fairly

6. What are the two main components of organizational justice?

B) procedural justice and distributive justice

7. Which component of organizational justice refers to the fairness and justice of a decision's result?

A) distributive justice

8. The distributive justice component of organizational justice is best defined as the _____.

B) fairness of the decision's outcomes

9. Which component of organizational justice refers to the fairness of a process?

B) procedural justice

10. Which of the following best defines procedural justice?

C) fairness of the process used to make a decision

11. The company Wilson works for believes it should (and it does) channel resources toward improving one or more segments of society other than the firm's owners or stockholders. This is known as:

D) corporate social responsibility

12. As a manager, all of the following would most likely encourage ethical behavior among subordinates EXCEPT _____.

D) taking credit for others' work

13. Johnson & Johnson has a corporate ethics code that states "We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services." What is the most likely purpose of Johnson & Johnson's ethics code?

C) clarifying expectations for employees

14. When a company rewards employees who behave ethically using the firm's incentive plan and appraisal system, they are _____ to encourage ethical behavior.

A) providing physical support

15. According to surveys, which of the following is the primary cause of ethical compromises in the workplace?

B) meeting schedule pressures

16. A(n) _____ is a type of formal problem-solving team, usually composed of 6 to 12 specially trained employees who meet weekly to solve problems affecting their work area.

D) quality circle

17. Which of the following is NOT an element of bullying?

A) submission

18. What is defined as the perceptions a company's employees share about the firm's psychological environment?

D) organizational climate

19. A recent survey found approximately what percentage of organizations use social media tools to communicate with employees and to help develop a sense of community?

C) 50%

20. Julio is part of a team of 8 at work which runs itself with little supervision to accomplish a specific task. This is an example of what type of team?

B) self-managing work team

21. The definition of a _____ is a temporary team whose members work on specific analytical assignments, such as how to cut costs or raise productivity.

B) suggestion team

22. Semi-permanent teams that identify and research work processes and develop solutions to work-related problems are called:

C) problem-solving teams

23. Self-managed teams typically have how many members?

C) 8-10

24. Which type of bullying involves hitting, punching, and shoving?

D) physical

25. Which type of bullying involves name-calling and teasing?

A) verbal

26. Which type of bullying involves using the Internet, mobile phones, or other digital technologies to harm others?

C) cyber bullying

27. Which element of bullying involves the use of power to control or harm and the people being bullied may have a hard time defending themselves?

B) imbalance of power

28. _____ is/are actions not done by accident but with a goal to cause harm.

C) Intent to cause harm

29. All of the following are common elements of bullying EXCEPT _____.

C) verbal name-calling

20. Which type of bullying involves spreading rumors and purposely breaking up friendships in the workplace?

D) social bullying

21. The principles of conduct governing an individual or a group are referred to as _____.

B) ethics

22. _____ means society's accepted standards of behavior and always involves basic questions of right and wrong.

C) Morality

23. Ethics refers to the _____.

B) principles of conduct governing an individual or group

24. Which of the following guides the most serious societal behaviors such as murder, stealing, and slander?

D) moral standards

25. Based on research into ethical behavior in the workplace, which of the following is a true statement?

C) Managers significantly influence the ethical behavior of their subordinates.

26. Which of the following terms refers to the characteristic values, traditions, and behaviors a company's employees share?

A) organizational culture

27. Which of the following best defines organizational culture?

B) characteristic values, traditions, and behaviors a firm's employees share

28. Which of the following best defines values as they relate to organizational culture?

C) basic beliefs about what is right or wrong

29. The applicant screening process would most likely be considered unfair if an HR manager _____.

B) focused mostly on personality issues

30. What is the most likely reason for more firms providing ethics training to employees?

D) Federal laws encourage firms to comply with ethics training guidelines.

31. Health-Tech Materials is a firm that manufactures medical equipment purchased by hospitals and clinics. The firm employs over 2,500 workers in its two manufacturing facilities located in Texas and Arizona. Recently, Health-Tech dismissed a number of employees for ethics violations ranging from improper Internet usage to stealing company funds. In addition, the firm has been sued by two former employees for wrongful discharge. As a result, Health-Tech's top executives are evaluating the firm's hiring process, ethics

training system, reward system, and disciplinary system to determine how to promote ethics and fair treatment.

Health-Tech's HR department has devised a brief ethics test for employees to use when determining if their actions match Health-Tech's code of conduct. Which of the following questions is LEAST likely to be included on the ethics test?

C) Would I perform this action if I worked for a Health-Tech competitor?

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Which of the following, if true, best supports the argument that Health-Tech should utilize online ethics program software?

A) Health-Tech executives want to quantify the types of ethical issues that are most common at the firm in order to provide the most relevant training to employees.

33. Which of the following is NOT one of the four types of privacy violations upheld by courts?

B) drug testing

34. Which of the following involves using fingerprints or iris scans to identify employees?

D) biometrics

35. The business purpose exception to the Electronic Communications Privacy Act permits _____.

B) employers to monitor communications if they can show a legitimate business reason for doing so

36. The consent exception to the Electronic Communications Privacy Act permits _____.

B) employers to monitor employee communications if the employees have given informed consent

37. According to one study, what percentage of HR professionals have observed misconduct at work?

C) 54%

38. A review of 30 years of ethics research concluded that there are three major factors that combine to determine the ethical choices we make. Which of the following is NOT one of them?

D) Bad Behaviors

39. In the model of 3 factors that combine to determine ethical choices, which factor involves company environments that foster unethical choices?

C) Bad Barrels

40. _____ refer to people who are inclined to make unethical choices.

C) Bad apples

41. Researchers surveyed CEOs to study the CEOs' intentions to engage in two questionable practices: soliciting a competitor's technological secrets, and making illegal payments to foreign officials. What did they find most strongly affected such decisions?

B) personal predispositions

42. When examining ethical situations, what kind of ethical dilemmas prompt more bad choices?

B) small dilemmas

43. What kind of company cultures tend to lead to more unethical choices?

A) "everyone for him- or herself" culture

44. Carlos, a marketing manager at Devon Consulting, is attending an ethics training program at his workplace. During the training, Carlos is LEAST likely to learn how to _____.

B) role play employee dismissals

45. All of the following would most likely be addressed in an ethics audit EXCEPT _____.

C) intranet usage

46. What is the main purpose of the Electronic Communications Privacy Act (ECPA)?

A) help restrict interception and monitoring of oral and wire communications

47. Which of the following is NOT a major way HR managers can create more ethical organizational environments?

C) punish whistleblowers

48. Health-Tech Materials is a firm that manufactures medical equipment purchased by hospitals and clinics. The firm employs over 2,500 workers in its two manufacturing facilities located in Texas and Arizona. Recently, Health-Tech dismissed a number of employees for ethics violations ranging from improper Internet usage to stealing company funds. In addition, the firm has been sued by two former employees for wrongful discharge. As a result, Health-Tech's top executives are evaluating the firm's hiring process, ethics training system, reward system, and disciplinary system to determine how to promote ethics and fair treatment.

Which of the following best supports the argument that Health-Tech should make significant changes to its disciplinary process?

D) Historically, arbitrators have overturned the dismissal decisions of Health-Tech's managers because of unclear company rules.

