

Testbank

to accompany

Human Resource Management, 8th edition

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Chapter 2

Human resource planning

Multiple choice questions

1. The focus of human resource planning is on:

- *a. labour demand and labour supply.
- b. matching internal and external labour sources.
- c. matching internal and external labour costs.
- d. balancing financial and organisational needs.

General Feedback:

Page 62. Learning Objective 2. Factual. HRP is intended to ensure that the right employees are available at the right time, which means the focus is on the organisation's needs for employees and the availability of these employees.

2. Organisations with too many low-skilled and poorly qualified employees:

- a. are more likely to be the target of unexpected corporate takeovers and mergers.
- b. will need to outsource or decentralise many of the important HR functions.
- *c. may face obstacles when introducing new technology and other change initiatives.
- d. will find themselves under strong trade union pressure to increase training budgets.

General Feedback:

Page 62. Learning Objective 2. Applied. Organisations face great difficulty in bringing about change in practices and technology and direction when their staff members have not been prepared for the onset of these changes.

3. Which of the following generations in the Australian workforce is motivated by long-term job security, promotion and salary?

- a. Generation X
- b. Generation Y
- *c. Baby boomers
- d. Veterans

General Feedback:

Page 67-68. Learning Objective 3. Factual. Baby boomers tend to be very loyal to their employers, hardworking and motivated by long term job security, promotional opportunities and salary.

4. Improved childcare facilities, the increased availability of part-time work, and maternity leave are a reflection of:

- a. changing social attitudes towards work.
- *b. increasing numbers of women in the workforce.
- c. attempts to reduce levels of employee absenteeism.
- d. the requirements of EEO legislation.

General Feedback:

Page 69. Learning Objective 3. Factual. The increasing participation of women in the workforce has required employers to allow flexible working arrangements, provide maternity and paternity leave and provide job security for women returning to work after child bearing. In the broader community, these changes have increased demand for childcare places.

5. Trade unions in Australia, Hong Kong and the USA have opposed moves by companies to recruit overseas on the grounds that:

- a. trade unions do not exist in the countries where employees are sought.
- b. other countries do not allow their companies to recruit overseas.
- *c. it is unpatriotic and allows competition from cheap labour countries.
- d. wages in other countries are generally higher than local companies pay.

General Feedback:

Page 70. Learning Objective 3. Factual. Typically unions in these countries are not in favour of organisations recruiting internationally as they believe it that deprives locals of jobs and that it fosters lower wages as other nationals are prepared to accept lower pay and conditions in comparison to home country employees.

6. Quantitative HR forecasting technique is primarily used by:

- *a. theoreticians and professional HR planners in large organisations.
- b. theoreticians and professional HR planners in small organisations.
- c. in-house functional managers rather than expert HR consultants.
- d. all levels of HR managers in organisations both large and small.

General Feedback:

Page 70. Learning Objective 4. Factual. Quantitative forecasting has tended to be used by theoreticians and professional HR planners due to the highly sophisticated mathematical and statistical techniques utilised.

7. HR surpluses, shortages and career blockages are the focus of which approach to HR planning?

- a. Qualitative approach

- b. Reactive approach
- c. Instrumental approach
- *d. Quantitative approach

General Feedback:

Page 70. Learning Objective 4. Factual. The aim of the quantitative approach is to forecast HR shortfalls, surpluses and career blockages and to reconcile the supply and demand for labour given the firm's overall strategic objectives.

8. According to the human resource planning process presented by Stone, the first step is to:

- *a. determine the number and type of jobs to be filled.
- b. examine human resource inventory levels and trends.
- c. identify critical internal labour shortages.
- d. employ experienced external HR consultants.

General Feedback:

Page 71. Learning Objective 4. Factual. Stone considers that the determination of the classification and number of vacancies is the first step in the HR planning process.

9. The technique which involves building complex computer models to simulate future events based on probability and multiple assumptions is:

- a. trend projection.
- *b. econometric modelling.
- c. time-line analysis.
- d. projected growth analysis.

