

Chapter 10 Managing Human Resources

True/False Questions

1) Human resources management may also be called personnel management

True False

2) Planning, as a function of human resources management, includes determining the status of current personnel when planning human resource needs for the future.

True False

3) Maya worked for an employment agency. When the company needed to hire a new manager, they came to Maya and asked her to apply. This is an example of external recruiting.

True False

4) LinkedIn and Jobster are professional social networking sites that are used by employers.

True False

5) The first stage of the selection process by a company is an application form.

True False

6) The Myers-Briggs Type Indicator Test was widely used in the past to measure intelligence in potential candidates, but it is rarely used today.

True False

7) It is not necessary for a company to verify an applicant's references because most applicants tell the truth on applications or résumés.

True False

8) Classroom training allows employees to learn by actually performing the tasks involved in their jobs.

True False

9) When Howard started his new job, the company assigned him a co-worker to teach him what he needed to know and support him as he learned the job. This is an example of mentoring.

True False

10) All jobs lend themselves to some kind of objective appraisal.

True False

11) When Darla took a new job in Boston, Rasheed found a job in the Boston office of his company at the same level and wage, so he could move with her. This is an example of a promotion.

True False

12) When you are terminated from a company, you should not try to get a reference letter.

True False

13) Compensation for individuals within a specific job category depends on the compensation for that job and not on the individual's productivity.

True False

14) The federal minimum wage in 2017 is \$8.75 per hour for covered, nonexempt workers.

True False

15) When Tonia's company has a good year, it gives employees shares of company stock. This is a form of a bonus.

True False

16) Union workers tend to make more in compensation than nonunion workers.

True False

17) When the auto industry went through a tough economic period, union employees had to make wage concessions to help the companies stay competitive. These are called drawbacks.

True False

18) When managers speak of diverse workforces, they typically mean differences in gender and race.

True False

19) Jared is a military veteran who is married and lives in Arizona. These descriptors are secondary characteristics of diversity.

True False

20) In the U.S., it is estimated that 40 percent of workers work more than 50 hours per week.

True False

Multiple Choice Questions

21) Human resources management refers to

- A) labor, the physical and mental abilities that people use to produce goods and services.
- B) all the activities involved in managing an organization's goods and services.
- C) all the activities involved in managing the day to day tasks of the organization.
- D) all the activities involved in determining an organization's human resources needs, as well as acquiring, training, and compensating people to fill those needs.
- E) employees' concerns regarding salary, job satisfaction, personal performance, recreation, benefits, the work environment, and their opportunities for advancement.

22) Natalie is a human resources manager at a large legal-services company. She must decide how many new employees her company will need to fill vacant positions in the near future. In this scenario, Natalie is engaging in

- A) recruiting.
- B) planning.
- C) training.
- D) selling.
- E) compensating.

23) _____ involves determining, through observation and study, the specific tasks that comprise a job; the knowledge, skills, and abilities necessary to perform the job and the environment in which the job will be performed.

- A) Description
- B) Specification
- C) Design
- D) Analysis
- E) Appraisal

24) Megan has worked in the publishing field for over 15 years. She was recently laid off from her job, and she is using job search websites to find a new job. When she finds a job title that looks interesting, she can click on it to read an overview of the job's tasks, relationships with other jobs, the physical and mental skills required, duties, responsibilities, and working conditions. If this job _____ looks like something she would want to do, she can submit an application.

- A) appraisal
- B) portfolio
- C) description
- D) analysis
- E) specification

25) Zen W Inc., a publication house, has posted an advertisement inviting applicants to pursue a role as a graphic designer. The company has specified that the job will involve illustrating content by designing aesthetically tasteful layouts. This is an example of a job

- A) appraisal.
- B) description.
- C) enquiry.
- D) analysis.
- E) specification.

26) Which of the following information is most likely to be included in a job specification rather than a job description?

- A) mental skills required for a job
- B) working conditions
- C) responsibilities associated with a job
- D) tasks to be performed
- E) education qualification required for a job

27) Legal Partners Inc. is looking to hire a lawyer, so it has posted the job in several legal publications. In its ad, the company requests applicants who have completed law school and passed the bar examination, have courtroom experience, and are confident and hardworking. This describes

- A) job evaluation details.
- B) a job specification.
- C) a job analysis.
- D) a job description.
- E) job assessment details.

28) Which of the following functions of human resources management includes testing?

- A) planning
- B) assessing
- C) selection
- D) training
- E) compensating

29) _____ refers to forming a pool of qualified applicants from which management can select new employees.