49. Which of the following is the primary element of properly developed disciplinary procedures?

B) clearly established rules

50. In which organizational document are an organization's rules and regulations usually stated?

A) employee handbook

51. Which of the following terms refers to discipline without punishment?

B) nonpunitive discipline

52. Employees at R&R Carpet and Tile are allowed to take one-hour lunch breaks. Todd's assistant, Suzanne, took a two-hour lunch break today without prior approval. Suzanne has never broken any other rules since being employed by the company. R&R has a nonpunitive discipline policy. Which of the following will most likely be Todd's response to Suzanne's violation?

D) issuing an oral reminder to Suzanne

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employees for ethics violations ranging from improper Internet usage to stealing company funds. In addition, the firm has been sued by two former employees for wrongful discharge. As a result, Health-Tech's top executives are evaluating the firm's hiring process, ethics training system, reward system, and disciplinary system to determine how to promote ethics and fair treatment.

Which of the following undermines the argument that Health-Tech should shift from a traditional discipline system to a non-punitive discipline system?

A) The most common employee discipline situations at Health-Tech involve theft or physical altercations.

54. The main purpose of discipline in organizations is to:

B) encourage employees to behave sensibly at work

55. From the perspective of discipline, employees behaving "sensibly" means what?

B) adhering to rules and regulations

56. Several researchers have found evidence for what they call the "Evil Woman Thesis," which is:

C) when a woman doesn't act the way other men and women expect she should act, people tend to treat her more harshly than they might if a man acted unexpectedly

57. In major league baseball the first time a player tests positive for steroids they receive an 80- game ban. The 2nd time they test positive for steroids they get a 162-game ban. A 3rd positive test leads to a lifetime ban from major league baseball. This increasing punishment is an example of which element of discipline?

B) progressive discipline

58. Tracy is frequently absent from work and almost always late, so her manager has decided to fire her. Which of the following grounds for dismissal will her manager most likely use?

C) unsatisfactory performance

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training system, reward system, and disciplinary system to determine how to promote ethics and fair treatment.

Which of the following best supports the argument that Health-Tech should distribute an anonymous survey to gather information about employee attitudes about management?

C) Exit interviews at Health-Tech indicate that employees feel uncomfortable about raising ethics concerns with managers.

60. Which of the following is the first step in FedEx's guaranteed fair treatment program?

B) management review

Open questions

1. What is organizational justice? How does it related to performance appraisal?

Organizational justice involves fairness in decision-making within a company, including distributive justice (fair outcomes) and procedural justice (fair processes). Performance appraisals are crucial in demonstrating organizational justice. Fair appraisals ensure clear standards, objectivity, and transparency. However, using appraisals for political reasons can signal unfairness and harm the company's reputation. To promote organizational justice, maintain clear standards, transparent processes, and include ethics goals in appraisals, especially for senior leaders.

2. Discuss at least 2 different types of employee involvement teams. Define each type and when an organization might use them.

Employers employ various types of employee involvement teams for engagement. Suggestion teams tackle specific tasks like cost reduction. Problem-solving teams address work-related issues with supervisors and employees. Quality circles, with specialized training, solve problems in their area. Self-managing teams, with autonomy, complete specific missions with minimal supervision, like installing auto dashboards or processing insurance claims.

3. What are the main characteristics of workplace bullying? How can employers and their HR departments reduce bullying incidents in the workplace?

Workplace bullying involves singling out someone for mistreatment, typically characterized by an imbalance of power, intent to cause harm, and repetitive behavior. To address bullying, employers and HR departments should implement systems to identify and address unfair treatment promptly. This includes monitoring social media use, establishing ethics codes, and fostering a culture of zero tolerance for bullying.

4. What is morality? How does an employee's morality relate to making ethical decisions in the workplace?

Morality refers to society's highest accepted standards of behavior, guiding actions in serious matters like murder and lying. It triggers strong emotions and remains largely internalized. In the workplace, employees' personal morality significantly influences ethical decision-making. Research suggests that CEOs' personal inclinations have a stronger impact on decisions than external pressures or organizational factors.

5. What is organizational culture? How can managers influence the ethical nature of a firm's culture?

Organizational culture encompasses shared values, traditions, and behaviors within a company. Managers play a crucial role in shaping the ethical nature of this culture. They can achieve this by clearly defining expectations regarding values, offering support for ethical conduct, and leading by example. By fostering an environment where ethical behavior is rewarded and encouraged, managers can cultivate a culture that promotes integrity and responsibility among employees.

6. What is the "Bad Apples, Bad Cases, and Bad Barrels" way of looking at ethics in organizations? Describe each category.

In ethics research, the "Bad Apples, Bad Cases, and Bad Barrels" framework identifies three factors influencing ethical choices. "Bad Apples" refer to individuals inclined towards unethical behavior. "Bad Cases" denote situations prone to unethical choices. "Bad Barrels" represent company environments fostering or condoning unethical behavior. When these elements converge, individuals are more likely to act unethically.

7. What can you do as an HR manager to ensure that you hire ethical employees?

Employers can start before the applicant even applies by creating recruitment materials that emphasize ethics. Use tools such as honesty tests and background checks to screen out undesirables. Ask behavioral questions such as, "Have you ever observed someone stretching the rules at work? What did you do about it?"

8. What is the Electronic Communications Privacy Act? What are its two primary exceptions?

The Electronic Communications Privacy Act (ECPA) is a federal law regulating interception and monitoring of oral and wire communications. It includes two primary exceptions: the "business purpose exception," allowing monitoring for legitimate business reasons, and

the "consent exception," permitting monitoring with employee consent. Organizations must ensure compliance with these exceptions to avoid illegal monitoring.

9. How do both firms make sure disciplinary processes are fair? Describe the 3 pillars of a fair process.

To ensure fairness in disciplinary processes, firms rely on three pillars: clear rules and regulations, a system of progressive penalties, and an appeals process. Clear rules establish expectations for behavior, covering issues like theft and insubordination. Progressive penalties vary in severity based on the offense and recurrence, from warnings to discharge. An appeals process allows employees to challenge decisions, ensuring fair treatment and oversight by supervisors.

10. What is nonpunitive discipline? What are the steps of the nonpunitive discipline process? If you were a manager, would you use a system of traditional discipline or nonpunitive discipline? Why?

Nonpunitive discipline involves addressing rule violations without punishment. The process includes: oral reminder, written reminder, private discussion, one-day leave with pay for reflection, decision meeting with supervisor, and potential dismissal for repeated behavior. If I were a manager, I would consider using nonpunitive discipline because it prioritizes coaching and improvement rather than punishment, fostering a supportive and developmental environment for employees.

Chapter 16

1. While accident rates are falling, in one recent year _____ U.S. workers died in workplace incidents.

B) 4405

2. Which of the following is the supervisor's primary role in safety?

A) conducting daily safety inspections of the workplace

3. All of the following are effective ways that employers reduce workers' compensation costs EXCEPT _____.

C) providing classroom training

4. Which of the following best describes the primary purpose of the Occupational Safety and Health Administration?

A) set and enforce the safety and health standards for almost all workers in the U.S.

5. The Occupational Safety and Health Act was intended to _____.

B) assure every person safe and healthful working conditions

6. All of the following are covered by the Occupational Safety and Health Act EXCEPT _____.

D) self-employed persons

7. Which government agency enforces the standards set out in the Occupational Safety and Health Act?

D) Department of Labor

8. Under OSHA, employers with _____ or more employees must maintain records of and report occupational injuries and occupational illnesses.