General Feedback:

Page 71. Learning Objective 4. Factual. In econometric modelling forecasts are based on deriving the statistical relationships among variables (such as the relationship of turnover and average bonus to employment) using computer modelling.

10. Trend projections are based on the assumption that:

- a. statistical relationships remain predictable over time.
- b. data needs to be adjusted for changing situations.
- *c. the future will be a continuation of the past.
- d. qualitative statistical tools are strong predictors.

General Feedback:

Page 72. Learning Objective 4. Applied. The essence of trend projections and their greatest limitation is that they assume things will continue into the future as they have occurred in the past.

11. The Delphi technique aims to:

- a. collect information that supports the staffing decisions of management.
- b. review the ideas of an expert in relation to projected employment trends.
- *c. integrate the independent opinions of experts by eliminating personal influence and discussion.
- d. bring together a group of experts so that a range of issues and alternatives can be addressed.

General Feedback:

Page 72. Learning Objective 4. Factual. The Delphi technique uses independent anonymous predictions in answer to a series of questions posed by the HR department relating to HRP. The results are analysed and then fed back to the participants along with another set of questions. This process is repeated until consensus is reached.

12. Which forecasting technique uses team members to independently generate as many solutions to a HRP problem as possible?

- a. Econometric forecasting
- b. The Delphi technique
- *c. The nominal group technique
- d. Trend projections

General Feedback:

Page 72-73. Learning Objective 4. Factual. The nominal group technique enables team members to independently rank proposed solutions to HRP problems without the group criticising or debating the solutions.

13. Which of the following methods is used to forecast the supply of internal human resources?

- a. Expert opinion
- b. Nominal group technique
- *c. Turnover analysis
- d. Trend projection

General Feedback:

Page 79. Learning Objective 5. Factual. Turnover analysis enables HR managers to predict the number of people that will leave an organisation based on past data.

14. The skills inventory allows the HR manager to do all of the following EXCEPT:

- *a. identify where qualified external labour sources can be found.
- b. identify qualified employees for different jobs in the organisation.

- c. determine which skills are present or lacking in the organisation.
- d. assess longer-term recruitment, selection and development requirements.

General Feedback:

Page 73. Learning Objective 5. Factual. The skills inventory enables the HR manager to evaluate the internal supply of labour.

15. One of the strengths of the nominal group technique is that:

- a. is far less costly to implement than the Delphi technique and more reliable.
- b. it has wide international acceptance and support and a strong track record.
- *c. it counterbalances attempts by an individual to dominate decision making.
- d. it uses a range of quantitative HR tools to improve the decision making process.

General Feedback:

Page 72-73. Learning Objective 4. Conceptual. As the nominal group technique prohibits debate and criticism of proposed solutions it prevents any individual dominating the process.

16. A skills inventory can benefit employees by:

- a. giving them access to their personal employment records.
- b. keeping an accurate record of bonus and leave entitlements.
- c. making regular performance appraisal reviews unnecessary.
- *d. allowing the HR manager to fill positions by internal promotion.

General Feedback:

Page 73. Learning Objective 5. Factual. Skills inventories assist in ensuring that existing employees are not overlooked for promotional opportunities.

17. Replacement charts are used to identify:

- a. how often succession planning activities need to be reviewed and evaluated.
- *b. present incumbents and potential replacements for given organisational positions.
- c. which positions are no longer necessary when the current incumbent leaves the organisation.
- d. which positions can be replaced by machines due to advances in production technology.

General Feedback:

Page 75. Learning Objective 5. Factual. Replacement charts are a pictorial representation of positions indicating present incumbents and those who have the potential to replace them should the position become vacant.

18. Which of the following techniques for forecasting the internal supply of human resources is concerned with the filling of key management and professional vacancies?

