

HRCI SPHR® - Quiz Questions with Answers

Functional Area 01: Leadership and Strategy

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1.

The Fair Labor Standards Act (FLSA) requires employers to keep accurate records of the dates of birth for employees younger than what age?

19 years of age

16 years of age

21 years of age

18 years of age

Correct answer: 19 years of age

The Fair Labor Standards Act (FLSA) was enacted in 1938 and expanded compensation practice regulations to cover virtually all employers in the United States. The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments. There are strict record-keeping requirements which include information identifying employees.

This information includes name, address, and Social Security number, along with their birth date if they're younger than 19 years of age, their sex, and their occupation.

2.

What information is commonly found within an applicant tracking system?

Select all that apply. There are 3 correct answers.

Applicant contact information

Job posting information

EEO information

Skills gaps identified in human capital projections

Offer letters

An applicant tracking system (ATS) is used to help manage and streamline the recruiting processes. An ATS has many capabilities that benefit applicants, recruiters, and hiring managers. Common items found within an ATS include:

- *Applicant information (contact information, resume, application)*
 - *List of open positions*
 - *Job descriptions*
 - *EEO information*
 - *The ability to search candidate information*
 - *The ability to report on key recruiting metrics (time to fill, vacancy, etc.)*
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3.

Why is a return on investment (ROI) so critical for human resources to prove?

It highlights the positive aspect of investing in people and HR initiatives

It gives human resources a seat at the decision-making table

It demonstrates that HR is a valuable aspect of the organization

It reduces the risk of launching a new HR program

Correct answer: It highlights the positive aspect of investing in people and HR initiatives

The best answer is that proving ROI communicates, in hard figures, that an investment in a new HR program or initiative, or an investment into the human capital aspects of the business, will produce a positive return. ROI is used in many financial evaluations; therefore, HR should always be able to share data that supports the positive impact that human resource programs have on the organization's bottom line. As with any investment, knowing the cost versus the return helps to communicate the value.

4.

What are the examples of compensation documents that should be reviewed as part of the due-diligence process?

Select all that apply. There are 3 correct answers.

Hourly wage rates by the job

Salary schedules

Number of employees in each position

Active workers compensation claims

Collective bargaining agreement

Offer letters/employment contract

HR professionals typically play pivotal roles in a merger or acquisition's core due diligence activity. During due diligence, information about talent and culture—along with typical assessments of employee benefits plans and liabilities, compensation programs, employment contracts and policies, legal exposure, and more—can provide insights into the value of a property and its workforce and can decrease the likelihood of challenges once the deal is complete.

A thorough review of the following information generally takes place during the due diligence phase of the transactions. The items reviewed include:

- *HR documents - This includes names and locations of employees, offer letters/employment contracts, I-9 forms, and visa documents, benefit plans*
- *Compensation documents - This includes hourly wage rates by the job, salary schedules, number of employees in each position*
- *Policies and procedures - This includes the policy manual, employee handbook, supervisor/manager handbook*
- *Equal opportunity compliance - This includes EEO-1 reports, affirmative action plans, government notices of compliance activity*
- *Legal compliance - This includes COBRA notices, active FMLA leave, WARN compliance, and OSHA compliance*

- *Labor relations - This includes collective bargaining agreement, ongoing negotiations, union activity, and grievance history*
 - *Legal exposure - This includes pending or resolved sexual-harassment claims, termination disputes, violations of state/federal law, active workers compensation claims*
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5.

The benefits of an LMS (learning management system) include:

Select all that apply. There are 3 correct answers.

Streamlines organizational learning

Stores training content and curriculum

Allows for pre- and post-assessments

Develops training content

Determines learning goals and outcomes

A learning management system is often an extension of the HRIS system, but can also be a stand-alone technology. The goal of an LMS is to support and streamline the training and development efforts of the organization.

From an administrative perspective, an LMS has the capability to manage the learning process by assigning courses to team members as well as provides reporting on completion of assigned training. Additionally, an LMS stores training content and can help evaluate the effectiveness of the training by allowing pre and post-training assessments.

While an LMS may come with some standard training content, it will be up to the organization to develop any additional training content and determine the organization's learning goals and the desired outcomes.

6.

Which of the following states what employees may or may not do to comply with a particular policy?

Work rule

Policy

Procedure

Law

Correct answer: Work rule

Work rules are defined as the set of rules that are established by the organization as the behaviors, expectations, and standards that an employee must adhere to while performing the duties of their position.

Policy is the general guideline established by the organization as a method to support the decision-making process for the organization, supervisors, and employees.

Procedures are defined as the tactical description for how the policy is to be implemented within the organization. Procedures are typically a step-by-step outline of the expectations of the employee in performing the duties of their position.

7.

John is 15 years old and working as a cashier for the summer. He volunteered to work the 4th of July holiday weekend because his company was offering an incentive. What time must John clock out for the company to remain FLSA-compliant?

9 PM

10 PM

7 PM

John is not eligible to work under FLSA child labor laws

Correct answer: 9 PM

The Fair Labor Standards Act (FLSA) sets regulations on working hours for youth workers. During the school year, they can work between 7 AM and 7 PM, but in the days between June 1 and Labor Day, the workday can be extended to 9 PM.

John is allowed to work as a cashier because youths aged 14 and 15 are allowed to work jobs that are not farming, mining, or otherwise hazardous. Since the 4th of July holiday weekend falls between June 1st and Labor Day, he is able to work until 9 PM.

8.

What comparison method can managers use to rate employees from the highest to lowest levels of performance?

Ranked performance

Graded performance

Bell curve

Hierarchy rating

Correct answer: Ranked performance

The ranked performance model is a comparison method of performance appraisals/reviews that compares the performance of top employees to the lower performing employees and ranks them based on their performance. This can help management focus on bringing all employees up to an acceptable level of performance and reward those who exceed expectations.

9.

When an organization is trying to mitigate a risk, what are they attempting to do?

Reduce the risk

Accept the risk

Avoid the risk

Transfer the risk

Correct answer: Reduce the risk

Managing organizational risk can be handled in one of four ways: mitigation, acceptance, avoidance, or transfer. These can be described as follows:

- *Mitigation: When the company mitigates risk, they are changing or implementing an organizational behavior, practice, or policy in an effort to minimize or remove the risk.*
 - *Acceptance: When a company accepts a risk, they are acknowledging the risk and accept any organizational or financial impact of the risk.*
 - *Avoidance: When a company eliminates the risk by changing or removing the risk from the organization.*
 - *Transfer: When a company transfers the risk, they are assigning the liability of the risk to a third-party, such as an insurance company. This could also include outsourcing key areas of risk to a subcontractor or vendor, such as payroll and HR services.*
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10.

What are the **best** tools that organizations can use to ensure change initiatives are successful?

Select all that apply. There are 4 correct answers.

Recruit unofficial leaders

Have an executive sponsor

Prepare for change

Communicate

Force compliance

Create a detailed timeline

Change management within organizations can be difficult; therefore, it is critical for HR professionals to understand the tools more likely to support a successful change initiative. These tools include:

- *Prepare for change*
- *Communicate*
- *Develop a plan*
- *Have an executive sponsor*
- *Motivate direct supervisors*
- *Recruit unofficial leaders*
- *Implement*
- *Evaluate*

At some point in the change process, you may have to force compliance, but ideally, this would not be the best tool to utilize. Additionally, a plan is important, but a detailed timeline could derail the motivation and engagement in the change if the timeline is not followed.

11.

Business management strategy (BMS) is the foundation of most human resource activities. What is the goal of HR within the organizational domain of BMS?

To develop, support, and align HR policies, programs, and goals to the organization's mission, vision, values and strategic objectives.

To enforce HR laws and create policies that reduce risk for the organization.

To make key decisions that impact employees and produce higher levels of performance, creating a more profitable business.

To change the culture of the organization so that it's more appealing and moves away from outdated mission statements.

Correct answer: To develop, support, and align HR policies, programs, and goals to the organization's mission, vision, values and strategic objectives.

Business management strategy (BMS) is the process of developing high-level strategies and plans to achieve the organizational goals and objectives. Within HR, when developing policies, procedures, and programs, it is important to align these items with the overall strategic direction and goals of the organization. HR programs and processes have the ability to shape the corporate brand and identity which can greatly influence achievement of organizational goals.