B) 11

9. What term is used to describe any abnormal condition or disorder caused by exposure to environmental factors associated with employment?

C) occupational illness

10. According to OSHA, employers must report occupational injuries that result in any of the following EXCEPT _____.

A) first aid treatment

11. Which of the following would most likely NOT be considered a reportable injury according to OSHA?

B) John sprains his ankle after becoming tangled in his car's seat belt in the company parking lot.

12. According to OSHA, which of the following would most likely be considered the highest priority?

B) inspecting a site where there may be imminent danger

13. Which of the following would be considered OSHA's lowest priority for inspection?

A) conducting a follow-up inspection

14. When a complaint indicates the possibility of imminent danger, OSHA conducts an inspection within _____.

B) 24 hours

15. Which of the following is LEAST likely to be considered when OSHA calculates a penalty?

D) legal representation

16. According to the Occupational Safety and Health Act, employers are responsible for _____.

B) examining workplace conditions for OSHA compliance

17. What is the primary cause of workplace accidents?

B) unsafe conditions

18. Improperly guarded equipment, defective equipment, hazardous procedures, and improper ventilation are all examples of _____.

B) unsafe conditions

19. Which of the following accounts for one-third of all industrial accidents?

A) forklifts and wheelbarrows

20. Which of the following factors is LEAST likely to contribute to accidents at work?

C) day of the week

21. All of the following personality traits are associated with people who file vehicular insurance claims EXCEPT _____.

C) clumsiness

22. All of the following are effective methods of improving workplace safety EXCEPT _____.

D) setting unreasonable but challenging safety goals

23. Which of the following is NOT a method of minimizing workplace accidents?

D) paying better wages

24. Supervisors can reduce unsafe acts in all of the following ways EXCEPT by _____.

B) identifying employee interests and preferences

25. In most large facilities, who is responsible for reducing unsafe working conditions and reducing unsafe acts by employees?

A) chief safety officer

26. All of the following are considered vulnerable workers EXCEPT _____.

B) male workers

27. Which of the following should be the first method used to reduce workplace accidents?

C) removing physical hazards

28. Thermo is a plastic supply and custom fabrication company. Thermo serves clients in the medical, solar, and semiconductor industries by making acrylic and polycarbonate sheets, tubes, and rods. The company employs approximately 500 workers at its facility in Ohio. Safety is a top priority at Thermo, and supervisors are required to conduct daily inspections of all equipment. Recently, three workers were seriously injured by a large press used to mold plastic parts. The workers spent time in the hospital for hand injuries, and they are currently recuperating at home. As a result, top management is evaluating all aspects of safety at the facility to determine what changes need to be made.

Which of the following, if true, supports the argument that Thermo needs to modify its screening, placement, and training procedures?

C) Interviews with the injured workers indicate that the most experienced worker removed the safety guard and the other two workers did not know how to respond.

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Which of the following questions is LEAST relevant to Thermo's decision to minimize unsafe acts at the facility?

A) Have Thermo managers trained employees in the use of the company's mechanical security system?

30. How do managers reduce unsafe acts through selection?

A) identify traits linked to job accidents and screen candidates for such traits

31. OSHA standards on respiratory protection require that employees _____.

C) demonstrate how to inspect, put on, and remove respirator seals

32. A safety program that identifies employee conduct that contributes to accidents and then trains workers to avoid such conduct is known as a(n) _____ program.

B) behavior-based safety

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Which of the following, if true, best supports the argument that Thermo supervisors need additional training in OSHA standards?

B) The safety gate had been removed from the press to bypass a safety interlock, and the gate was not replaced prior to the three workers using the machine during their morning shift at Thermo.

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Which of the following, if true, best supports the argument that Thermo needs to implement a positive reinforcement program?

B) The injured workers removed a safety guard while operating the press to speed the process.

35. Which term refers to systematically identifying and eliminating workplace dangers by focusing on the relationship between the worker, the task, the tools, and the work environment?

B) job hazard analysis

36. The HR manager at Thompson Industries has been given the task of reducing the number of unsafe acts and creating a supportive environment. Which of the following would be LEAST effective?

A) conducting an organizational safety review

37. When an agency checks to see if units under their jurisdiction are following safety laws and rules, that is known as a(n):

C) operational safety review

38. According to research, which of the following is an increasing cause of motor vehicle crashes that contribute to 24% of motor vehicle crashes per year?

C) cell phone usage

39. Which of the following is conducted by an agency to determine if a work site is in compliance with safety laws and regulations?

D) operational safety review

40. Workplace security plans should address all the following EXCEPT _____.

A) making security functions more informal

41. Toyota uses cadmium pigments in the paint for its cars. At the Toyota plant, air samples are frequently taken as a precautionary measure to ensure that employees are not exposed to levels outside the OSHA safety standards. Which of the following best describes this situation?

C) industrial hygiene

42. Which of the following is a major source of occupational respiratory disease?

D) asbestos

43. OSHA standards list exposure limits for about how many chemicals?

C) 600

44. If your employees are traveling to and from international destinations, which of the following is the most appropriate option for preventing the entry or spread of an infectious disease?

B) denying workers facility access for ten days

45. All of the following recommendations are suggested for companies seeking to minimize the entry or spread of infectious diseases EXCEPT _____.

B) administering drug tests frequently

46. What percent of the US workforce has been impaired on the job (due to alcohol or illegal drugs) at least once during the previous year?

B) Fifteen

47. Which of the following is one of the earliest indicators of an employee's possible alcoholism?

C) missed deadlines

48. Centerline Communications wants to reduce the number of workplace accidents associated with employee substance abuse. Which of the following would be the most effective method to accomplish this goal?

D) a combination of preemployment drug testing and random ongoing drug testing

49. Which of the following is NOT one of the primary methods of dealing with a current employee who tests positive for illegal drugs?

A) arrest

50. All of the following are symptoms of employees in advanced stages of alcoholism EXCEPT _____.

C) delegating job responsibilities

51. Lisa, a supervisor at a manufacturing facility, suspects that one of her subordinates may be under the influence of drugs or alcohol. Which of the following actions should Lisa take?

C) Lisa should observe the worker for signs of impairment.

52. In some cases, employees accused of alcoholism or drug abuse have retaliated by suing the employer for all of the following EXCEPT _____.

B) OSHA violations

53. Which of the following is a personal factor that can lead to stress?

C) divorce

54. David is experiencing significant levels of job stress in his position as vice president of marketing. Which of the following is LEAST likely to be a consequence of David's stress?

B) cancer

55. Which of the following will most likely increase as a result of employees experiencing significant job stress?

C) health care costs

56. Employees who wish to lower their job stress will most likely benefit from doing all of the following activities EXCEPT _____.

B) putting off dealing with distasteful problems

57. Research estimates that health care costs are _____ higher for highly stressed workers than for workers who experience low amounts of stress.

C) 46%

58. _____ is defined as the total depletion of physical and mental resources caused by excessive striving to reach an unrealistic work-related goal.

D) Burnout

59. As an HR manager, you need to be aware of the symptoms of burnout among employees. Which of the following is most likely NOT a sign of employee burnout?