- A) Planning
- B) Training
- C) Compensating
- D) Appraising
- E) Recruiting

30) Aaliyah manages a hair salon, and she is looking for a new head stylist to lead her team of hairdressers. She posts an ad on several job websites and uses those websites, along with LinkedIn, to look for qualified candidates. She also watches her employees work to see if any of them exhibit the skills she is looking for in a head stylist. Once she has received a few applications, found a few qualified candidates, and determined that one of her employees might be a good fit, she sets up interviews with these potential candidates to determine who to hire.

Which human resources activity does this scenario describe?

- A) selecting
- B) testing
- C) recruiting
- D) interviewing
- E) job analysis

31) Which of the following is an internal source of recruitment for an organization?

- A) vocational schools
- B) current employees
- C) social networking sites
- D) competing firms
- E) colleges

32) Why do many firms have a policy of giving first consideration to their own employees?

- A) Current employees contribute to the increase in diversity of ideas.
- B) Current employees do not require pay hikes.
- C) The process of hiring current employees reduces instances of jealousy among the rest of the workforce.
- D) The practice of hiring current employees promotes diversity in the workforce.
- E) The cost of hiring current employees to fill job openings is inexpensive.

33) Bella has been an editorial assistant at a large trade publisher for two years. When an associate editor position opens up on her team, she applies for the position and gets it. What is one issue the company may have as a result of promoting Bella into this new position?

- A) The company will have to deal with the higher costs of hiring a current employee to fill this new position.
- B) The company will have to deal with lowered employee morale among the other editorial assistants.
- C) The company will have to train Bella on the company processes more than they would have to train a more qualified external candidate.
- D) The company will be forced to create more associate editor openings to motivate the remaining editorial assistants.
- E) The company will have to fill Bella's vacant editorial assistant position.

34) Lazarus Inc., a software firm, has taken to recruiting potential employees from engineering colleges to fill its entry-level vacancies. On the basis of the given information, which of the following observations holds true? The management at Lazarus is

- A) engaging in the process of headhunting.
- B) recruiting from external sources.
- C) posting internal job opportunities.
- D) engaged in the process of employee orientation.
- E) offering internships.

35) A characteristic of search firms known as headhunters is that they

- A) focus on internal, rather than external, sources of recruitment.
- B) specialize in recruiting employees for entry-level jobs.
- C) look for qualified candidates who are already working for other companies.
- D) undertake training for unusual job requirements or skill sets.
- E) operate as career planners for employees within organizations.

36) Leo's Carpentry and Painting has recently received many calls looking for help tiling kitchens and bathrooms. Since none of the contractors that work for this company specialize in tiling, Leo is looking to hire a new tiling expert to complete these customer projects. To recruit potential candidates, the company has created a career website to provide employment information and take applications. Which of the following is a reason Leo might hire an external candidate instead of hiring from within?

- A) It is less expensive to hire external candidates than internal candidates.
- B) He would have to pay for one of his contractors to go back to school to learn this new skill.
- C) Hiring an external candidate will boost employee morale.
- D) There may be better-qualified people outside of the organization.
- E) His employees will be relieved that they don't have to learn a new skill, which will increase their productivity.

37) Lincoln is the chief of police in a small town. He is looking for a new deputy, and he already has three candidates to consider. He is in the process of carefully considering their applications, conducting interviews, administering performance tests, and checking their references. What is this process called?

- A) recruiting
- B) human relations management
- C) promotion
- D) headhunting
- E) selection

- 38) A manufacturer is in the process of selecting a new supervisor from a pool of potential candidates. All of the following would be part of this selection process EXCEPT
- A) posting an ad for the position on LinkedIn.
 - B) reading the applications to get acquainted with the applicants and to weed out unqualified candidates.
 - C) interviewing the applicants to obtain information about their publishing experience and skills, reasons for changing jobs, attitudes toward the job, and an idea of whether they would fit in with the company.
 - D) asking applicants to complete a sample project to demonstrate their content development and project management abilities.
 - E) checking the applicants' references to verify educational background and previous work experience.
- 39) The manager at a local hardware store is beginning the selection process for a new employee. She would begin with the
- A) training process.
 - B) reference-checking process.
 - C) testing step.
 - D) application form.
 - E) orientation process.
- 40) Justin has worked as a marketing manager for eight years. He has decided to move to be closer to his family, so he is looking for a new job. When filling out an online application for a marketing firm, what information might he be asked to provide?
- A) race or ethnicity
 - B) his IQ
 - C) a screenshot of his Facebook account
 - D) marital status
 - E) the sales numbers from his previous company
- 41) Which stage of the employee selection process allows management to obtain detailed information about an applicant's experience and skills, reasons for changing jobs, and an idea of whether the person would fit in with the company?
- A) orientation
 - B) training
 - C) testing
 - D) reference checking
 - E) interviewing

42) Nadia has recently graduated from college, and she is ready to look for her first job in her field. Her college provides her with career counseling to help her draft her résumé and prepare for the application and interviewing processes. Which of the following is an interview tip she might learn from her career counselor?