12.

If one thinks about HR as a game of chess, with HR being the game masters and employees being the chess pieces, the rules are created by the strategies which HR uses to make moves. The only difference between the real-world game of HR and the game of chess is:

The rulebook is constantly changing

The HR team can restart the game anytime

The skill of the players dictates the winner

A chess game is based on chance

Correct answer: The rulebook is constantly changing

HR can be compared to a game of chess. HR are the masters of the game and employees are the game pieces with capabilities and vulnerabilities, each moving around a game board that is much like the marketplace. Unlike a chess game, however, the real world has no one set of rules. Therefore, the rulebook must be adaptable and changing to the needs of the organizational goals and climate in which it operates.

13.

The Delphi technique describes:

A method of solving problems by using participants who never actually meet

A way to come up with new ideas by tapping into the brainwaves of college students

A form of idea generating that requires participants to compete with one another

A voting system that forces all leaders to agree on a certain subject before moving to another

Correct answer: A method of solving problems by using participants who never actually meet

The Delphi method is a forecasting process that allows a group of participants to solve a problem by using remote tools like surveys, polls, and questionnaires. While they may never meet or work together in person, the participants effectively work through problems and come up with solutions by repeating the process and getting feedback from the facilitator. Eventually, an agreeable solution occurs.

14.

The HR manager for a customer service company notices that a large percentage of employees are quitting before they meet the six-month mark. How can HR determine what is happening to make corrections and retain more workers?

Conduct stay interviews with employees immediately before the six-month mark

Ask supervisors why their employees are leaving

Find out if the job is not challenging people enough

Conduct a pulse survey to get more information

Correct answer: Conduct stay interviews with employees immediately before the six-month mark

Instead of waiting for employees to quit, HR can be proactive and hold individual meetings with employees who are nearing the six-month mark. HR should be mindful of what is happening at this point. Are there pay concerns, extra responsibilities placed on employees, or something else making people want to quit?

15.

What term describes the unique set of offerings, associations, and values that compel talent to want to work for the company?

Value proposition

Employer value

Culture

Upward mobility

Correct answer: Value proposition

Commonly used to attract and retain talent, the employer value proposition is a message developed that captures the unique brand, culture, values, offerings, and benefits of working for a particular company. The value proposition is part of the company's brand.

16.

Human Resources can help organizations avoid making risky choices by one of several methods. In a hazardous work environment, certain preventative measures such as lock-out/tag-out, and protective equipment is an example of what method?

Mitigation and reduction

Vendor outsourcing

Transferring

Abatement and elimination

Correct answer: Mitigation and reduction

In this particular case, the best course of action is to mitigate and reduce the risk to employees with safety procedures. None of the other choices allow the company to operate without additional risk to employees and the business. Other risk management techniques include:

- *Abate/eliminate the risk*
 - *Transfer the risk*
 - *Accept the risk*
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17.

A large company disposes of a business investment after it is shown to no longer be profitable for the last two years. This is an example of:

Divestiture

Dissolving

Designing

Departmentalization

Correct answer: Divestiture

Divestiture is the correct term which refers to the disposal of a business unit, investment, or ownership of some property that no longer serves the organizational goals, typically by a parent company. This form of restructuring allows for companies to sell pieces of their business to focus on core products or brands.

18.

What are the key items human resources professionals should review when performing the due-diligence process prior to a merger or acquisition?

Select all that apply. There are 4 correct answers.

Compensation documents

Policies and procedures

Legal exposure

EEO compliance

Accounting records

Employee engagement records

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- **Legal compliance:** This includes COBRA notices, active FMLA leave, WARN compliance, and OSHA compliance

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 - **Legal exposure:** This includes pending or resolved sexual-harassment claims, termination disputes, violations of state/federal law, active workers' compensation claims
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19.

The social scientist who discovered that improving the lighting in employee areas would also improve their productivity was:

Elton Mayo

Henry Taylor

Frederick Herzberg

Hackman Oldman

Correct answer: Elton Mayo

Between 1924 and 1932, Elton Mayo conducted a series of experiments to determine the impact of working condition on the performance and behaviors of employees. Mayo found that when better lighting was added to employee areas, the employees responded well because they believed the company cared about their well-being and were observing them more closely. However, the effect only lasted a short time before the employees returned to their former levels of performance as the increased lighting was not the factor increasing productivity, but rather the time and attention received from management.

20.

Studies show that millennials prefer to work for companies that support causes in which they believe. The ethical theory that guides organizations to consider the welfare of society is called:

Social responsibility

Environmental impact

Community networks

Recycling programs

Correct answer: Social responsibility

The new normal for many companies is a strong sense of social responsibility for the communities in which they operate. Giving back to the community through volunteerism, financial support, and other ways supports worthwhile social causes.

The other choices are also positive ways to be ethical as an organization.

21.

Six Sigma is an example of which type of OD intervention?

Techno-structural intervention

Human process intervention

Human resource management intervention

Strategic intervention

Correct answer: Techno-structural intervention

Organizational development (also referred to as OD) is a way of analyzing an organization and developing action strategies to achieve business goals. The strategies are known as OD interventions. There are four categories of OD interventions are: strategic, techno-structural, human process, and human resource management.

- **Strategic interventions:** Used to implement changes to the vision, mission, and values of the organization. Examples include change management, knowledge management, and learning organizations.
 - **Techno-structural interventions:** Address how the work is completed within the organization by examining the extent to which employees are involved and by redesigning work processes. Examples include Total Quality Management (TQM) and Six Sigma.
 - **Human process interventions:** Serve to develop individual competencies. Examples include creative problem-solving and team building activities.
 - **Human resource management interventions:** Focus on how individuals interact within the organization. Examples include leadership development, career management and career pathing.
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22.

In the case of an employee complaint of a safety hazard filed with the Occupational Safety and Health Administration (OSHA), HR is required to:

Provide access to the area to an OSHA officer and any maintenance/safety records related to the problem

Give the OSHA officer a tour of the entire facility and access to employee records

Identify what employee made the claim and let management handle the problem

Hire an outside firm to fix the problem only after OSHA has instructed the company to do so

Correct answer: Provide access to the area to an OSHA officer and any maintenance/safety records related to the problem

The human resource director must give the visiting OSHA officer safe access to the area identified in the complaint to inspect and provide corrective directions. All safety records and maintenance reports relating to the hazard in question must also be made available for review. The hazard should be corrected immediately to prevent further safety issues and reports.

23.

Which of the following is **not** one of the four elements needed to create a high-involvement organization, as identified by Edward E. Lawler, III?

Discipline

Power

Knowledge

Rewards

Correct answer: Discipline

High-Involvement Organizations (HIOs) have defined hierarchies that are flat. Employees tend to manage themselves by creating their own processes, completing the work needed and being held accountable for the results. Feedback and information flows happen between the self-directed work teams. Edward E. Lawler III identified four elements needed to create a High Involvement Organization (HIO):

- 1. Power*
- 2. Information*
- 3. Knowledge*
- 4. Rewards*

Discipline is not one of the four elements needed to create a high-involvement organization as identified by Lawler.

24.

What percentage of substance abusers are currently employed?

70%

10%

32%

90%

Correct answer: 70%

Research by the National Council on Alcohol & Drug Dependence (NCADD) predicts that over 70% of substance abusers are currently employed costing U.S. business over \$81 billion annually due to increased absenteeism, increased mistakes/errors, lower productivity/output, decreased morale, increased health-care cost, and higher workers compensation claims.

25.

Which are **true** regarding strategic relationships?

Select all that apply. There are 4 correct answers.

They reflect the business plan

They can determine the success or failure of goals

They are built between key internal and external stakeholders

They can create their own subculture

They control the direction of the programs

Strategic relationships are defined as relationships that work together for the advancement of strategic goals or objectives. In Human Resources, these relationships work together to advance the HR function by ensuring strategic HR goals are accomplished.