B) absenteeism

60. Experts suggest that burnout can most effectively be reduced by _____.

D) reassessing goals

61. Employee depression results in as many as _____ total lost workdays in the United States each year.

D) 68 million

62. All of the following are most likely signs of employee depression EXCEPT _____.

B) burnout

63. Which of the following is a true statement regarding workplace smoking?

C) Employers may dismiss workers because they smoke at home.

64. Data entry specialists and assembly line workers are most susceptible to _____.

A) repetitive motion disorders

65. _____ relates to protecting employees from internal and external security risks.

B) Security

66. According to SHRM survey, _____ percent of responding organizations now have some type of formal disaster plan.

B) 85

67. _____ is "the process of assessing exposures to loss within an operation and determining how best to eliminate, manage or otherwise reduce the risk of an adverse event from having a negative impact on the business."

D) Risk management

68. Which of the following terms refers to taking advantage of a facility's architectural features in order to minimize security problems?

C) natural security

69. The mail room at Citibank uses special scanners to check the safety of incoming mail. This is most likely an example of _____.

A) mechanical security

70. The security guards and tellers at National Bank receive extensive training on how to handle medical emergencies, angry customers, and suspicious packages. Which of the following security programs is most likely being used at National Bank?

C) organizational security

Open questions

1. What is OSHA and how does it help protect workers?

OSHA, the Occupational Safety and Health Administration, safeguards workers and reduces workplace accidents by enforcing safety and health standards established under the Occupational Safety and Health Act of 1970. Employers with 11 or more employees must record and report certain occupational injuries and illnesses. OSHA conducts unannounced inspections to ensure compliance, prioritizing imminent dangers, accidents, complaints, high-hazard industries, and follow-ups. In addition to inspections, OSHA addresses over 3,000 whistleblower cases annually.

2. What types of unsafe conditions are the primary focus of OSHA standards? How does OSHA enforce its standards?

OSHA standards primarily target unsafe conditions such as improperly guarded equipment, defective machinery, hazardous procedures, unsafe storage, inadequate illumination, and ventilation. OSHA enforces these standards through unannounced inspections and citations, with inspections requiring employer consent or a search warrant. With a focus on fair enforcement, OSHA combines inspections with outreach, education, compliance assistance, and cooperative programs with employers.

3. What is the supervisor's role in workplace safety? What actions can supervisors take to reduce the number of unsafe acts by subordinates?

Supervisors play a crucial role in workplace safety by conducting daily inspections and taking proactive measures to reduce unsafe acts by subordinates. They can emphasize top management's commitment to safety, establish safety policies, improve selection processes, provide training, use posters, offer positive reinforcement, implement behavior-based safety programs, encourage worker participation, and conduct regular safety inspections.

4. Discuss what a job hazard analysis is and how it can be conducted.

Job hazard analysis systematically identifies and eliminates workplace hazards before accidents occur, focusing on worker-task-tool-environment relationships. It aims to reduce risks to acceptable levels. For example, in a science lab, hazards like hair getting caught in machinery are identified by considering potential consequences, how accidents could happen, and contributing factors like speed. This analysis helps prevent accidents and ensures a safer work environment.

5. What steps are involved in a basic industrial hygiene program?

A basic industrial hygiene program involves three steps: recognition, evaluation, and control of exposure hazards. Recognition entails identifying potential hazards through surveys, interviews, and standards review. Evaluation assesses the severity of hazards by measuring exposure and comparing to benchmarks. Control involves eliminating or reducing hazards to acceptable levels, ensuring a safer work environment.

6. What steps can employers take to prevent the entry or spread of infectious diseases in the workplace?

1. Closely monitor Centers for Disease Control travel alerts.
2. Provide daily medical screenings for employees returning from infected areas.

3. Deny facility access for 10 days to employees or visitors returning from infected areas.
4. Tell employees to stay home if they have a fever or respiratory system symptoms.
5. Clean work areas and surfaces regularly.
6. Stagger breaks. Offer several lunch periods to reduce overcrowding.
7. Emphasize to employees the importance of frequent hand washing and sanitization.

7. In a brief essay, discuss the observable behaviors that may indicate an employee has an alcohol-related problem. Identify and describe the behavior associated with each stage of alcoholism.

Stage 1, the early stage, is characterized by tardiness, leaving work early, missed deadlines, errors, and poor job efficiency.

Stage 2, the middle stage, is characterized by frequent days off with vague reasons, changes in behavior, avoidance of others, anxiety, and injuries at work.

Stage 3, the advanced stage, is characterized by personal neglect, unsteady gait, violent outbursts, blackouts, frequent accidents, and incompetent performance.

8. What are the factors leading to job stress? How can employees reduce their job stress?

Job stress can be caused by both external and personal factors. External factors include work schedule, work pace, job security, client interaction, and noise. Personal factors include things like personality and work-family conflict. The following suggestions may assist in reducing job stress.

- Build good working relationships with colleagues.
- Do not accept work overloads.
- Build an effective relationship with one's supervisor.
- Negotiate for realistic deadlines.
- Learn about upcoming events and get lead time to prepare.
- Find time each day to relax.
- Take a walk.
- Reduce unnecessary noise.
- Reduce the amount of trivia in one's job.

- Limit interruptions.
- Deal with distasteful problems as soon as possible.
- Make a constructive "worry" list with possible solutions for each problem.

9. What class of risk do employers have to manage? How do employers manage such risk?

Employers manage different classes of risks through various methods. Internal preventable risks, stemming from actions within the company like workplace accidents, are managed with codes of conduct and disciplinary procedures. Strategy risks, accepted as part of executing strategies, are managed using independent and internal experts. External risks, originating from outside the company such as natural disasters, are managed through methods like scenario planning.

10. When setting up a basic security program, what are the primary threat assessment matters that need to be addressed? Discuss the role of natural, mechanical, and organizational security in your security program.

When setting up a basic security program, primary threat assessment matters include evaluating access points, interior security, emergency procedures, mail handling, evacuation plans, and backup systems. Natural security utilizes architectural features to minimize risks, mechanical security involves security systems like locks and alarms, while organizational security entails effective management practices such as training security staff. These components collectively contribute to a comprehensive security program aimed at mitigating potential threats.

Chapter 17

1. Which of the following terms refers to the human resource management concepts and techniques employers use to manage the challenges of their international operations?

B) international human resource management

2. International human resource management (IHRM) focuses on three main topics. Which of the following is NOT one of them?

C) domestic company partnerships

3. Geert Hofstede called the extent to which less powerful members of institutions accept and expect an unequal power distribution _____.

C) power distance

4. According to research, which of the following is a greater concern to Chinese managers than United States managers?

D) maintaining a harmonious work environment

5. In which country do individuals have a high acceptance of unequal power distribution between managers and subordinates?

A) Mexico

6. Of the countries listed below, in which one do production workers receive the lowest hourly wage?

B) Philippines

7. _____ are formal, employee-elected groups of worker representatives that meet monthly with managers to discuss topics affecting the employees.

B) Work councils

8. In many European countries, _____ replace the union-based worker-management mediations typical in the U.S.

C) work councils

9. In Germany, employees have the legal right to a voice in setting company policies. This is called _____.

A) codetermination

10. The European Union is best described as a _____.

B) common market for goods, services, capital, and labor

11. Which of the following is a true statement regarding the European Union?

A) EU employers must provide employees with written terms of their employment.