- A) Evaluate your expectations of the company.
- B) Evaluate the organizational culture.
- C) Evaluate your skills and experience.
- D) Evaluate the hiring manager's biases.
- E) Evaluate the company's compensation package.

43) Candace has applied for a sales position at computer software company, and she has been invited to an in-person interview. All of the following are questions she can expect to be asked during the interview EXCEPT

- A) why should I hire you?
- B) have you been a team player?
- C) what is your biggest weakness?
- D) tell me about yourself.
- E) what are the sales figures of your previous employer?

44) All of the following are mistakes that are commonly made in interviews EXCEPT

- A) not dressing appropriately.
- B) speaking negatively of a former employer.
- C) not enough concern about compensation.
- D) not asking enough or appropriate questions.
- E) being too modest about your accomplishments.

45) Which stage of the selection process may require a candidate to undergo physical examinations to determine his or her suitability for a specific job?

- A) orientation
- B) reference checking
- C) interviewing
- D) filling out the application form
- E) testing

46) Tara has recently interviewed for a receptionist position at a dental office. The interview went well, and now the human resources manager has asked her to complete the Myers-Briggs Type Indicator Test. Which of the following is a reason the human resources manager would ask Tara to complete this test?

- A) to determine how important compensation is to her
- B) to ensure that she was honest in her application
- C) to determine how she uses social media
- D) to determine her attitude about her previous company
- E) to assess her ability to fit into the organization's culture

47) Joanna has just completed graduate school and earned a Masters in publishing and writing. She recently interviewed for an editorial assistant position at a small publishing house, and the human resources manager sent Joanna home from the interview with a copyediting test, giving her a week to complete it. What is the most likely reason the human resources manager gave Joanna this ability test?

- A) to determine whether she has the skills necessary for the job
- B) to assess her potential
- C) to assess her ability to fit into the organization's culture
- D) to determine her level of honesty
- E) to determine her ability to meet deadlines

48) Reference checking usually involves

- A) monitoring the working conditions in a firm.
- B) checking a company's compliance with its policies.
- C) assessing an applicant's potential for a job.
- D) checking the previous work experience of a candidate.
- E) identifying possible sources for recruitment.

49) Doug is a human resources manager at an advertising agency. He is considering applicants for a consumer behavior analyst position. He has already conducted interviews and administered personality tests, and he has narrowed it down to the two strongest applicants. To help him decide which applicant to choose, he is planning to call their references to verify their educational background and previous work experience. He also plans to do an Internet search to determine their social media activities and any other public activities. All of the following are red flags Doug may uncover during the reference checking stage EXCEPT

- A) fake credentials.
- B) overly enthusiastic references.
- C) enhanced job titles and responsibilities.
- D) periods of "self-employment."
- E) stretched dates of employment.

50) The _____ is a federal agency established by the Civil Rights Act of 1964 that is dedicated to increasing job opportunities for women and minorities and eliminating job discrimination based on race, religion, color, sex, national origin, or disability.

- A) National Center for Civil and Human Rights
- B) United States Commission on Civil Rights
- C) Equal Employment Opportunity Commission
- D) Pension Benefit Guaranty Corporation
- E) NAACP

51) The Americans with Disabilities Act

- A) states that people with AIDS are not disabled.
- B) prohibits using a positive AIDS test as reason to deny an applicant employment.
- C) mandates that men and women who do equal work must receive the same wage.
- D) specifically outlaws discrimination based on age.
- E) prohibits discrimination on the basis of race.