- a. Replacement charts
- *b. Succession planning
- c. Markov analysis
- d. Skills inventory

General Feedback:

Page 76. Learning Objective 5. Factual. Succession planning takes a long term view of the organisation's HR needs and focuses on preparing high potential employees for key management and professional roles.

19. Replacement charts are primarily used with which type of employees?

- *a. Technical, professional and managerial
- b. Sales and marketing specialists
- c. Administrative front-office staff
- d. Contract and casually employed staff

General Feedback:

Page 75. Learning Objective 5. Factual. Replacement charts tend to focus on technical, managerial and professional employees.

20. Succession planning stresses the development of high-potential employees and:

- a. makes uses of sophisticated quantitative HR planning techniques.
- b. usually requires the use of external experienced consultants.
- c. has largely replaced the use of replacement charts in organisations.
- *d. takes a long term view of the organisation's HR needs.

General Feedback:

Page 76. Learning Objective 5. Factual. Succession planning uses similar data to replacement charts but includes additional information regarding performance, promotability, training and development needs as well as potential for growth in the long term.

21. The number of people who leave an organisation due to resignation, retirement, death or disability, retrenchment or termination is known as:

- a. employee loss.
- b. downsizing.
- c. employee departure.
- *d. labour turnover.

General Feedback:

Page 79. Learning Objective 5. Factual. Labour turnover includes all those who have left the organisation due to voluntary or involuntary reasons.

22. Markov analysis:

- *a. uses a mathematical technique to forecast the availability of internal job candidates.
- b. focuses on the development of high potential employees to guarantee their readiness for promotion.
- c. uses the opinions of experts to identify internal candidates for promotion.
- d. identifies existing employees who should be released due to poor performance.

General Feedback:

Page 79. Learning Objective 5. Factual. Markov analysis is a mathematical technique used in large organisations like the army to predict the transfer and departure of employees based on past data.

23. When a matrix is developed to show the probability of an employee moving from one job to another in an organisation, or leaving the organisation, this requires the use of:

- a. econometric modelling.
- b. turnover analysis.
- *c. Markov analysis.
- d. succession planning.

General Feedback:

Page 79. Learning Objective 5. Factual. Markov analysis utilises a matrix indicating the likely movements of employees within the organisation as well as possible turnover.

24. The use of Markov analysis requires:

- a. a knowledge of the techniques of regression analysis.
- b. the use of replacement charts and succession planning.
- c. a maximum of 20 employees in any one job classification.
- *d. a minimum of 50 employees in any one job classification.

General Feedback:

Page 79. Learning Objective 5. Factual. Markov analysis is limited in its application to very large organisations that have at least 50 employees in a single job classification.

25. To accurately forecast the availability of external human resources, the HR manager must monitor and respond to:

- a. changes in business strategy.

- *b. demographic changes.
- c. changes to skill requirements.
- d. changes in government regulations.

General Feedback:

Page 80. Learning Objective 5. Factual. HR managers need to be attuned to demographic changes such as the ageing population, which affect the external labour market.

26. The country with 20 per cent of its population aged 65 or over is:

- a. China.
- b. India.
- c. Australia.
- *d. Japan.

General Feedback:

Page 80. Learning Objective 5. Factual. Japan is now the world's most aged society, with 20 percent of its population aged 65 or over.

27. Which of the following is NOT a demographic change affecting the external supply of labour?

- a. The ageing population
- b. Increased female participation rate
- c. Increases in school retention rates
- *d. Increasing turnover rates

General Feedback:

Page 79-80. Learning Objective 5. Factual. Turnover rates will only affect the internal supply of labour.

28. Competitive pressures, changes in technology and outsourcing have all contributed to the trend toward:

- a. the multiskilling of the workforce.
- *b. the casualisation of the workforce.
- c. high turnover rates.
- d. the mobility of the workforce.

General Feedback:

Page 80. Learning Objective 5. Factual. Casualisation of the workforce has been a response to a number of business changes, including increasing competition, technological changes, pressures for greater flexibility, increased use of outsourcing and changes to industrial relations legislation.