These relationships are typically identified as internal and external relationships between key stakeholders. This can include shareholders, employees, management, customers, and the community. Strategic relationships should align with the business plan and have the ability to contribute to the success or failure of the organizational goals. As these relationships are developed, often organizations will begin to see a unique subculture develop both internally and externally. This subculture is influenced by the quality of the relationships.

26.

The startup phase of an organization's life cycle is characterized by:

Select all that apply. There are 3 correct answers.

Exciting vision and purpose

Minimal training and established processes

Employees wearing multiple hats

Regular and routine activities are proceduralized

Progress is regularly monitored for status

Longer-range planning is a focus

Organizations are like people. They move through four different stages of development: startup, growth, maturity, and decline. Just like people, organizations rarely do this in a neat, orderly, and predictable fashion. Below are the four stages:

- 1. The startup phase is the phase of the organization in which it is just beginning. This phase is characterized by an exciting vision and purpose; exciting, charismatic leaders; a hands-on (working) Board; minimal training; employees wearing multiple hats; decisions are often reactive and spontaneous; resources (money, facilities, etc.) are continually sought, sometimes in crisis situations; occasional confusion, frustration, and conflicts can exist about who is doing what, how, and when; people begin to talk about the need for more planning and procedures.*
- 2. The growth phase is the phase of the organization that reflects steady growth in which the founder can no longer manage the organization independently. This phase is focused on strengthening internal systems to support growth while expanding services. Leaders focus on managing change as much as on generating new ideas; the Board evolves to more of a policy-Board; different departments and teams are appropriately coordinated for efficiencies; planning is regular and systematic, and focused on goals, roles, and deadlines; progress is regularly monitored for status, learning and continuous improvement; regular and routine activities are proceduralized, and performance management practices are focused on personnel and the organization.*

3. *The maturity phase is the phase of the organization that focuses on sustaining momentum while avoiding bureaucracy. It is characterized by a focus on creativity and innovation; management priorities are on succession planning and risk management; increased learning opportunity; leaders seek to successfully duplicate their business model; longer-range planning is a focus (3-5 years); priority continues to be on managing change and transformation.*
 4. *The decline phase is the phase of the organization in which the organization is characterized by inefficiency and bureaucracy. In this stage, leaders seek to streamline and create ideas to rebrand in order to survive. This may include the development of new products, workforce reductions, or other cost-cutting methods. Failure to be successful will result in acquisition or closing.*
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27.

A record retention schedule establishes how long to:

keep employee records on file

keep employees active

record disciplinary actions for employees

record the time worked of each employee

Correct answer: keep employee records on file

The record of retention establishes a set process for storing and retaining certain types of employee records from applications to termination paperwork. This is required by law and must include information about where, how, and why records are stored and when and how they are destroyed.

28.

A balance sheet uses which three indicators to determine financial health?

Select all that apply. There are 3 correct answers.

Assets

Liabilities

Equity

Net income

Budgets

As HR professionals, it is important to be able to review and understand basic accounting reports and functions. Basic accounting reports commonly used include balance sheets, income statements, and statements of cash flows.

A balance sheet generally shows three primary things - assets, liabilities, and equity. (Assets = Liabilities + Equity)

An income statement, which is sometimes called a profit & loss (P&L) statement provides information on the organization's revenues, the cost to produce the goods or services, the overhead expenses, and the P&L for the reporting period. (Sales - Expenses = Net Income)

A statement of cash flows shows the amount of money in the bank for the reporting period.

29.

During an organizational development intervention, human resource leaders are often viewed as being:

Relationship managers

Objective decision-makers

Rule breakers

Loyal to the CEO

Correct answer: Relationship managers

HR professionals are tasked with building relationships throughout the organization and are often called on to bridge the communication gap, build teams based on the strengths of individual members, and develop connections across the organization. By taking part as relationship builders and management partners, HR can help facilitate positive relationships between different sides of every matter during the change management process.

30.

Why is it important for HR to establish a policy on employee substance abuse?

To clearly state the company policy, the consequences, and how employees can get help

To prevent employees from trying illegal drugs

Because other organizations have a policy

It is mandatory for all companies to have such a policy

Correct answer: To clearly state the company policy, the consequences, and how employees can get help

The organization must state in writing that they have zero tolerance for substance abuse at work, what will happen if an employee is caught in this behavior, and what rehabilitation services are available to employees who need help quitting.

31.

Stacey receives an injunction forbidding her from operating the outdoor thermal spa she just ordered online. Which of the following statements is **true**?

Injunctions are court ordered and legally binding

Injunctions are court ordered but not legally binding

This injunction is not legally binding

Stacey is not required to comply, because injunctions only apply to labor organizations

Correct answer: Injunctions are court ordered and legally binding

Injunctions are court orders that either requires or forbids an action from being performed. Although it was first used against a labor union and its initial intention was the ending of strikes, injunctions have found themselves a permanent fixture throughout the U.S. legal system.

32.

What is the potential penalty for employers who willfully violate FLSA child-labor protections?

Criminal prosecution and up to \$10,000 per violation

Criminal prosecution and \$50,000 per violation

Criminal prosecution and \$25,000 per violation

\$10,000 per violation

Correct answer: Criminal prosecution and up to \$10,000 per violation

Willful violations of the Fair Labor Standards Act, inclusive of all of its provisions, can result in a penalty of criminal prosecution and a fine of up to \$10,000 per violation. A second violation could result in imprisonment and additional civil penalties of \$1100 per violation.

In 2008, the Genetic Information Nondiscrimination Act (GINA) amended FLSA by increasing the maximum fines for violations of child labor laws from \$10,000 to \$50,000 when the violation resulted in death or serious injury to minor.

33.

The concept of respondeat superior is closely related to which of the following?

Vicarious liability

Tangible employment action

Defamation

Fraudulent misrepresentation

Correct answer: Vicarious liability

Respondeat superior is a common and civil law doctrine which defines that a principle is responsible for the actions of their agents. In this workplace, this means that employers are responsible for the actions and behaviors of their employees while performing the scope of their job duties.

Vicarious liability is defined as a situation in which an individual can be held accountable for the unlawful actions of another even if they were not involved in the action or were unaware of the action. Similar to respondeat superior, in an employment context, an employer may be held liable for the actions of their employees despite the lack of knowledge or involvement.

34.

An income statement is an accounting report that provides which of the following information?

Select all that apply. There are 4 correct answers.

Revenues

Cost to produce services or goods

Overhead expenses

Profit & Loss for the reporting period

Amount invested in property

Available cash

As HR professionals, it is important to be able to review and understand basic accounting reports and functions. Basic accounting reports commonly used include balance sheets, income statements, and statement of cash flows.

An income statement, which is sometimes called a profit & loss (P&L) statement provides information on the organizations revenues, the cost to produce the goods or services, the overhead expenses, and the P&L for the reporting period.

35.

Organizational development creates action strategies that are known as which of the following?

OD interventions

OD action plans

OD organization strategies

OD change maps

Correct answer: OD interventions

Organizational development, also referred to simply as "OD" uses behavioral, social and psychological science to evaluate an organization's technology, processes, structure, and human resources. Action strategies that are developed to improve the way organizations achieve desired business results are known as organizational development interventions. They may be directed toward structures, processes, technology, individuals, groups, or entire organizations. OD interventions fall into four categories:

- **Strategic interventions:** *Used to implement changes to the vision, mission, and values of the organization in response to changes in the market. Examples include change management, knowledge management, and learning organizations.*
 - **Techno-structural interventions:** *Address issues of how the work is performed or accomplished by redesigning the work processes based on the level of employee involvement. Examples include Total Quality Management (TQM) and Six Sigma.*
 - **Human process interventions:** *Directed at developing individual competencies. Examples include team building activities, conflict resolution, and management by objectives.*
 - **Human resource management interventions:** *Focus on the individuals within the organization. Examples include developing hiring and selection procedures or job design.*
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36.

An important component of the Six Sigma model is the quality team structure. Which team member in the team structure leads quality projects?