12. Why is recruiting, hiring, and retaining good employees difficult in China?

C) government restrictions

13. In China, qualified job candidates are most likely to be interested in a firm that offers _____.

D) training and development programs

14. Daniel is a manager for Siemens China, and it is time to conduct performance appraisals. During the appraisals, it would be most effective for Daniel to _____.

C) focus on quantifiable, objective results

15. _____ are citizens of the countries where they are working.

D) Locals

16. Of the types of international workers that multinational companies can employ, locals are best described as _____.

A) citizens of the countries where they are working

17. Marie is an Italian executive working in a manufacturing plant in Siena, Italy that is owned by a parent company based in Singapore. Marie is a(n) _____.

A) local

18. Jason is a British freelance journalist working in Paris, so he is most likely classified as a(n) _____.

B) expatriate

19. _____ are noncitizens of the countries in which they are working.

C) Expatriates

20. In January 2009, Walmart acquired a controlling interest in Chile's leading food retailer. Since then, Walmart has opened the first environmentally friendly supermarket in Chile that uses energy efficient technology throughout the store. Walmart is planning to open additional stores in Chile over the next seven years. Walmart's top executives are considering the idea of transferring U.S. managers to Chile to oversee the construction and establishment of the new stores.

Which of the following questions is LEAST relevant to the decision to fill management positions in Chile with expatriates?

C) What is the planned Walmart marketing strategy for the new stores in Chile?

21. Which of the following terms refers to citizens of a country other than the parent or the host country?

A) third-country national

22. Peter is a German citizen working as a manager for Siemens in Freiberg, Germany. Siemens has facilities all over the world but its headquarters is in Germany. Peter is best categorized as a(n) _____.

C) home-country national

23. Which of the following terms refers to citizens of the country in which the multinational company has its headquarters?

C) home-country nationals

24. Roberta is an Italian citizen who spent a great deal of time during her childhood in England. She now works in Brazil as an HR manager for a British company. Roberta is best described as a(n) _____.

B) third-country national

25. In January 2009, Walmart acquired a controlling interest in Chile's leading food retailer. Since then, Walmart has opened the first environmentally friendly supermarket in Chile that uses energy efficient technology throughout the store. Walmart is planning to open additional stores in Chile over the next seven years. Walmart's top executives are considering the idea of transferring U.S. managers to Chile to oversee the construction and establishment of the new stores.

Which of the following, if true, supports the argument that locals should be hired to fill management positions in Chile?

A) Chile has a high percentage of younger workers with college degrees.

26. Which of the following is the primary disadvantage of using expatriates to fill foreign subsidiary management positions?

A) high costs associated with relocation

27. All of the following are reasons that firms rely heavily on locals to fill foreign subsidiary management positions EXCEPT _____.

D) high level of skills and technical qualifications

28. In January 2009, Walmart acquired a controlling interest in Chile's leading food retailer. Since then, Walmart has opened the first environmentally friendly supermarket in Chile that uses energy efficient technology throughout the store. Walmart is planning to open additional stores in Chile over the next seven years. Walmart's top executives are considering the idea of transferring U.S. managers to Chile to oversee the construction and establishment of the new stores.

Which of the following, if true, best supports the argument of using expatriates to establish the new Walmart stores in Chile?

A) Local candidates with the necessary managerial experience are difficult to find in Chile.

29. Sara, who is originally from India, works in Texas for Dell as an IT manager. Dell, which has a localization policy, recently announced that management positions are available in its Bangalore, India facility. If Sara, who wants to return to India, is offered the Bangalore position, she would most likely be categorized as a(n) _____.

D) permanent transferee

30. Which of the following terms refers to having local employees abroad do jobs that the firm's domestic employees previously did in-house?

B) offshoring

31. Call centers that service customers for firms like software and computer hardware companies are increasingly using employees in India to staff the telephones. This is an example of _____.

B) offshoring

32. Which of the following corporate divisions plays the greatest role in offshoring?

D) human resources

33. Which of the following terms refers to the belief that home country attitudes, management style, knowledge, evaluation criteria, and managers are superior to anything the host country has to offer?

B) ethnocentric

34. A corporation that believes that only host country managers can ever really understand the culture and behavior of the host country market would be referred to as _____.

A) polycentric

35. Samsung tends to follow an ethnocentric staffing model. From which group will it most likely hire for upper-level management positions at its Texas facility?

A) home-country nationals

36. Which of the following is the LEAST likely reason that a firm would choose an ethnocentric staffing policy?

B) goal of reducing misunderstandings with locals

37. Mercedes sent a team of executives from Germany to oversee the start-up of its U.S. operations. Which of the following terms best describes the values of Mercedes' top executives?

C) ethnocentric

38. What value classification refers to a belief that the best manager for a specific position could be in any of the countries in which the firm operates?

C) geocentric

39. With a geocentric staffing policy, a firm is most likely able to _____.

C) use its human resources efficiently

40. In January 2009, Walmart acquired a controlling interest in Chile's leading food retailer. Since then, Walmart has opened the first environmentally friendly supermarket in Chile that uses energy efficient technology throughout the store. Walmart is planning to open additional stores in Chile over the next seven years. Walmart's top executives are considering the idea of transferring U.S. managers to Chile to oversee the construction and establishment of the new stores.

Which of the following, if true, supports the assertion that Walmart is an ethnocentrically oriented corporation?

C) Walmart aims to maintain a unified organizational culture by filling foreign management positions with Americans.

41. The most common reason that an expatriate fails at an international assignment is _____.

C) inability of spouse to adjust

42. Which of the following qualities is most closely linked to an employee's success on an international work assignment?

D) flexibility

43. Which of the following terms refers to the process of assessing an employee's probable success in handling a foreign transfer?

B) adaptability screening

44. In January 2009, Walmart acquired a controlling interest in Chile's leading food retailer. Since then, Walmart has opened the first environmentally friendly supermarket in Chile that uses energy efficient technology throughout the store. Walmart is planning to open

additional stores in Chile over the next five years. Walmart's top executives are considering the idea of transferring U.S. managers to Chile to oversee the construction and establishment of the new stores.

Which of the following, if true, undermines the argument of using expatriates to establish the new Walmart stores in Chile?

C) The most qualified Walmart managers have no foreign travel experience and do not speak Spanish.

45. According to research, all of the following will most likely help spouses of expatriates adjust to living in foreign countries EXCEPT _____.

C) scheduled vacations

46. Which term refers to a group of geographically dispersed co-workers that uses a desktop videoconferencing system to communicate and accomplish tasks for the firm?

A) virtual team

47. What is the primary problem associated with virtual teams at international firms?

D) building trust among team members

48. U.S. employers have most likely experienced an increase in successful expatriate assignments in the last two decades because they have _____.

B) increased the number of selection criteria for global assignees

49. Before departing for an overseas assignment, an employee would most likely benefit from _____ training.

C) cross-cultural

50. All of the following are the primary benefits of providing ongoing training to employees on overseas assignments EXCEPT _____.

D) providing spousal networking opportunities

51. Most North American companies use the _____ approach to formulating expatriate pay.

B) balance sheet

52. Which approach to formulating expatriate pay involves estimating the employee's expenses in the home country and the host country?