- 52) In the United States, wage differences are acceptable only if they are
- A) attributed to age.
 - B) based on racial considerations.
 - C) based on religious considerations.
 - D) attributed to seniority, performance, or qualifications.
 - E) attributed to national origin.
- 53) Which of the following practices is generally considered to be illegal in the United States?
- A) considering people with AIDS as disabled
 - B) paying men and women unequal wages based on seniority
 - C) forcing employees to retire on the basis of age
 - D) firing employees due to excessive absenteeism
 - E) using the Myers-Briggs Type Indicator Test in the recruitment process
- 54) Stanley has owned a plumbing company for 50 years. Although he has hired some younger plumbers, he tends to prefer hiring older plumbers because he finds that they
- A) see him as a role model.
 - B) are easier to train on new skills.
 - C) don't need to communicate with him as often.
 - D) take pride in their work.
 - E) bring skills that are well worth their higher labor cost.
- 55) Orientation is the human resources function that
- A) includes building tours, introductions, and socialization.
 - B) provides on-the-job training to employees.
 - C) appraises employees subjectively.
 - D) teaches employees to do specific job tasks.
 - E) occurs after the employee is on the job for several months.
- 56) Naomi has just arrived for her first day at work at GloboTech, a large technology company. The first thing the hiring manager, Evan, does is take her on a tour of the building, introducing her to her co-workers and showing her where the kitchen, meeting rooms, and her cubicle are located. After the tour, Evan leaves Naomi in her cubicle with the company's employee handbook, so she can read about the organization's policies and benefits. All these activities are part of
- A) development.
 - B) reference checking.
 - C) orientation.
 - D) training.
 - E) testing.
- 57) Which of the following is an advantage of the orientation process?
- A) It allows firms to teach new employees specific job tasks.
 - B) It allows firms to provide on-the-job training to employees.
 - C) It allows firms to conduct employee appraisals subjectively.
 - D) It allows firms to familiarize new employees with prevalent office culture.
 - E) It allows firms to recruit current employees for vacant positions.

58) Buffy Bakes, a popular bakery, allows its newly recruited employees to learn the processes involved at its premises by actually working on live assignments. The training process at Buffy Bakes best exemplifies

- A) classroom training.
- B) on-the-job training.
- C) simulation training.
- D) game learning.
- E) virtual learning.

59) Life Line, a chain of healthcare providers, sends its employees who are interested in learning about hospital management to conferences. The training process at Life Line is most likely

- A) classroom training.
- B) on-the-job training.
- C) simulation training.
- D) game learning.
- E) virtual learning.

60) Skylar's Sporting Goods Store has recently hired several new employees who have the knowledge, skills, and abilities the company needs. Why is it still important that these new employees undergo training?

- A) to teach them about the company's culture
- B) to see how they work with others
- C) to meet state-mandated training requirements
- D) to ensure that they didn't lie about their knowledge, skills, and abilities
- E) to teach them how to do their specific job tasks

61) Ramone has recently started working at an accounting firm. To get him up and running quickly, the firm has paired him with an experienced accountant to offer him support, training, and guidance as he learns the tasks of his new job. This is an example of

- A) development.
- B) classroom training.
- C) mentoring.
- D) web-based training.
- E) case-study training.

62) What is the primary reason that development is considered a vital function of human resources management?

- A) It is used to improve the skills of employees in their present positions and to prepare them for increased responsibility.
- B) It familiarizes newly hired employees with senior colleagues and the overall company procedures.
- C) It involves verifying educational background and previous work experience of employees.
- D) It is used to assess an applicant's potential for a certain kind of work and his or her ability to fit into an organization's culture.
- E) It allows management to obtain detailed information about a job applicant's experience and skills, reasons for changing jobs, attitudes toward the job, and an idea of whether the person would fit in with the company.

63) Vikram is an employee at Monsanto research lab. In an effort to improve his managerial skills and prepare him for a promotion, his company sends him on a series of experiential management training exercises at the company's expense. By helping him increase his knowledge, Vikram's company is focusing on

- A) development.
- B) orientation.
- C) testing.
- D) grade assignment.
- E) performance appraisal.

64) _____ is one of the most difficult tasks for managers. However, doing so is essential because it gives employees feedback and generates information about the quality of the firm's selection, training, and development activities.

- A) Recruiting employees
- B) Development appraisal
- C) Competition analysis
- D) Policy evaluation
- E) Performance appraisal

65) Which of the following is an example of an objective assessment of employee performance?

- A) Lisa, a media producer, is judged by the quality of the videos and simulations she produces.
- B) Darrell, a car salesman, is judged by the number of cars he has sold.
- C) Janet, a teacher, is judged by her ability to identify and correct problems in her classroom.
- D) Steven, an architect, is judged by the creativity of his designs.
- E) Sarah, a software engineer, is judged by her ability to collaborate with her co-workers.

66) A _____ is a performance appraisal method that provides feedback from a panel that typically includes superiors, peers, and subordinates.