Black Belt

Master Black Belt

Process Owner

Green Belt

Correct answer: Black Belt

The Six Sigma team structure's levels are as follows:

- **Quality Leader/Manager:** *The quality leader's responsibility is to represent the needs of the customer and to increase organizational effectiveness. The quality leader also reports directly to the CEO or president and is equal to all other direct reports.*
 - **Master Black Belt:** *Master black belts are generally assigned to a specific area such as HR or to a specific process function like billing. They partner with the process owners to make sure the project stays on the right course.*
 - **Process Owner:** *Process owners are the highest level individuals responsible for specific operational areas in the organization; depending on the size of the organization their titles could range from Director to Chief.*
 - **Black Belt:** *Black-belt employees lead quality projects full time until they are complete and coach green belts on their projects.*
 - **Green Belt:** *Green belts are trained in Six Sigma but maintain their regular work role while spending a portion of their time completing projects.*
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37.

What tool is used to provide feedback to an employee on their performance and create a professional development plan?

Performance appraisal

Job review

Career rating

Productivity report

Correct answer: Performance appraisal

Also commonly referred to as a performance review or performance evaluation process, the formal performance appraisal is a process used by many organizations to provide constructive feedback to employees. This process is an open dialogue between the employee and the supervisor which identifies the employee's strengths, areas of opportunity, goals, and opportunities for training and development. When used effectively, the performance appraisal process can support the management of employee performance to ensure success within their role as well as support employee engagement.

38.

Technology can become obsolete quickly; therefore, HR must balance the need to use technology to compete in an industry with what factor?

The cost of adopting new technology

The actual use of the technology

The support period for new technology

The vulnerability of customer data

Correct answer: The cost of adopting new technology

The best answer is to determine how the cost of new technology aligns with the organization's ability to compete within the industry. As technology changes it is important to analyze the cost of the technology, but also the cost (time) of the implementation, the training on the new technology, as well as consider any security risks or concerns.

39.

The first step a department can use when a new employee is required for the company is called a formal:

Job requisition

Candidate opening

Request for proposal

Project order

Correct answer: Job requisition

Once the need for a new position has been identified, the common process is for the manager of the department to submit a formal job requisition to HR. With this request, HR will then confirm the position is approved internally (budget, leadership, etc.). From this point, most often, HR will proceed with the posting of the position via the various recruiting sources used by the organization.

40.

Discriminatory discipline, reducing work hours, and discharging employees in response to union activities is an example of:

Coercive conduct

Union blocking

Increasing salary

Manager control

Correct answer: Coercive conduct

In 2016, unfair labor practices (ULP) were filed against McDonald's Corporation, and its franchisees. In this decision, the NLRB found claims of ULP's resulting in a settlement of \$3.75M.

It is illegal and coercive to treat employees negatively for engaging in legal union activities or interest in a union, which is a protected activity. This includes threats, surveillance, interrogations and other unethical behaviors.

Employer unfair labor practices defined by the NLRA include:

- 1. Interfere with, restrain, or coerce unionization efforts*
 - 2. Dominate or assist a labor organization*
 - 3. Discriminate against NLRB activity*
 - 4. Refuse to bargain in good faith*
 - 5. Enter into a hot-cargo agreement*
-

41.

When motivating employees, intrinsic and extrinsic factors are served well by sincere performance feedback and:

Instant awards

Salary reviews

Coaching

C-suite pressure

Correct answer: Instant awards

Intrinsic (internal) factors and extrinsic (external) factors can motivate employees to get things done. In addition to regular sincere performance feedback from a supervisor, instant awards provide just the right balance of feedback and motivation for most employees. Instant awards refer to that immediate employee recognition and real time feedback desired by most employees.

42.

Why is it important to utilize personality assessments to assess candidates who are being considered for leadership roles in an organization?

To identify those who have the right skills to achieve strategic outcomes

To make sure the candidate will never pose a risk to the company

To find out how smart the candidate is

To learn how the candidate relates to others in leadership roles

Correct answer: To identify those who have the right skills to achieve strategic outcomes

Industrial psychology dictates that candidates who have leadership skills and abilities (proven by a valid assessment) are more likely to help organizations succeed in meeting their goals and are more likely to be successful and satisfied in their roles.

43.

Which of the following is the result of having restricted access to educational opportunities and prejudices associated with gender, race, and ethnicity?

Societal barriers

Internal structural barriers

Governmental barriers

Employment barriers

Correct answer: Societal barriers

The term glass ceiling was coined in a 1986 Wall Street Journal article and refers to the limitations faced by women and minorities in senior management positions. The Glass Ceiling Act established the Glass Ceiling Commission to conduct a study and prepare recommendations concerning: (1) eliminating artificial barriers to the advancement of women and minorities; and (2) increasing opportunities and developmental experiences of women and minorities to foster advancement of women and minorities to management and decision making positions in business.

The commission conducted a study which identified three barriers that prevented women from advancing to senior levels: societal barriers, internal structural barriers, and governmental barriers.

- **Societal barriers** exist due to unequal access to educational opportunities due to biases related to gender, race, and ethnicity.
- **Internal structural barriers** exist due to organizational practices that do not provide the same opportunities to women and minorities, such as recruitment strategies, training and development, etc.
- **Governmental barriers** exist due to a lack of enforcement of equal employment legislation.

Employment barriers are not one of the three identified barriers.

44.

All of the following are common methods used when providing diversity training. Which of the following is **most** likely to promote resentment or division and should be avoided?

Identify stereotypes currently faced in the workplace and address them head-on

Eliminate references to past behavior that embarrass members of protected classes

Check the trainer's references and verify they are aware of potential legal issues

Enlist the trainer to report back any suspicion of ongoing situations in need of investigation

Correct answer: Identify stereotypes currently faced in the workplace and address them head-on

Diversity training has numerous benefits but can be a tricky training topic to tackle. The development of these programs benefits from thorough research, a team effort, and a skilled presenter. One method in diversity training continues to be commonly used despite its proving to do more harm than good. The method involves asking participants to identify any stereotypes that may currently exist in the workplace so that they can be addressed directly. Although this may be used with positive intentions, the results are often the creation of employee resentment, division among the workplace and/or legal issues. In the case of Stender vs. Lucky stores, this training method provided employees with information that was later used as evidence in filing a class action lawsuit against the employer.

45.

Linda is a teacher who has to undergo chemotherapy for breast cancer. She may request what type of FMLA leave to take time off only when needed to recover from each treatment?

Intermittent

Continuous

Reduced leave

Military leave

Correct answer: Intermittent

Since Linda is expected to take only a few days off after each chemo treatment, the most appropriate FMLA for her is intermittent leave. When it is medically necessary, employees may take FMLA leave intermittently, or on a reduced leave schedule, reducing the employee's usual weekly or daily work schedule. Leave to care for or bond with a newborn child or for a newly placed adopted or foster child may only be taken intermittently with the employer's approval and must conclude within 12 months after the birth or placement.

46.

The outline of how an organization expects employees to conduct themselves around the world is called:

Global Ethics Policy

World Behavior Chart

Global Diversity Plan

Earth Employee Handbook

Correct answer: Global Ethics Policy

A Global Ethics Policy outlines the acceptable behaviors of employees who are doing business on this level. The policy may include strategies to avoid illegal practices, bribery, conflicts of interest, workplace privacy, and more.

47.

The process that involves reducing layers of supervision/management, changing reporting relationships, and downsizing is called:

Organizational restructuring

Company shutdown

Operational demise

Company development

Correct answer: Organizational restructuring

Organizational restructuring requires an organizational development (OD) intervention in which HR is often involved. HR's involvement can include layoffs or reassignment of talent, eliminating levels of management, changing departments and reporting structures. The goal of organizational restructuring is to eliminate unnecessary processes or positions while increasing production/output.

48.

Which programs are only open to employers with a proven track record of highly effective safety programs?