29. The process of subcontracting work to an outside company that specialises in and is more efficient at that kind of work is known as:

- a. specialising.
- b. consulting.
- c. de-skilling.
- *d. outsourcing.

General Feedback:

Page 82. Learning Objective 5. Factual. Outsourcing is subcontracting non-core activities to external organisations that specialise in that form of work. Common examples of outsourced activities include recruitment, payroll and HR record-keeping services.

30. The 457 visa scheme:

- a. is criticised by some sectors in the community because it grants permanent residency to foreign workers.
- b. generally applies to non-skilled workers.
- *c. has been resisted by trade unions for fear that the wages and conditions of Australian workers will be eroded and the power of trade unions will be weakened.
- d. mostly applies to guest workers from South-East Asia and the Pacific Islands.

General Feedback:

Page 81. Learning Objective 5. Factual. Some politicians and trade unions argue against the use of 457 visas as they believe that some employers will prefer to employ foreign workers who are prepared to accept inferior pay and conditions compared to local workers.

31. Employees can be targeted for separation and termination may be selected on the basis of:

- a. age.
- *b. seniority.
- c. timing.
- d. cost.

General Feedback:

Page 84. Learning Objective 6. Factual. Employees can be separated based on groupings, performance, seniority, or rank.

32. If the termination process is perceived by management, employees and trade unions as fair, then this is known as which type of justice?

- a. Distributive
- *b. Procedural

- c. Interactional
- d. Socially responsible

General Feedback:

Page 84. Learning Objective 6. Factual. Procedural justice occurs when the termination process is perceived by management, employees and trade unions as fair.

33. If an HR manager concentrates on meeting short-term replacement needs it can result in:

- a. significant cost savings.
- *b. quantity and quality problems.
- c. up-to-date employee skills.
- d. improved job satisfaction.

General Feedback:

Page 63. Learning Objective 2. Applied. Focussing on short term replacement needs can lead to difficulties associated with lack of suitably qualified candidates to fill unexpected labour requirements.

34. Linking HR planning with organisational strategy allows the HR manager:

- a. to understand the role he/she plays within the organisation.
- b. to influence the future structure of the organisation's management.
- *c. to anticipate and influence the future HR requirements of the organisation.
- d. to more clearly understand the impact of increased global competition.

General Feedback:

Page 63. Learning Objective 2. Applied. HR managers need to be proactive and ensure that HR planning is underscored by the overall strategic planning process and thus be able to predict the future skill needs of the organisation.

35. Qualitative HR forecasting using the estimates of experts is popular because:

- a. it is more sophisticated than quantitative techniques of forecasting.
- b. it is far more reliable than quantitative techniques of forecasting.
- *c. it is simple, cheap and fast for organisations to implement.
- d. there is a ready supply of skilled people expert in forecasting.

General Feedback:

Page 72. Learning Objective 4. Applied. The qualitative approach, although far less sophisticated than quantitative methods, is far simpler, less expensive and quicker to utilise.

36. A major criticism of replacement charts is that they:

- a. are expensive to produce and statistically invalid.
- b. are based upon outdated assumptions about the workforce.
- *c. focus attention on current not future skills and positions.
- d. focus attention on the future not current skills and positions.

General Feedback:

Page 76. Learning Objective 5. Applied. Replacement charts are primarily concerned with the organisation's current HR requirements and as such do not take cognisance of future needs associated with strategic objectives.

37. Management development and succession planning are considered superfluous by many organisations because of:

- a. the labour surplus for specialist, skilled positions.
- b. the more highly educated nature of the current workforce.
- c. the costs involved in developing a mobile workforce.
- *d. rapid changes in business and a mobile job market.

General Feedback:

Page 77. Learning Objective 5. Applied. Many consider that long term development of managers and succession planning have in many respects been made redundant due to significant changes in the business sector, flexibility in the job market and the trend away from long-term employment with a single employer.