- A) ranking procedure
- B) grade assignment
- C) polygraph test
- D) 360-degree feedback system
- E) behavioral checklist

67) Owen is a barista at a coffee shop. His manager has noticed that he has been showing up late for work, getting coffee orders wrong, and been rude to customers. What should his manager do to help Owen improve his work?

- A) give Owen negative feedback, so he knows what he is doing wrong and can correct it
- B) refrain from discussing Owen's issues with him to avoid harming his confidence
- C) give Owen positive feedback to motivate him to improve his work
- D) ask Owen's peers to talk to him about his issues because peer appraisal causes less tension than managerial appraisal
- E) give Owen constructive criticism, so he knows what to expect and how he is viewed

68) All of the following are results of turnover, when employees quit or are fired and must be replaced by new employees, EXCEPT

- A) costs to recruit replacement employees.
- B) more employees working remotely.
- C) lost productivity.
- D) management time devoted to interviewing new employees.
- E) management time devoted to training new employees.

69) Sophia, a pharmaceutical study manager, moves to a new job that involves more responsibility and an increase in compensation. This transition would typically be considered

- A) a transfer.
- B) a conciliation.
- C) a separation.
- D) an arbitration.
- E) a promotion.

70) Joe was recently moved to a new position in his company that involved learning new skills and undertaking work assignments. However, he received no salary raise. Joe's change in position can best be described as

- A) a promotion.
- B) a lockout.
- C) a separation.
- D) an arbitration.
- E) a transfer.

71) Which of the following statements is true of a separation?

- A) It is an employee's departure from an organization.
- B) It is an employment change that involves demotion.
- C) It is an advancement to a higher-level job.
- D) It is a temporary suspension of employment due to violation of work rules.
- E) It is a horizontal move from one job to another within the same company.

72) Socorro was terminated from her job because she was repeatedly late to work. She contributes to her company's turnover through

- A) conciliation.
- B) demotion.
- C) transfer.
- D) separation.
- E) arbitration.

73) Which of the following should managers do to avoid lawsuits from individuals who may feel they have been fired unfairly?

- A) avoid giving reasons for any firing
- B) document all problems and warnings in the employee's work records
- C) refrain from telling employees when their performance is unacceptable and may lead to dismissal
- D) avoid putting the reason for firing in writing
- E) provide clear, personal reasons for any firing

74) Audrey has worked for her company for five years. Recently, her company has downsized, laying off several employees. After the layoffs, Audrey's workload increased, but her compensation stayed the same. As a result, Audrey decided to leave the company. On her last day, the human resources manager scheduled a meeting with Audrey to determine why she was leaving the organization. This meeting is called

- A) work evaluation.
- B) a performance appraisal.
- C) an exit appraisal.
- D) a concluding appraisal.
- E) an exit interview.

75) Financial compensation falls into two general categories:

- A) time wages and piece wages.
- B) wages and salaries.
- C) wages and benefits.
- D) commissions and incentives.
- E) salaries and benefits.

76) A wage/salary survey indicates

- A) how much employees in a company need to earn in order to meet their financial needs.
- B) how much compensation similar firms are paying for specific jobs.
- C) the proportion of compensation that can be paid through non-financial methods.
- D) how satisfied employees are with the compensation they receive from their employers.
- E) the differences between the salaries of men and women performing the same jobs.

77) Jonathan and Eli both work as farmers, taking care of animals, harvesting crops, and making farm repairs for their employers. Although they work at different farms, their employers are neighbors, so they are friends. When comparing their wages, they determined that Eli makes \$15 per hour, while Jonathan only makes \$12 per hour. Which of the following is most likely the reason for this difference in wages?

- A) The compensation for Jonathan's job category is lower than that of Eli.
- B) Jonathan is older and more experienced than Eli.
- C) Jonathan's employers have less money than Eli's employers.
- D) Eli is more productive than Jonathan.
- E) Eli has been more proactive about asking for a raise than Jonathan.

78) Which of the following statements is true of payment using time wages?

- A) It encourages employees to be more productive.
- B) It provides incentives to increase productivity.
- C) It is primarily used for highly educated workers.
- D) It is appropriate when employees are continually interrupted.
- E) It is used when quantity is more important than quality.

79) What is an advantage of time wages?

- A) They provide incentives to improve productivity.
- B) They can be computed easily.
- C) They are associated with an employee's self-actualization needs.
- D) They are accurate as they are based on the level of output achieved.
- E) They encourage employees to supervise their own activities.

80) What is a disadvantage of time wages?