Voluntary Protection Program (VPP)

OSHA Alliance Program

OSHA Strategic Partnership Program (OSPP)

Safety and Health Achievement Recognition Program (SHARP)

Correct answer: Voluntary Protection Program (VPP)

There are many resources that OSHA provides to employers and employees to obtain information about workplace health and safety issues. The primary resource is the OSHA website, which provides extensive information. Additionally, there are a variety of programs offered to employers to aid in compliance:

*The **Voluntary Protection Programs (VPP)** recognize employers and workers in the private industry and federal agencies who have implemented effective safety and health management systems and maintain injury and illness rates below national Bureau of Labor Statistics averages for their respective industries.*

***OSHA's Alliance Program** enables the agency to develop voluntary, collaborative working relationships with organizations that are committed to workplace safety and health.*

*The **OSHA Strategic Partnership Program (OSPP)** provides opportunities for OSHA to partner with employers, workers, professional or trade associations, labor organizations, and other interested stakeholders. OSHA Strategic Partnerships are unique agreements designed to encourage, assist, and recognize partner efforts to eliminate serious hazards and enhance workplace safety and health practices.*

*The **Safety and Health Achievement Recognition Program (SHARP)** recognizes small business employers who have used OSHA's On-Site Consultation Program services and operate exemplary safety and health programs.*

49.

Newspaper and radio advertisements and billboard signs are examples of external recruitment activities based on traditional methods. These have now been replaced by modern methods, such as:

Social media, online job boards, and virtual job fairs

Resumes, job fairs, and direct referrals

Staffing agencies and 'help wanted' window signs

Paper applications and television advertisements

Correct answer: Social media, online job boards, and virtual job fairs

Of the choices given, these are the most common modern methods of recruitment today. Some traditional methods are still in use, getting varying degrees of success based on the job markets.

50.

Under the common law doctrine of most U.S. states, this employment arrangement allows employers and employees to terminate their relationship with each other for any reason with a written notice. This is referred to as:

Employment at Will

Termination Clause

Non-Compete Agreement

Express Contract

Correct answer: Employment at Will

Most states recognize Employment at Will (EAW), which refers to an employment agreement stating that employment is for an indefinite period of time and may be terminated, either by the employer or the employee, for any lawful reason. Certain exceptions to the employment at will doctrine include public policy exceptions, implied contract exceptions, and the implied covenant of good faith and fair dealing in the employment relationship. Exceptions to the EAW doctrine may vary by state.

51.

Employee skill sets, brand recognition, and innovativeness are all examples of what capabilities in a SWOT analysis?

Strengths and weaknesses

External opportunities

Employer value

External threats

Correct answer: Strengths and weaknesses

A SWOT Analysis is a strategic planning tool that examines internal and external strengths, weaknesses, threats, and opportunities, which the organization can leverage to make a move in a certain direction. The SWOT analysis forces leaders to look first at the organizational strengths and weaknesses before assessing opportunities and threats from others.

52.

Labor unions may support external recruitment by opening hiring halls during peak employment seasons. These are generally online career centers that explain employment opportunities and worker requirements. They are required to:

Maintain non-discriminatory referral practices

Hire all the candidates who apply

Screen candidates and check backgrounds

Offer more jobs to minorities

Correct answer: Maintain non-discriminatory referral practices

The labor union may send over candidates who have expressed interest in working for the company, however, they still must adhere to labor laws including non-discriminatory recruitment practices.

53.

Action strategies that are developed to improve the way organizations achieve desired business results are known as:

Organizational development interventions

Organizational culture

Organizational change

Organizational development

Correct answer: Organizational development interventions

Action strategies that are developed to improve the way organizations achieve desired business results are known as organizational development interventions. They may be directed toward structures, processes, technology, individuals, groups, or entire organizations.

Organizational culture is the organization's ability to share their values and beliefs and the behavior associated with them. Organizational development is a systematic method of examining an organization's technology, processes, structure, and human resources, and developing action strategies to improve the way it achieves desired business results.

54.

What are two possible outcomes of a labor surplus that HR must make a strategic decision about?

Redeployment or Reduction in Workforce

Job-sharing or Outsourcing

Re-hiring or Reduction in shifts

Redundancy or Re-call workers

Correct answer: Redeployment or Reduction in Workforce

When there is a surplus of labor and not enough work to go around, the HR team will need to determine if a redeployment of talent to other divisions or a reduction in workforce (layoffs) needs to happen. Both can occur simultaneously with other efforts such as reducing work hours from full-time to part-time, and asking some employees to leave voluntarily or retire early.

55.

What is the process of setting goals directly between a manager and an employee called?

MBO

SMART

GOAL

MBOSS

Correct answer: MBO

Management By Objectives (MBO) creates accountability for employees to meet certain goals within a reasonable amount of time. The employee sets these goals based on what he and the manager agree are critical to his success on the job. These goals should cascade down from the organizational strategic plan/goals. The manager supports the objectives and helps to reduce obstacles from getting in the way.

56.

Which of the following **best** describes a hostile work environment?

When an individual is subjected to unwelcome verbal or physical contact

When an individual receives rejection from co-workers

When employees are asked to do unreasonable tasks

When employees are required to increase their performance unreasonably

Correct answer: When an individual is subjected to unwelcome verbal or physical contact

As defined by the EEOC, harassment is unwelcome conduct that is based on race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information. Harassment becomes unlawful where 1) enduring the offensive conduct becomes a condition of continued employment, or 2) the conduct is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.

There are two types of sexual harassment that HR professionals should be aware of: quid pro quo and hostile work environment.

- Quid pro quo is a Latin term which translates to English as “this for that.” Quid pro quo is defined as something received in return for something else. In employment context, quid pro quo harassment occurs when an employee's employment, pay, benefits, title, position, or other opportunities for advancement and training are subject to submission to sexual harassment. Quid pro quo most commonly occurs in a supervisor-subordinate relationship.*
 - A hostile work environment is defined as behavior in the workplace that is severe or pervasive enough to create a work environment that a reasonable person would consider intimidating, hostile, or abusive.*
-

57.

Why is the I-9 given to employees **after** a job offer is made and accepted?

Prevents discrimination on the basis of national origin or citizenship

Prevents candidates from working before they are screened

To allow Homeland Security to check their status

To reduce the time the candidate spends training

Correct answer: Prevents discrimination on the basis of national origin or citizenship

Under the Immigration Control and Reform Act, it is illegal to refuse to hire someone based on their national origin or citizenship. Therefore, the I-9 form and E-Verify process takes place after the job offer is made and accepted by the candidate, but must be completed within 3 days of hire.

58.

A form of interviewing bias can occur when a candidate answers questions in such a rehearsed way as he or she thinks the interviewer wants to hear. This is called:

Cultural noise

First impression

Contrast error

Halo effect

Correct answer: Cultural noise

The interviewer who does not pay attention to the other cues that a candidate is giving off can easily fall victim to cultural noise, which is essentially a trick. The other choices describe other types of unintentional bias that must be eliminated when meeting face to face with candidates.

59.

In communicating workplace hazards, HR should be focused on the prevention of injury and illness. What is one method of accomplishing this?

Training employees on safe work practices

Sending a memo to employees

Repairing protective equipment

Ignoring the pile of boxes in pathways

Correct answer: Training employees on safe work practices

HR can play a pivotal role in terms of educating employees about safe work practices by hosting regular safety trainings/meetings. HR can also highlight the use of personal protective gear, demonstrating how to avoid common accidents, and explaining the company safety policies.

60.

A cost-benefit analysis measures tangible and intangible costs of a program in order to calculate its:

Value

Longevity

Timeframe

Skill gaps

Correct answer: Value

The cost-benefit analysis (CBA) is the process of calculating all costs of a program to determine its value to the organization. It factors soft and hard cost to determine the potential value upon implementation as well as the loss to the organization if the program does not happen.

61.

The new HR manager notices that none of the shipping and receiving employees are wearing back harnesses to protect their backs from strain-related injury. What immediate action can the HR manager take to prevent the employees from getting hurt?

Advise the shipping and receiving employees to put their safety harnesses on

Find out where the safety equipment is stored

Host a safety equipment training session the next week

Get the floor managers to order new safety equipment

Correct answer: Advise the shipping and receiving employees to put their safety harnesses on

Safety inspections are an important risk management process for employers. In order to observe what is truly happening within the organization, HR can walk around and observe adherence to safety policies and procedures. In the event HR identifies employees failing to comply with safety practices, HR should immediately request compliance, remind employees why they should be wearing the personal protective equipment provided to them, and remind them of the company policy on workplace safety. A safety meeting can follow, as well as a discussion with floor managers about this matter.

62.