A) balance sheet

53. Which of the following terms refers to paying a portion of an expatriate's salary in home country currency and a portion in local currency?

B) split pay approach

54. Which of the following is NOT one of the primary expense groups used in the balance sheet approach to formulating expatriate pay?

C) disposable income

55. _____ are financial payments over and above regular base pay.

A) Foreign service premiums

56. JJP Enterprises seeks to entice one of its star managers to move to Iraq to oversee a construction project. The firm will most likely offer a _____ because of the difficult living and working conditions in Iraq.

C) hardship allowance

57. Which of the following terms refers to a lump-sum payment given to employees as a reward for moving from one assignment to another?

D) mobility premium

58. Jim Simmons, an American, has worked for a U.S. firm's Italian operations for two years with great success. Now, the company wants Jim to relocate to France to establish a new division. The company will most likely offer Jim a _____ to reward him for moving from one assignment to another.

D) mobility premium

59. All of the following characterize European labor relations EXCEPT _____.

A) limited number of bargaining units

60. Which of the following is most likely NOT covered by kidnapping and ransom insurance policies?

D) weapons

61. Frank Williams is being sent to Saudi Arabia for two years to work for his company's Saudi affiliate. Which of the following suggestions should Frank follow to minimize his chances of being the victim of a kidnapping?

B) Arrive at the airport close to departure time.

62. _____ refers to bringing a manager back home after a foreign assignment has been completed.

B) Repatriation

63. A formal repatriation program should do all of the following EXCEPT _____.

B) seek compensation and benefits on behalf of employees

64. Which of the following is a true statement regarding expatriates?

D) Most expatriates quit within three years of returning home.

65. What are the top drivers of employee engagement around the globe?

A) career opportunities

66. The current global average of employee engagement is:

C) 61%

67. Which of the following was determined by a study of six international firms that have successfully established global HR systems?

B) Firms should develop HR systems that are universally acceptable and that can be effectively implemented in any location.

68. Which of the following is a best practice in ensuring success in actually implementing globally consistent human resource policies and practices?

C) "You can't communicate enough."

69. Which of the follow is a step in "Making the Global HR System More Acceptable?"

D) Try to work within the context of a strong corporate culture.

70. What is the first step in developing a more effective global HR system?

B) forming global HR networks

Open questions

1. In a brief essay, discuss the economic and labor relations factors that are unique to Europe.

European economic and labor relations differ significantly from those in the U.S. Eurozone countries regulate working hours strictly and provide substantial severance pay, making

layoffs costly. Employment at will is not practiced. Work councils and codetermination, especially in Germany, replace typical U.S. worker-management mediations. Influential unions shape labor relations, leading to varied HR policies across Europe.

2. What staffing options do multinational firms have when filling positions in foreign subsidiaries?

Multinational companies have various staffing options for foreign subsidiaries: locals, home-country nationals, or third-country nationals. Locals are citizens of the host country, home-country nationals are from the firm's headquarters country (also called parent-country nationals), and third-country nationals are from a different country.

3. Describe what an expatriate is and factors that impact expatriate success.

Expatriates are noncitizens working abroad due to a lack of local candidates or as part of career development. Success is influenced by the firm's culture alignment, cost concerns, security issues, and family adaptability. Establishing systematic expatriate management, including clear policies and selection criteria based on adaptability, can mitigate early returns. Family situations significantly impact expatriate success, with spousal adjustment often cited as a primary reason for premature departure.

4. What are the advantages and disadvantages of using expatriates for staffing foreign subsidiaries?

Expatriates bring cultural alignment and facilitate communication with headquarters, while also introducing home-country techniques. However, they often lack knowledge of the host country's laws, culture, and economy. Training to overcome these weaknesses is costly, as is the expense of relocating and maintaining expatriates abroad.

5. Explain the meaning of ethnocentrism, polycentrism, and geocentrism and how those values might affect a multinational company's staffing policy.

Ethnocentrism favors staffing foreign positions with home-country nationals, believing their methods are superior. Polycentrism prioritizes host-country nationals for managerial roles, valuing their understanding of local culture. Geocentrism sees the best managers as anywhere, resulting in a mix of locals, home-country, and third-country nationals in staffing policies.

6. Explain what a virtual team is. What are some challenges virtual teams face and how can they be dealt with?

Virtual teams are geographically dispersed coworkers collaborating through technology. Challenges include building trust, cohesion, and overcoming isolation. Human resource

management actions are crucial, such as training in leadership and conflict management, and swift responsiveness. Selecting members through behavioral interviews and involving current members in recruitment can aid in overcoming challenges.

7. What are some reasons for firms bringing expatriates home early? How can firms ease the transition during repatriation?

Expatriates are often brought home early due to the high costs, security concerns, and availability of skilled candidates abroad. Firms can ease the transition during repatriation by providing support such as psychologists, mentors, career planning services, and relocation assistance to ensure a smooth reintegration process for the expatriate and their family.

8. What are the major steps in establishing a global pay system?

1. Set strategy: Formulate long-term strategic goals aligned with the employer's objectives.
2. Identify crucial executive behaviors: List the actions expected from executives to achieve strategic goals.
3. Develop a global philosophy framework: Determine how each pay component contributes to prompting desired executive actions.
4. Identify gaps: Assess the extent to which current pay plans support desired actions and determine necessary changes.
5. Systematize pay systems: Establish consistent performance assessment practices, job requirements, and performance expectations globally.
6. Adapt pay policies: Review global pay policies, conduct surveys, and analyze local pay practices to fine-tune global pay policies for each location.

9. Explain the balance sheet approach to formulating expatriate pay.

The balance sheet approach to expatriate pay aims to equalize purchasing power across countries. It begins by calculating expenses for an employee in their home country, including taxes, housing, goods, services, and discretionary income, then estimating variations in these expenses in the host country. The employer covers the differences, with the base salary typically matching the home-country salary. Additional components like foreign service premiums, hardship allowances, housing, and education allowances may be included to ensure fair compensation.

10. What are the HR challenges of conducting business on a global scale? How can firms effectively implement global HR management programs?

Conducting business on a global scale presents HR challenges such as staffing decisions, performance appraisal, compensation, labor relations, talent acquisition, and knowledge dissemination across diverse cultural, political, legal, and economic contexts. Effective implementation of global HR management programs involves several best practices. These include developing uniform global HR policies and practices that are acceptable to employees worldwide, ensuring effective implementation, and maintaining flexibility to adapt to local needs and regulations.

Chapter 18

1. Human resource management in small firms is unlike HR management in large firms for all of the following reasons EXCEPT _____.

B) industry

2. Approximately what percentage of people working in the U.S. are employed by small businesses?

C) 50%

3. Which of the following is a true statement regarding HR management at small businesses?

A) Owners of firms with less than 100 employees usually handle HR tasks.