- A) They stress quantity of products rather than quality.
- B) They are subjective in nature.
- C) They provide no incentive to increase productivity.
- D) They motivate employees to work fewer hours.
- E) They are not very transparent and can lead to disputes.

81) Which of the following is a major advantage of piece wages?

- A) They motivate employees to increase output.
- B) They stress improving quality of products at the expense of quantity.
- C) They are directly associated with an employee's self-actualization needs.
- D) They are easy to compute as they remain fixed for every employee.
- E) They require a manager to supervise the work of subordinates.

82) International Motors' employees are paid a percentage of their sales to motivate them to sell as many cars as they can. This company incorporates _____ as an incentive system.

- A) commissions
- B) time wages
- C) profit sharing
- D) salaries
- E) bonuses

83) Maureen works in a law office as a paralegal. She makes a salary of \$50,000 per year, paid on a biweekly basis. What is one disadvantage of this form of payment?

- A) It doesn't provide her with any incentives to be productive.
- B) It encourages her to focus more on quantity than quality.
- C) It may require her to work beyond usual hours without additional financial compensation.
- D) It does not provide a stable stream of income.
- E) It depends on the overall profitability of the company.

84) Mark works as a news anchor for a television network. In addition to his regular pay, at the end of each year, his company pays him and his co-workers additional compensation as a "thank you" for good work. This monetary reward would most likely be categorized as a

- A) wage.
- B) commission.
- C) salary.
- D) benefit.
- E) bonus.

85) Which of the following forms of compensation includes an employee stock ownership plan?

- A) wages
- B) bonuses
- C) profit sharing
- D) salaries
- E) commissions

86) _____ are nonfinancial forms of compensation provided to employees.

- A) Commissions
- B) Benefits
- C) Time wages
- D) Piece wages
- E) Bonuses

87) Bruce works for a company that provides sick leave, vacation pay, pension plans, health plans, and other forms of extra compensation. These particular items are

- A) soft benefits.
- B) bonuses.
- C) commissions.
- D) fringe benefits.
- E) diversity plans.

88) Which of the following is a form of financial compensation?

- A) paid vacation
- B) health insurance
- C) pension plans
- D) commissions
- E) child care

89) Rachel works for a company that employs many different types of employees. As a result, her company provides a financial amount to employees, so they can select the specific benefits that fit their needs. This company uses

- A) soft benefits.
- B) fringe benefits.
- C) an employee assistance program.
- D) a cafeteria benefit plan.
- E) a standard benefit plan.

90) Paul works in a factory that produces nuts and dried fruits. He feels that he deserves better pay, hours, and working conditions. Although he has talked to management several times about these items, they still have not made any improvements. He decides to join his co-workers in a(n) _____, so they can hire specialists to represent them in their dealings with management.

- A) collective
- B) labor union
- C) community
- D) team
- E) organization

91) _____ is the negotiation process through which management and unions reach an agreement about compensation, working hours, and working conditions for concerned employees.

- A) Bracketed arbitration
- B) Mediation
- C) Collective bargaining
- D) Conciliation
- E) Picketing

92) All of the following are items management tries to retain control over in a labor contract EXCEPT

- A) scheduling of pay increases.
- B) production standards.
- C) promotions, transfers, and separations.
- D) work schedules.
- E) the hiring and firing of workers.

93) What is the significance of the "cost-of-living adjustment" clause in labor contracts?

- A) It calls for automatic wage increases during periods of inflation.
- B) It calls for an increase in turnover rates during periods of recession.
- C) It calls for automatic wage decreases during periods of recession.
- D) It calls for employers to provide safe working conditions for employees.
- E) It calls for employers to fulfill the self-actualization needs of employees.

94) Which of the following statements is true of labor unions?

- A) They are formed by employers to make their employees more manageable.
- B) They require their members to deal with management on an individual basis.
- C) They have continued to grow steadily in recent years.
- D) They help their members achieve better pay, hours, and working conditions.
- E) They are usually formed by white-collar workers.

95) Which of the following objectives do labor unions strive to achieve?