An HR budget that is based on previous year data, in which new static targets are established for the coming year, is called:

Incremental

Zero-based

Quarterly-focused

Expense history

Correct answer: Incremental

The incremental format of budgeting for an HR department that relies on small increments towards goals, or static results, is often used for forecasting the coming year's results. It uses predictive data from previous periods to form the basis for a more reasonable budget.

63.

Which of the following are **true** about a vision statement?

Select all that apply. There are 3 correct answers.

It communicates the direction of the organization

It defines the organization's purposes

It describes what the organization desires to become

It communicates short term organizational objectives

As part of the strategic planning process, organizations often develop a vision statement. A vision statement can be short or long but should describe the organization's purpose, what the organization is striving for, and what it wants to achieve—it should be inspirational. A vision statement communicates the organization's value and the commitment to achieving its goal. It is not intended to outline short-term goals or objectives.

64.

Which of the following enforcement agencies is responsible for performing glass-ceiling audits to observe the progress organizations make towards involving women and minorities at all levels?

EEOC

DOL

DOJ

OFCCP

Correct answer: EEOC

The term glass ceiling was coined in a 1986 Wall Street Journal article and refers to the limitations faced by women and minorities in senior management positions. The Glass Ceiling Act established the Glass Ceiling Commission to conduct a study and prepare recommendations concerning: (1) eliminating artificial barriers to the advancement of women and minorities; and (2) increasing opportunities and developmental experiences of women and minorities to foster advancement of women and minorities to management and decision making positions in business.

The commission conducted a study which identified three barriers that prevented women from advancing to senior levels: societal barriers, internal structural barriers, and governmental barriers.

As a result of this commission's findings, the EEOC conducts glass-ceiling audits to monitor the progress organizations make toward including women and minorities at all levels.

65.

Which is **true** regarding measurement of return on investment?

Select all that apply. There are 2 correct answers.

It compares cost of the program as compared to the benefits

It is a common metric used in organizations

It measures metrics such as employee engagement

It is used only when evaluating learning and development activities

Measuring the outcomes of learning and development activities is a critical component of the learning and development program. There are three types of measurements commonly used which include:

- **Business Impact Measures:** *This includes a measurement or metric that is used to evaluate the contribution the training program had on management or business results. This can include production measures and learning measures.*
 - **Return on Investment:** *This measures the return of the program as compared to the cost of the program.*
 - **Tactical Accountability Measures:** *This includes a measurement or metric that is used to measure common HR goals of learning and development. This includes metrics such as training cost per employee, employee satisfaction surveys, and learning surveys.*
-

66.

What are some ways that any HR professional can champion the value of HR to corporate leaders?

Get certified, stay educated, be effective

Ask for a raise, take tests, solve all problems

Overhire, avoid leaders, and take long vacations

Go to college, buy more HR books, and try to be smart

Correct answer: Get certified, stay educated, be effective

HR professionals who take the time to get certified by accredited associations, stay certified by ongoing education in HR, and work hard to become effective in their roles are more apt to be valued by their peers.

67.

Caregivers are given status as a protected class by what piece of federal legislation?

There is not federal legislation covering caregivers as a protected class

SOX

OSH Act

ADA

Correct answer: There is not federal legislation covering caregivers as a protected class

There is not a piece of federal legislation that gives caregivers protected class status. However, the EEOC has published a set of guidelines for employers, which advises them about what workplace circumstances could constitute unlawful treatment of caregivers. The guidelines include disparate treatment of female caregivers when compared to male caregivers, stereotyping female caregivers, pregnancy discrimination, discriminating against male caregivers, and discriminating against employees providing care for disabled persons.

68.

Which of the following concepts was a key issue in the case of Burlington Industries v. Ellerth?

Vicarious liability

Tangible employment action

Disparate treatment

Adverse impact

Correct answer: Vicarious liability

Vicarious liability is defined as a situation in which an individual can be held accountable for the unlawful actions of another even if they were not involved in the action or were unaware of the action. Similar to respondeat superior, in an employment context, an employer may be held liable for the actions of their employees despite the lack of knowledge or involvement.

This issue was key in the Supreme Court case of Burlington Industries v. Ellerth. In this case, Ellerth sued Burlington Industries after resigning her position and claimed that she had been subjected to ongoing sexual harassment by a supervisor. The court ruled that “An employer is subject to vicarious liability to a victimized employee for an actionable hostile environment created by a supervisor with immediate (or successively higher) authority over the employee.”

69.

What piece of federal legislation uses in its name a term first introduced in a 1986 Wall Street Journal article?

The Glass Ceiling Act

The Respondeat Superior Act

The National Labor Relations Act

USERRA

Correct answer: The Glass Ceiling Act

The term glass ceiling was coined in a 1986 Wall Street Journal article and refers to the limitations faced by women and minorities in senior management positions. The Glass Ceiling Act established the Glass Ceiling Commission to conduct a study and prepare recommendations concerning: (1) eliminating artificial barriers to the advancement of women and minorities; and (2) increasing opportunities and developmental experiences of women and minorities to foster advancement of women and minorities to management and decision making positions in business.

The commission conducted a study which identified three barriers that prevented women from advancing to senior levels: societal barriers, internal structural barriers, and governmental barriers.

- **Societal barriers** exist due to unequal access to educational opportunities due to biases related to gender, race, and ethnicity.
 - **Internal structural barriers** exist due to organizational practices that do not provide the same opportunities to women and minorities, such as recruitment strategies, training and development, etc.
 - **Governmental barriers** exist due to a lack of enforcement of equal employment legislation
-

70.

Illnesses and injuries in which of the following industries did **not** play a strong role in the enactment of workplace safety and health regulations?

Agriculture

Mining

Railroad

Industrial

Correct answer: Agriculture

The Occupational Safety and Health Act was enacted in 1970 to assure safe and healthful working conditions for working men and women; by authorizing enforcement of the standards developed under the Act; by assisting and encouraging the States in their efforts to assure safe and healthful working conditions; by providing for research, information, education, and training in the field of occupational safety and health; and for other purposes.

In the early twentieth century, there were several major accidents in the mining and railroad industries that drew attention to workplace safety and provided proof that many employers were unwilling to take health and safety precautions to protect their workers. Additionally, with the shift to industrial work prominence in the late nineteenth century, worker illness came into the public eye as lung disease became a widespread issue.

71.

What does SMART stand for?

Select all that apply. There are 5 correct answers.

Specific**Measurable****Action-oriented****Realistic****Time-bound**

Strategic

Accurate

The SMART goal method is commonly used when setting organizational goals. SMART stands for:

- 1. Specific – the goal should be specific enough that anyone reading it would know what is to be accomplished*
 - 2. Measurable – the goal should be able to be measured*
 - 3. Action-oriented ("Achievable" is also used) – the goal should describe what actions should be taken to achieve the goals*
 - 4. Realistic – the goal should be able to be achieved*
 - 5. Time-bound – the goal should be for a designated period of time*
-

72.

Company values are showcased within the organization by which of the following?

Select all that apply. There are 3 correct answers.

Company behaviors

Organizational goals

Company policies

Team functionality

Culture is a critical piece to creating positive employee relations within organizations. Edgar Schein, an MIT professor, created a model defining culture which consists of three levels: artifacts, values, and assumed values.

- 1. Artifacts:** Artifacts refer to the characteristics of the organization which can be easily viewed, heard, and felt by individuals. For example, the dress code of the employees, office furniture, facilities, behavior of the employees, as well as the mission and vision of the organization.
 - 2. Values:** The next level, according to Schein, is the values of the employees. The values of the individuals working in the organization play an important role in creating the organization's culture.
 - 3. Assumed values:** The third level is the assumed values of the employees, which cannot be measured but do make a difference to the culture of the organization. There are certain beliefs and facts which stay hidden but do affect the culture of the organization.
-

73.

The Sherman Antitrust Act was originally passed in the late 19th century with intent to control what business practice?

Monopolization

Collusion

Patent misuse

Entry barrier

Correct answer: Monopolization

The Sherman Antitrust Act was passed in 1890 and was enacted as an attempt to control business monopolies. The Act allowed injunctions, which are court orders that either require or forbid an action by one party against another, to be issued against any person or group that conspired to restrain trade.

74.