4. In most small businesses, which of the following is the lowest priority for managers?

D) HR management

5. At most small businesses, human resource management activities can best be described as _____.

B) informal and flexible

6. Which of the following terms refers to people who create businesses under risky conditions?

C) entrepreneurs

7. According to research, which of the following characteristics is most associated with entrepreneurs?

C) controlling

8. Which of the following is a common characteristic of HR at most small businesses?

D) duplication of employee data in paperwork

9. All of the following HR activities are associated with successful high-growth SMEs EXCEPT _____.

C) providing job sharing options for employees

10. Which of the following agencies offers small businesses the use of "FirstStep Employment Law Advisor"?

C) Department of Labor

11. The purpose of the Web site of "FirstStep Employment Law Advisor" is to help small employers to _____.

C) realize which federal laws apply to their business

12. Fred Landon owns a lawn care business and employs 35 people. Fred is unsure whether federal rules regarding employee discrimination apply to his small business. The Web site of which of the following agencies would be the most useful to Fred?

C) Equal Employment Opportunity Commission

13. Elliot owns a catering business and employs 30 people. Elliot is uncertain about when to pay overtime and how to calculate overtime wages. The Web site of which of the following would be the most useful to Elliot?

B) Department of Labor

14. Mark owns a small business that provides engineering consulting services. Mark is new to business ownership, and he has a list of questions he would like answered. Mark has logged on to the EEOC Web site to search for answers. Which of Mark's questions is LEAST likely to be addressed on this Web site?

A) What employees are exempt from overtime pay?

15. Jana owns a dry cleaning business and employs 25 people. She needs a safety and accident checklist that is specific to the dry cleaning industry. Jana would most likely find the information she needs on the _____ Web site.

D) OSHA

16. Small business owners can use O*NET when they need help with _____.

A) writing job descriptions

17. Kate is applying for a job at Logan Electronics, a small firm. Kate has been asked to take the Wonderlic Personnel Test. What is Logan Electronics most likely trying to measure?

C) general mental ability

18. The Wonderlic Personnel Test is especially appropriate for small businesses because it is _____.

D) easy to administer

19. When Hank applied for a job with Morton Consulting, he was given the Predictive Index. What was Morton Consulting least likely attempting to measure with the Predictive Index?

C) reading level

20. Which of the following is the primary benefit for a small firm that uses the online services provided by testing vendors such as Wonderlic?

B) increased pool of applicants

21. What is the primary reason that small firms use the Internet for employee training programs?

A) relatively low costs

22. All of the following are options for small businesses looking for online training programs to improve their employees' skills EXCEPT _____.

D) Equal Employment Opportunity Commission

23. The owner of A-1 Construction paid more in workers' compensation costs than salaries last year. Which of the following would most likely help the owner of A-1 Construction?

C) requesting a consultation with an OSHA safety expert

24. Which of the following is an aspect of the OSHA Sharp program?

C) certification process that employers have commendable levels of safety awareness

25. According to the text, what are the three tools that small businesses can use to improve their HR management practices?

B) flexibility, familiarity, and informality

26. According to research, a small business owner's familiarity with employees leads to greater _____.

A) flexibility with HR policies

27. At a small business, what is the most likely benefit of a flexible, informal, and familiar work environment?

D) knowing employees' strengths and needs

28. Which of the following is a work-life benefit offered almost exclusively by small businesses?

C) compressed workweeks during the summer

29. With the Streamlined Interviewing Process, which of the following is NOT one of the 4 basic required factors?

C) teamwork skill

30. Approximately what percentage of small firms offer retirement benefits to employees?

B) 35%

31. The Pension Protection Act of 2006 is available to employers with no more than _____ employees.

C) 500

32. The Pension Protection Act of 2006 primarily benefits small business employers by _____.

C) exempting employers from complex pension rules

33. Charles Brown owns a small business with 60 employees. Currently his business does not have a retirement plan. He wants an easy method of offering retirement benefits to his employees. Which of the following would most likely be Charles' best option?

A) SIMPLE IRA plan

34. Which of the following is a true statement regarding SIMPLE IRAs?

D) SIMPLE IRAs have low administrative costs.

35. All of the following are employee recruitment tools used by most small firms EXCEPT _____.

D) assessment centers

36. Training programs at most small firms can best be described as _____.

D) informal

37. Approximately what percentage of small businesses have career development programs?

B) 50%

38. Which of the following is NOT an informal training method suggested for small businesses?

A) internal sales seminars

39. Which of the following is NOT an employee benefit that fits better with small businesses?

B) consistent schedules

40. Training programs at most small firms tend to focus on _____.

A) specific competencies needed at the firm

41. All of the following are informal training methods recommended to small businesses EXCEPT _____.

B) arranging weekly classes led by paid experts

42. Which of the following is a recommended method for establishing fairness at a family business?

C) eliminating privileges for family members

43. Which of the following is the most likely result of treating family and non-family employees at a small business differently?

D) poor morale

44. John owns a family business and wants to avoid any appearance that family members are benefiting unfairly from the sacrifice of others workers. This represents the fairness step of:

B) treat people fairly

45. Roberto makes sure that all non-family member hires at his organization know what their responsibilities are and their potential ability to be promoted. Roberto is engaging in the small business fairness step of:

C) set the ground rules

46. Rob, the owner of A-Tech, a small software firm, plans to use the streamlined interview process to interview candidates for a programming position at the company. Rob should first _____.

D) prepare for the interview

47. Managers who prepare for an interview using the streamlined interview process should focus on all of the following factors about a candidate EXCEPT _____.

B) age and skills

48. Which of the following terms refers to an outside vendor that manages HR functions for small businesses?

D) all of the above

49. A small business owner would most likely use a professional employer organization in order to _____.

C) handle HR activities like payroll

50. Jill Roberts owns a flower shop and employs 20 people. Jill lacks the time and knowledge to efficiently handle HR tasks like payroll and benefits management. Which of the following would be most appropriate for Jill in this situation?

D) hiring a PEO

51. Which of the following is a characteristic of a PEO?

A) PEOs become co-employers of record for the firm's employees.

52. Which of the following is NOT one of the primary reasons that small businesses use PEOs?

C) supporting the HR department temporarily

53. A _____ can help a small business eliminate extensive HR-related paperwork, stay in compliance with Title VII, OSHA, and pension plan rules, and attain low-cost insurance.

A) professional employer organization

54. David owns a small architecture firm with 75 employees. He wants to use a PEO to handle his firm's HR activities. David is in the process of investigating Assure Group, a PEO. Which of the following best supports the argument that David should use Assure Group?

D) The Assure representative asks David many questions about his company's safety policies.

55. David owns a small architecture firm with 75 employees. He wants to use a PEO to handle his firm's HR activities. David is in the process of investigating Assure Group, a PEO. Which of the following undermines the argument that David should use Assure Group?

A) Assure lacks a clear credit history due to a recent corporate name change.

56. David owns a small architecture firm with 75 employees. He wants to use a PEO to handle his firm's HR activities. David is in the process of investigating Assure Group, a PEO. Which of the following questions is LEAST relevant to David's decision regarding whether or not to hire Assure?

D) How does Assure effectively communicate HR needs with its employees?

57. All of the following are recommended activities for small business managers who are in the process of selecting a professional employer organization EXCEPT _____.

B) checking the professional rating assigned to the PEO

58. Which of the following risks commonly associated with small businesses can most likely be minimized by an HR information system?

A) data entry errors

59. Beth recently opened an embroidery business and has four employees who work full-time for her. Which of the following will Beth most likely use to manage her company's human resources tasks?