- A) a reduction in leaves
- B) better pay rates for overtime
- C) an increase in boycotts
- D) increased work hours
- E) an increase in lockouts

- 96) Union growth has slowed in recent years because
- A) there has been a shift from the service economy to a manufacturing economy.
 - B) workers' say in the way plants are run is decreasing.
 - C) unions are no longer backed by the power of a large group.
 - D) the number of blue-collar jobs has increased.
 - E) factories have become more automated.
- 97) The formal, written document that spells out the relationship between the union and management for a specified period of time is called
- A) a mission statement.
 - B) a labor contract.
 - C) a turnover file.
 - D) an arbitration report.
 - E) a job specification.
- 98) During tough economic times, unions may be forced to accept _____, wage and benefit concessions made to employers to allow them to remain competitive or, in some cases, to survive and continue to provide jobs for union workers.
- A) collective bargaining
 - B) givebacks
 - C) arbitration
 - D) cost-of-living adjustments
 - E) labor contracts
- 99) _____ is a public protest against management practices and involves union members marching at an employer's plant or work site.
- A) Bracketed arbitration
 - B) Mediation
 - C) Promoting
 - D) Conciliation
 - E) Picketing
- 100) Which of the following statements is true of a strike?
- A) It prevents people from purchasing a company's products.
 - B) It is initiated by the management.
 - C) It halts or disrupts the normal working of a firm.
 - D) It is one of the least effective labor weapons.
 - E) It seldom disrupts normal working conditions.

101) Liam works at a bottling plant for a soft drink company. He is part of a labor union along with his co-workers. After the plant's management and the labor union failed to agree on contract terms, the union used picketing and advertising to ask its members and the public not to buy the company's products. This scenario best describes

- A) a boycott.
- B) a strike.
- C) collective bargaining.
- D) grievance procedures.
- E) a lockout.

102) Which of the following is management's version of a strike?

- A) an arbitration
- B) a boycott
- C) a lockout
- D) a mediation
- E) a conciliation

103) Glen manages a candy-packaging factory. After failed negotiations between Glen and the labor union, the union members strike, partially shutting down the factory. In response, Glen shuts down the factory completely, restricting all his employees from coming to work. This situation best represents

- A) an injunction.
- B) an embargo.
- C) a boycott.
- D) a lockout.
- E) picketing.

104) When is a firm most likely to vote for a lockout?

- A) when a neutral third party is brought in to keep labor and management talking
- B) when a union strike has partially shut down a plant and it seems less expensive for the plant to close completely
- C) when mediation involves bringing in a neutral third party, but the mediator's role is to suggest or propose a solution to the problem and not to forge a binding contract
- D) when the cost of hiring new employees to replace striking employees is minimal
- E) when it wants to keep people from purchasing the products of a company

105) Why is strikebreaking generally considered to be a last-resort measure for management?

- A) It leads to lockouts that affect the normal operations of a business.
- B) It violates labor laws stated by the U.S. government.
- C) It requires management to agree to the terms stated by a labor union.
- D) It damages the relationship between management and labor.
- E) It requires the involvement of a mediator.

106) The negotiations between a union and the management representatives of a snack-food firm come to a standstill, and a third party is brought in to propose solutions to help resolve the impasse. However, the solutions are not binding on the parties. This third party would most likely be

- A) an arbitrator.
- B) a mediator.
- C) a scab.
- D) a contract agent.
- E) a conciliator.

107) Management and a labor union at a manufacturing plant are struggling to reach an agreement regarding benefits. They bring in a neutral third party to settle their dispute. The third party's solution is legally binding and enforceable. Thus, the third party is

- A) a conciliator.
- B) an attorney.
- C) a mediator.
- D) an arbitrator.
- E) a strikebreaker.

108) Which of the following is a similarity between conciliators and mediators?

- A) They both provide a binding and enforceable solution to the problems affecting the management and labor unions.
- B) They are both neutral third parties.
- C) They both represent management.
- D) They both hire new employees to replace striking employees.
- E) They both propose solutions to problems between labor and management.

109) The management at a firm manufacturing toys is involved in a dispute with the union members representing its employees. The union members want a pay hike, but the management is not ready to approve the hike. Failing to arrive at a compromise, the disputing parties involve a third party to resolve the issue and offer a solution that is legally binding. The third party in the given scenario best represents

- A) a mediator.
- B) an arbitrator.
- C) a conciliator.
- D) a strikebreaker.
- E) a scab.

110) Management of a firm and labor submit to compulsory arbitration when the federal government

- A) requests arbitration as a means of eliminating a prolonged strike that threatens to disrupt the economy.
- B) appoints a member of the management as an arbitrator to resolve disputes that threaten to disrupt the economy.
- C) appoints a member of the union as an arbitrator to resolve disputes that threaten to disrupt the economy.
- D) appoints a third party as a mediator to resolve disputes that threaten to disrupt the economy.
- E) requests mediation as a means of eliminating a prolonged strike that threatens to disrupt the economy.