In 2016, President Barack Obama proposed changes to the Fair Labor Standards Act, which included a proposed increase to what was considered a highly compensated employee (HCE). These changes were not implemented due to an injunction and were stalled for several years through the court appeals process.

The final order was issued by the Department of Labor in 2019 which increased the HCE threshold to how much annually?

\$107,432 (or the equivalent in salary and bonuses)

\$100,000 plus a company car

\$80,000 and commissions of \$20,000 per year

\$47,500 plus an extra week of paid vacation

Correct answer: \$107,432 (or the equivalent in salary and bonuses)

The amount that a highly compensated employee needs to earn to qualify for this status, based on the final rule issued is \$107,432. Up to 10% of this may be paid in the form of nondiscretionary bonuses and incentive payments that are paid annually or more frequently.

Starting on January 1, 2025, the threshold for a Highly Compensated Employee (HCE) under the Fair Labor Standards Act (FLSA) will rise to \$151,164 annually.

75.

Under a common-law system, how are laws established?

Built up over time and based on judicial decisions

Based on comprehensive statutes and codes written by a legislative body

A blend of judicial decisions and legislative body codes

By executive order

Correct answer: Built over time and based on judicial decisions

There are three basic types of legal systems: civil law, common law, and religious law. The U.S. operates under a common-law system. Under this system, legal doctrines are established as a result of case decisions made by judges and are built up over time. A number of doctrines have implications for employment relationships, the most common of which is the concept of employment-at-will. Other common-law issues that affect employment relationships are respondeat superior, constructive discharge, and defamation.

76.

HIO is an acronym for what type of organizations?

High-Involvement Organizations

High-Interest Organizations

Human-Interest Organizations

Heavy-Investment Organizations

Correct answer: High-Involvement Organizations

HIO is an acronym for a high-involvement organization. In HIOs, employees design their own work processes and are held accountable for the results of the processes they implement. Employees are empowered to take the actions necessary to complete their work, and their jobs are broadly defined as part of a flat hierarchy. Continuous feedback is provided within self-directed work teams.

77.

The maturity phase of an organization's life cycle is characterized by:

Select all that apply. There are 4 correct answers.

Focuses on sustaining momentum while avoiding bureaucracy

Longer-range planning is a focus

Management priorities are on succession planning and risk management

Priority continues to be on managing change and transformation

Reactive and spontaneous decisions

Resources are continually sought

Organizations are like people. They move through four different stages of development: startup, growth, maturity, and decline. Just like people, organizations rarely do this in a neat, orderly, and predictable fashion. Below are the four stages:

- 1. The startup phase is the phase of the organization where it is just beginning. This phase is characterized by an exciting vision and purpose; exciting, charismatic leaders; a hands-on (working) Board; minimal training; employees wearing multiple hats; decisions are often reactive and spontaneous; resources (money, facilities, etc.) are continually sought, sometimes in crisis situations; occasional confusion, frustration, and conflicts can exist about who's doing what, how and when; people begin to talk about the need for more planning and procedures; there's strong resistance to change.*
- 2. The growth phase is the phase of the organization that reflects steady growth where the founder can no longer manage the organization independently. This phase is focused on strengthening internal systems to support growth while expanding services. Leaders focus on managing change as much as on generating new ideas; the Board evolves to more of a policy-Board; different departments and teams are appropriately coordinated for efficiencies; planning is regular and systematic, and focused on goals, roles, and deadlines; progress is regularly monitored for status, learning and continuous improvement; regular*

and routine activities are proceduralized, and performance management practices are focused on personnel and the organization.

- 3. The maturity phase is the phase of the organization that focuses on sustaining momentum while avoiding bureaucracy. It is characterized by a focus on creativity and innovation; management priorities are on succession planning and risk management; increased learning opportunity; leaders seek to successfully duplicate their business model; longer-range planning is a focus (3-5 years); priority continues to be on managing change and transformation.*
 - 4. The decline phase is the phase of the organization when the organization is characterized by inefficiency and bureaucracy. In this stage, leaders seek to streamline and create ideas to rebrand in order to survive. This may include the development of new products, workforce reductions, or other cost-cutting methods. Failure to be successful will result in acquisition or closing.*
-

78.

Which employers are required to complete OSHA forms 300 and 301?

All employers with 11 or more employees

Only employers with 500+ full-time employees

Government contractors with contracts of \$25,000 or more

Only businesses with 9 or fewer employees

Correct answer: All employers with 11 or more employees

The Occupational Health and Safety Administration (OSHA) has established reporting requirements with legally required compliance. Among these include the requirement of businesses employing eleven or more employees to maintain records of all workplace injuries and illnesses and post them on form 300A. Form 300A is commonly known as the Summary of Work-Related Injuries and Illnesses and works in conjunction with forms 300, the log of work-related injuries and illnesses, and 301, the injury and illness incident report. The posting period for form 300A is February 1 through April 30. Another OSHA reporting requirement is that any accident resulting in a fatality or hospitalization of three or more employees must be filed within 8 hours of occurrence. There are some exemptions, including employers in certain industries.

79.

Based on the Edgar Schein model, what three factors build workplace culture?

Select all that apply. There are 3 correct answers.

Artifacts

Values

Assumed values

Ethics

Leadership

Culture is a critical piece to creating positive employee relations within organizations. Edgar Schein, an MIT professor, created a model defining culture which consists of three levels: artifacts, values, and assumed values.

- 1. **Artifacts:** Artifacts refer to the characteristics of the organization which can be easily viewed, heard, and felt by individuals. For example, the dress code of the employees, office furniture, facilities, behavior of the employees, as well as the mission and vision of the organization.*
 - 2. **Values:** The next level, according to Schein, is the values of the employees. The values of the individuals working in the organization play an important role in creating the organization's culture.*
 - 3. **Assumed values:** The third level is the assumed values of the employees, which cannot be measured but do make a difference to the culture of the organization. There are certain beliefs and facts which stay hidden but do affect the culture of the organization.*
-

80.

Helping integrate new hires into the organization is made up of many activities that welcome and educate employees. Some of these activities include:

Tours of the workplace and management introductions

Assignment of desk and computer equipment

Drinks and snacks provided for employees

Job simulators and videos of employee testimonials

Correct answer: Tours of the workplace and management introductions

The activities that provide social interaction and orientation to the organization allow new hires to quickly become assimilated into their new roles. Taking a tour of the office workspace, talking with other employees, and meeting with management in a casual and friendly way can help with onboarding employees.

81.

What are considered external factors when performing a SWOT analysis?

Select all that apply. There are 2 correct answers.

Threats

Opportunities

Strengths

Weaknesses

A SWOT analysis evaluates the strengths, weaknesses, opportunities, and threats of the organization.

- *Strengths are used to evaluate what the organization does well, what unique resources the organization has, and what sets the organization apart from its competitors. This may include technology, high performing staff, higher quality product, etc. Strengths are considered an internal factor.*
 - *Weaknesses are used to evaluate the areas the organization could improve, where there are fewer resources, or areas that are less competitive. This could include aging technology, unskilled labor, or lack of available resources. Weaknesses are considered an internal factor.*
 - *Opportunities are used to evaluate the opportunities available to the organization, what trends the organization can take advantage of, and how strengths can be turned into opportunities. This could include changes in the economic climate, increased demand, etc. Opportunities are considered an external factor.*
 - *Threats are used to evaluate circumstances that could impact the organization's success such as competition, economic factors, or threats as a result of the organizational weaknesses. Threats are considered an external factor.*
-

82.

What is a measurement of how passionate, involved, satisfied, and committed employees are with their employment situation?

Employee engagement

Professional development

Peer inclusion

Team building

Correct answer: Employee engagement

Employee engagement is a term that refers to the level of employees' passion and commitment to their current employer. When employee engagement is high, team members tend to produce high-quality work because they are committed to the goals/values of the organization and are motivated to contribute to the overall success of the organization.

The other answer choices are positive outcomes when employees reach a certain level of engagement.

83.

How many employees must a business have in order to be required to annually post all workplace injuries and illnesses on form 300A from February 1 through April 30?