A) manual HR system

60. Julie has a small accounting firm with only six employees, so she handles HR tasks manually. Julie recently hired a new employee. Which of the following forms will Julie most likely need on the worker's first day of employment?

B) employment agreement form

61. All of the following tasks can be managed with most HR software programs EXCEPT _____.

C) outplacement

62. Which of the following terms refers to the interrelated people, data, technology, and organizational procedures a firm uses to collect, process, store, and disseminate information?

B) human resources information system

63. A(n) _____ system provides a firm's managers and accountants with detailed information about short-term, daily activities, like accounts payables and order status.

A) transaction-processing

64. A human resources information system helps managers make effective decisions by _____.

C) regularly generating standardized, summarized reports

65. _____ processing allows for employees to self-enroll in all their desired benefits program over the Internet at a secured site.

D) Self

66. Which of the following terms refers to interrelated components working together to collect, process, store, and disseminate information to support a firm's human resource management activities?

C) human resource information system

67. All of the following are reasons that firms install human resource information systems EXCEPT _____.

A) worker performance monitoring

68. Which of the following makes it possible for employees to self-enroll in a firm's benefits program through a secure Internet site?

C) human resources information system

69. An HRIS increases the reporting capabilities of managers because an HRIS _____.

B) integrates separate HR tasks

70. Which of the following is NOT a benefit of cloud-based human resource management systems?

B) Company information is kept internally.

Open questions

1. How does HR management differ in small and large firms?

Human resource management differs between small and large firms primarily due to factors such as size, priorities, informality, and the nature of the entrepreneur. In small firms, HR management is often handled without dedicated professionals, with priorities focused more on financing, production, and marketing. HR activities tend to be informal, driven by the need for quick adaptation to competitive changes. Very small firms may start with manual HR systems, but as they grow, the complexity increases, prompting the adoption of computerized HR systems to manage tasks efficiently.

2. What risks are faced by most small business owners regarding laws, litigation, and safety? What government tools are available to assist small businesses with these risks?

Small business owners face risks like workplace litigation and non-compliance with compensation regulations. Government tools to help manage these risks include:

- FirstStep Employment Law Advisor - Helps determine applicable laws.
- U.S. Equal Employment Opportunity Commission - Provides guidance on discrimination laws.
- Occupational Safety and Health Administration - Offers safety information and guidance.

3. How has the Internet changed how small businesses compete with large businesses in regards to HR-related issues?

The Internet has empowered small businesses to compete with larger counterparts in HR-related issues. Online resources like the Department of Labor's O*NET enable small business owners to create professional job descriptions efficiently. They can use internet job boards for recruiting and leverage their company websites with the dot-jobs domain. Internet training offers affordable professional development opportunities previously inaccessible to many small businesses. Additionally, small employers now have access to online appraisal and compensation services, enhancing their HR capabilities at a lower cost.

4. In a brief essay, discuss the Wonderlic Personnel Test and the Predictive Index for screening employees. What are the advantages and disadvantages of each for small businesses?

For small businesses, hiring mistakes can be detrimental. The Wonderlic Personnel Test assesses general mental ability with questions similar to the SAT, providing quick results in under 15 minutes. The Predictive Index evaluates work-related personality traits and behaviors, aiding in candidate assessment. Both tests are available online, offering

convenience and access to a larger pool of applicants. However, low-tech options like work sampling tests can also enhance the selection process without added costs.

5. What are the strengths of small businesses? How can small businesses use these strengths to improve their HRM practices?

Small businesses have unique strengths that can enhance their HRM practices. Their small size allows for personal familiarity with each employee's strengths, needs, and family situations. This enables flexibility and informality in HR policies and practices. Additionally, small businesses can quickly adapt to competitive challenges, often handling raises, appraisals, and time off on an informal, reactive basis. By capitalizing on these strengths, small businesses can create a more responsive and personalized work environment.

6. What work-life benefits are offered by small firms that are not available with large firms? If given a choice, would you rather work for a small or a large firm? Use specific details to support your argument.

Small firms offer work-life benefits that large employers often can't match:

- Extra time off - For instance, Friday afternoons off in the summer.
- Compressed workweeks - Longer weekends during the summer.
- Bonuses at critical times - Special bonuses for personal milestones like having a new baby.
- Flexibility - Support for personal issues such as child care and elder care.
- Personal sensitivity - Owners are attuned to employees' strengths, weaknesses, and aspirations.
- Skill development - Paying for classes to enhance job skills.
- Free meals - Occasional free lunches or meals.
- Employee involvement - Input into major decisions, direct client work, feedback sharing, and financial success sharing.
- Support resources - Providing necessary training, procedures, and equipment.
- Recognition - Regular acknowledgment of a job well done.

Given a choice, I'd prefer working for a small firm. The personal familiarity, flexibility, and recognition in a small business create a supportive and engaging work environment, which can significantly enhance job satisfaction and work-life balance.

7. According to Stephen Covey, what can small businesses do to provide job-related training without actually establishing expensive formal training programs?

Some informal methods that small businesses can do include these: Offer to cover the tuition for special classes Identify online training courses Provide a library of tapes and DVDs for systematic, disciplined learning during commute times Encourage the sharing of best practices among associates When possible, send people to special seminars and association meetings for learning and networking Create a learning ethic by having everyone teach each other what they are learning.

8. What types of HR-related risks are faced by most small businesses? How can PEOs help small firms with these risks?

1. Competitive disadvantage - Rudimentary HR practices.
2. Lack of expertise - Limited HR staff may miss problems.
3. Workplace litigation - Inadequate legal issue handling.
4. Non-compliance - Risk of violating compensation laws.
5. Inefficiencies - Paperwork duplication and errors.

Professional employer organizations (PEOs) can help by managing payroll, benefits, legal compliance, and other HR functions, reducing these risks for small firms.

9. You are the owner of a small business and feel overwhelmed by the paperwork. You have decided to use a PEO. What are the issues you must address to determine which PEO is best for your company?

1. Needs analysis - Identify your HR and risk management needs.
2. Service review - Compare services and check PEO accreditation.
3. References - Verify bank, credit, and professional references.
4. Benefits funding - Understand if benefits are fully insured or self-funded and identify the third-party administrator.
5. Compliance - Ensure the PEO handles employment law compliance and offers first-day coverage.
6. Contract review - Carefully review the service agreement.
7. History - Check the PEO's longevity and management history.
8. Staff - Assess the PEO's staff qualifications.
9. Ongoing checks - Regularly confirm payroll taxes, insurance premiums, and legal issues are managed properly.

10. What are the basic elements and steps involved in a manual HR system? What are the benefits of using an automated HR system?

Very small employers often start with a manual HR system, using standardized forms for recruitment, selection, training, appraisal, compensation, and safety. As the business grows, managing these tasks manually becomes inefficient and time-consuming.

Steps in a Manual HR System:

- Obtain standardized HR forms.
- Organize information for each employee.
- Manage tasks like attendance and appraisals manually.

Benefits of an Automated HR System:

- Efficiency - Reduces management time on routine tasks.
- Integration - Collects, processes, stores, and disseminates HR information.
- Automation - Handles tasks like attendance, record-keeping, job descriptions, and appraisals.
- Reporting - Produces standard reports on attendance, benefits, and demographics.
- Comprehensive - Manages benefits, compensation, compliance, employee relations, payroll, and time tracking.