111) The management at a firm manufacturing hard disks is involved in a dispute with the union members representing its employees. Management and the labor union do not seem to agree on compensation for employees. Failing to arrive at a compromise, the disputing parties involve a third party to resolve the issue and offer a solution to the problems. The solution provided by the third party is open to the approval of both parties involved and is not likely to be binding. The third party in the given scenario best represents

- A) a mediator.
- B) an arbitrator.
- C) a whistleblower.
- D) a strikebreaker.
- E) a scab.

112) The management at Links Inc. is faced with a strike threat from union members over a dispute concerning working hours for employees. The disputing parties approach a neutral third party to ensure that the discussions between them are carried forward. The third party, however, has no formal power over union representatives or over management and has as a goal of keeping the negotiations going. Which of the following processes is best exemplified in the scenario?

- A) picketing
- B) arbitration
- C) whistle blowing
- D) conciliation
- E) mediation

113) The difference between an arbitrator and a mediator is that

- A) a mediator is a neutral third party, while an arbitrator is a member of the union.
- B) a mediator's solution to a labor dispute is enforceable, while the arbitrator's solution is non-enforceable.
- C) an arbitrator's solution to a labor dispute is binding on the participants, while a mediator's solution is not binding.
- D) an arbitrator is a neutral third party, while a mediator is a representative of management.
- E) an arbitrator is a representative of management, while a mediator is a representative of the union.

114) Which of the following is a primary characteristic of diversity?

- A) age
- B) income
- C) marital status
- D) religion
- E) military experience

115) Meredith is a human resources manager at an advertising firm that does business internationally. A significant part of her job is dealing with the diversity of the company's customers and employees. Understanding this diversity means

- A) knowing how to bring different people together with common goals.
- B) convincing people that the team is more important than the individual.
- C) ignoring differences in favor of commonalities among all people.
- D) recognizing and accepting differences and valuing the unique perspectives such differences can bring to the workplace.
- E) replacing the different cultures with an overarching company culture.

116) Which of the following is a secondary characteristic of diversity?

- A) income
- B) age
- C) race
- D) gender
- E) abilities

117) All of the following describe people using primary characteristics of diversity EXCEPT

- A) Laura is married with two children who are 5 years old and 8 years old.
- B) Steven is a 24-year-old African American man.
- C) Karen is a 38-year-old lesbian.
- D) Harold is a Caucasian American man.
- E) Gloria is a Hispanic woman.

118) If an organization fosters and values workforce diversity, it is most likely to

- A) make less productive use of the organization's resources.
- B) reduce conflict among employees of different cultural groups.
- C) increase instances of ethnocentrism.
- D) reduce creativity among the employees.
- E) decrease its ability to serve the needs of a diverse customer base.

119) Companies that do not value their diverse employees are most likely to

- A) experience less conflict.
- B) face reverse discrimination.
- C) experience greater prejudice.
- D) have increased productivity.
- E) have less instances of ethnocentrism.

120) _____ programs are legally mandated plans that try to increase job opportunities for minority groups.

- A) Compulsory arbitration
- B) Affirmative action
- C) Diversity training
- D) Employee assistance
- E) Employee welfare

121) Which of the following is a concern that companies have raised against affirmative action plans?

- A) Companies argue that affirmative action plans stifle their ability to hire the best employees.
- B) Companies argue that affirmative action plans reduce diversity at the workplace.
- C) Companies argue that affirmative action plans are not monitored regularly.
- D) Companies argue that affirmative action plans are not backed by government approval.
- E) Companies argue that affirmative action plans are arbitrary in nature and are different for different companies.

122) Historically, GloboTech, a large technology company, has employed mostly white men. More recently, it has adopted affirmative action to make up for past hiring and promotion prejudices, overcome workplace discrimination, and provide equal employment opportunities for all employees. Which of the following is something GloboTech should avoid doing in its quest for a more diverse workplace?

- A) concentrate on hiring the best qualified employees
- B) identify areas where women and minorities are underrepresented
- C) establish specific hiring and promotion goals
- D) set hiring quotas
- E) analyze the current pool of workers

Essay Questions

123) What is the difference between internal and external recruiting? Define each and give examples.

124) Explain the difference between training and development. What are two kinds of training a company can employ?

125) Define the turnover concept of separation. Why should managers be cautious of separations?

126) Explain the difference between training and development. What are two kinds of training a company can employ?

127) Describe the various ways a company can compensate an employee.

128) Discuss arbitration as a method of settling labor disputes.

129) What are primary and secondary characteristics of diversity? Give examples of each.