38. Succession planning will become merely an academic exercise producing only static charts unless it:

- a. has the support of all levels of management in the organisation.
- b. uses a number of dynamic sophisticated quantitative planning tools.
- *c. has an effective appraisal and needs-based training programs.
- d. increasing turnover rates.

General Feedback:

Page 77. Learning Objective 5. Applied. For succession planning to be effective and gain support within the organisation, it needs to be underpinned by an organisational culture that fosters employee development and internal promotion via performance appraisal and effective training.

39. The practice of managers developing their own replacements has been found to be:

- a. successful and cost efficient.
- *b. ad hoc and subjective.
- c. objective and well-structured.
- d. difficult to implement and monitor.

General Feedback:

Page 77. Learning Objective 5. Applied. Unless a systematic approach is adopted with regard to succession planning, then it is likely that promotions will be based on how well employees are able to flatter their superiors or on non-objective or irrelevant criteria.

40. Effective development of managers requires:

- a. employing outside external consultants with relevant job experience.
- b. employing a specialist trainer to identify company training needs.
- c. the use of a computer based forms of individual needs assessment.
- *d. identifying appropriate learning experiences via relevant job assignments.

General Feedback:

Page 77. Learning Objective 5. Applied. Development of managers requires an effective needs analysis that pinpoints which roles or assignments, special projects and/or training programs will enhance their current skill set.

41. Critics of casualisation of the workforce have argued that it:

- a. hinders workforce flexibility.
- *b. marginalises employees in terms of career, training and benefits.
- c. increases managerial responsibilities.
- d. adversely affects worker satisfaction.

General Feedback:

Page 80. Learning Objective 5. Applied. Casual, part-time, temporary and contract workers are often disadvantaged with regards to training and development opportunities, career development and non-cash benefits when compared to their full-time or permanent counterparts.

42. Which of the following is NOT an advantage associated with knowledge workers being employed on a contingent basis?

- a. Varied and interesting work
- *b. Long term career prospects
- c. Flexibility to enable effective balancing of work and personal commitments.
- d. The opportunity to work for a variety of organisations in a range of different industries.

General Feedback:

Page 80. Learning Objective 5. Applied. Contingent knowledge workers typically work on short-term contracts for a variety of firms and thus sacrifice long term career development with a single organisation.

43. Quinn and Hilmer argue that by strategically outsourcing and emphasising a company's core competencies:

- *a. managers can leverage their firm's skills and resources for increased competitiveness.
- b. resources can then be allocated to improved marketing and financial activities.
- c. the need for any future HR planning techniques will be greatly diminished.
- d. a closer integration with globalisation trends in employment practices is possible.

General Feedback:

Page 82. Learning Objective 5. Applied. Quinn and Hilmer argue that strategic outsourcing enables organisations to focus their resources and employee skills on their core functions and thus improve their competitive position.

44. Which of the following HR activities would not be outsourced?

- a. Recruitment
- b. Payroll
- c. Retirement services
- *d. Performance management

General Feedback:

Page 82. Learning Objective 5. Applied. Performance management would not be outsourced to an external firm as managing and developing employees is the key to fostering an organisation's sustainable competitive advantage.

45. Given that human resource planning is the cornerstone of all HRM activity, it is astounding how many organisations:

- a. continue to use contractors to carry out the planning exercise.
- b. fail to provide for such activities in their budget allocations.
- *c. perceive the activity as little more than a headcount.
- d. prefer qualitative planning methods to the quantitative techniques.

General Feedback:

Page 62. Learning Objective 2. Applied. Many organisations fail to fully integrate HR planning into the organisation's strategic business plan.

46. The HR plan:

- a. is increasingly being developed by external consultants with extensive HR experience.
- *b. affects all HR activities, and is a strategic link between organisational and HRM objectives.
- c. serves as a broad guideline for the employment and placement of human resources.
- d. is a superfluous activity that adds nothing of value to the management of an organisation and its ability to achieve its strategic objectives.

General Feedback:

Page 62. Learning Objective 2. Applied. HR planning is critically linked to all other HR activities and supports the achievement of the overall strategic objectives.

47. A measure of the effectiveness of HR planning is whether:

- a. it positively affects the organisation's share price.
- b. it gains increased recognition at top management levels.
- *c. the right people are available at the right time.
- d. employee turnover rates are significantly reduced.

General Feedback:

Page 86. Learning Objective 7. Applied. HR planning is effective when appropriately skilled people are available to help achieve the organisation's strategic objectives.

48. Which of the following is NOT a termination cause?

- a. GFC
- b. Technology
- *c. Getting older
- d. Outsourcing

General Feedback:

Page 83. Learning Objective 6. Applied. Globalisation, cost pressures, competition, technology, the GFC, organisation structural changes, mergers and acquisitions etc. are all forms of termination from the firm.

49. What is one of the disadvantages of terminating employees from a firm?

- *a. The organisation may lose employees it would prefer to keep
- b. The organisation saves on costs
- c. The organisation is more efficient
- d. The organisation is more productive

General Feedback:

Page 84. Learning Objective 6. Applied. Losing employees it would prefer to keep might mean that an organisation is left with the 'dead wood' employees.

50. Which is NOT a factor to consider before commencing a termination program?

- a. Timing
- b. Cost

Page 62-70. In fulfilling the recruiting and selection function the HR department needs to know what the strategic focus of the organisation is and in particular what the HR objectives are. The approach taken towards recruiting and selection will be largely driven by whether the company is pursuing a strategy of retrenchment, stability or growth. In considering internal supply, if a growth strategy is being pursued, HR will need to take account of whether the company has a policy of favouring existing employees first if any increase in employment is undertaken. In considering external supply, recruiting and selection needs to be critically aware of changing demographics, the growth of the international labour market, the casualisation of the workforce and changing participation rates brought about by changing social trends.

54. You have been asked to prepare some human resource forecasts for Correctional Services Officers for the Department of Corrective Services. What factors will affect the demand for and supply of these officers?

Correct Answer:

Page 73-83. In considering the demand for Correctional Services Officers, some of the factors to be considered would be the trends in crime statistics, whether the prisoner/officer ratio was at the predetermined correct level or not, the attitude of the judiciary towards placing convicted criminals in prisons, budgetary constraints of the government, any social and political pressures to build more prisons and changing population demographics. In considering supply, the age composition of the present correctional services officers would be a critical factor, the terms and conditions of employment offered for such positions and the present turnover of officers in their positions. This would depend on the current state of the employment market since jobs as prison officers are usually sought when the labour market offers few alternatives. Other factors affecting supply would be the attractions of the job such as security and opportunities for promotion.

55. What do you consider to be the major problems in human resource planning?

Correct Answer:

Page 86. Many organisations feel that HR planning is a waste of time in the present climate of rapid change, especially in demography, technology and the labour market. HR planning will remain a fad while its value to the achievement of the organisation's objectives are questioned or misunderstood. HR must ensure that its planning objectives are in accord with those of the organisation or it will never gain the recognition it seeks. Further problems HR planning faces are its overemphasis on sophisticated statistical techniques and its reliance on qualitative techniques that do not always have the support of top managers. Moreover satisfactorily matching employees with predetermined needs can be expensive, time consuming and subject to a range of legislative requirements, all of which can undermine attempts to get the right employees available when needed.

56. Identify and discuss some of the major factors that need to be considered before commencing a termination program.

Correct Answer:

Page 85. Some of the major factors to consider include: objective (what is to be achieved and will it be achieved?), numbers (how many people are to be terminated?), selection (using a rationale that is perceived as just), timing (quickly and at one time), cost (all identified and accounted for), and audit (evaluation of the program).