11

9

25

50

Correct answer: 11

The Occupational Health and Safety Administration (OSHA) has established reporting requirements with legally required compliance. Among these include the requirement of businesses employing eleven or more employees to maintain records of all workplace injuries and illnesses and post them on form 300A. Form 300A is commonly known as the Summary of Work-Related Injuries and Illnesses and works in conjunction with forms 300, the log of work-related injuries and illnesses, and 301, the injury and illness incident report. The posting period for form 300A is February 1 through April 30. Another OSHA reporting requirement is that any accident resulting in a fatality or hospitalization of three or more employees must be filed within 8 hours of occurrence. There are some exemptions, including employers in certain industries.

84.

A zero-based budget uses which of the following methods to justify the budget?

Select all that apply. There are 3 correct answers.

Return on investment

Value

Necessity

Last year expenses

Long term forecast

Budgeting is an annual planning process that aligns organizational goals with the financial resources of the organization. The two primary ways to create a budget include incremental and zero-based budgeting.

In incremental budgeting, the budget is built off of the previous year budget.

In zero-based budgeting, the budget is started from scratch each year. This requires an annual review of all programs, their ROI, necessity and value to ensure it aligns with the strategic goals and objectives.

85.

What are quantifiable outcomes that are used to evaluate the success of an organization and measures progress towards certain performance goals?

Key Performance Indicators (KPI)

Behavioral Metrics

Job Requirements

Return on Investment

Correct answer: Key Performance Indicators (KPI)

Key Performance Indicators, or KPIs as they are often referred to, is a performance measurement. They are useful for organizations to see the progress being made and what needs improvement. They are often included as part of employee performance reviews.

86.

Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), an employer must grant a leave of absence for up to what maximum duration?

Up to five years

Up to 90 days

Up to 180 days

Up to one year

Correct answer: Up to five years

The Uniformed Services Employment and Reemployment Rights Act (USERRA) protects servicemembers' and veterans' civilian employment rights. USERRA requires employers to put individuals back to work in their civilian jobs after military service. USERRA also protects servicemembers from discrimination in the workplace based on their military service or affiliation. protects the rights of reservists called to active duty in the armed forces. USERRA applies to all public and private employers in the United States, including the federal government.

Employers must grant a leave of absence for up to 5 years, with the exception of the following types of leave: boot camp, the initial service period, waiting for orders, and annual two-week mandatory training. These activities are protected without limits.

87.

A company in a niche market needs to hire a new CFO; however, it is taking months to locate a candidate. What can HR do to facilitate the recruitment of the right talent for this important role?

Use a third-party executive recruitment firm

Hire from direct employee referrals

Go on a tour across America to find the right person

Advertise on social media networks for a new CFO

Correct answer: Use a third-party executive recruitment firm

Hard-to-fill and executive-level roles are commonly managed by an objective third-party executive search firm with networks in this career area. The other methods will not produce satisfactory results and will be too time-consuming to manage.

88.

Which is **true** of the unfreezing stage of Kurt Lewin's change process theory?

Select all that apply. There are 3 correct answers.

Emotions are present

Communication is important

Buy-in is necessary

Evaluation and monitoring must be completed

Employees are inclined to revert to old habits

While several models of change management exist, Kurt Lewin, a social psychologist, developed the change process theory which outlines three stages for change. Lewin's change model focuses on behavior modification of people/ employees. These stages include:

- Unfreezing - At this stage, people realize that something is going to change and they are dealing with the emotions associated with the change, denial, impatience, uncertainty, and doubt. In this stage, organizations must disclose the state of affairs and explain why a change process is occurring. With clear communication, employees are more willing to accept the new change. During this stage, it is advisable to involve employees so that there is buy-in.*
 - Moving/Changing - This stage focuses on moving from the current process/state to the new process/state. It is crucial that the change is implemented within a short time. The longer the change process takes, the more employees are inclined to continue old habits and rituals. This stage is sometimes referred to as the "move stage" because it causes a ripple effect within an organization.*
 - Refreezing - This stage, refreezing the change, is about solidifying the change. After the change has been implemented in the change stage, employees are inclined to revert to their old habits. Therefore, it is important to evaluate, monitor, and make adjustments (when necessary). Only then, the new situation can be stabilized and the employees will understand that there is no turning back.*
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89.

Zero defects is a term developed by Philip B. Crosby to describe what standard that should be met?

Quality

Production quota

Innovation

Profit

Correct answer: Quality

Philip B. Crosby's approach to quality focused on management as the key factor. His approach to quality was based on strategic planning via four absolutes of quality: Conformance to Requirements, Prevention, Measurement, and Performance Standards.

These absolutes are described as:

- **Conformance to Requirements:** *With clear standards defined by management, quality can be determined by whether the product meets the established standards.*
 - **Prevention:** *Avoid poor quality by doing things right the first time.*
 - **Performance Standards:** *Quality standards should result in zero defects when they are met.*
 - **Measurement:** *The added cost of not producing zero-defect products in the first place is what should be measured.*
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90.

A high-involvement organization is characterized by what type of hierarchy?

Flat

Traditional

Matrix

Horizontal

Correct answer: Flat

In high-involvement organizations (HIOs), employees are empowered to determine how best to complete their work and are held accountable the results of their work. HIOs are characterized by continuous feedback, broadly defined jobs and a flat hierarchical structure.

91.

Which is **true** as it pertains to evaluating the turnover rate of an organization?

Select all that apply. There are 2 correct answers.

It determines the number of employees who left the organization

It is not diagnostic

Helps identify the cost of new hires

It identifies the quality of the management team

HR professionals must be able to identify and track key business metrics which include organizational turnover.

Tracking turnover refers to the number of individuals who left the organization during the specific reporting time. While understanding this rate is important, it does not provide details surrounding why the number is what is. For example, if the number is high, it doesn't provide details on the cause. The cause could be a number of things —poor work environment, type of work, pay, quality of leadership, etc.

92.

While employee referrals can be a good source of new hires, one thing that HR must be mindful of at all times is:

Disparate impact

Over-hiring

Costs of hiring

Applicant sources

Correct answer: Disparate impact

HR can support recruitment efforts with some direct employee referrals; however, employees tend to refer others who are very much like themselves. This means HR should be aware that hiring too many candidates from employee referrals may result in hiring too many candidates from one class, gender, race, or other category, which could result in disparate impact or discrimination in hiring.

93.

Human Resource professionals often bear the responsibility for which of the following corporate issues, in order to guide certain behaviors and protect the company and shareholders legally?

Corporate governance

Budgeting

Technology

Discipline

Correct answer: Corporate governance

Corporate governance is a process of identifying how the business or organization operates in reference to its shareholder obligations. HR often plays a large role in managing corporate governance issues such as establishing an ethical code of conduct and establishes policies to ensure that the organization is legally compliant with regulatory statutes on behalf of shareholders, Board of Directors, and Management. Policies, procedures, and process generally developed for employees should be implemented to govern corporate behaviors.

94.

Employers subject to FLSA requirements are organized into one of two coverage categories. Which of these coverage categories apply to an organization whose daily work involves interstate commerce?

Individual coverage

eCommerce coverage

Enterprise coverage

Group coverage

Correct answer: Individual coverage

The two categories of employers that are subject to the requirements of the FLSA include enterprise and individual. Individual coverage is the correct answer to this question as it applies to organizations whose daily work involves interstate commerce. Due to the broad definition of interstate commerce, this applies to nearly all U.S. employers.

Enterprise coverage applies to businesses employing at least two employees with at least \$500,000 in annual sales and to hospitals, schools, and government agencies.

95.

Which type of employee involvement strategy includes a group that is formed to address ongoing issues of the organization and that may be permanent or ad hoc?

Committees

Teams

Virtual teams

Self-directed work

Correct answer: Committees

Management of organizational climate and culture are important functions of human resources professionals. A positive culture provides many benefits to the organization. Employee engagement is a term that is commonly used to assess the level of interest employees have in the workplace.

One way to help create and maintain a positive work culture is by implementing employee involvement strategies. These strategies can help promote effective employee relations and includes tools such as suggestion boxes, delegating authority, task forces, committees, work teams, virtual work teams, employee-management committees, and self-directed work teams.

Committees are often created to address key organizational issues that are long-term. This can include a safety committee, a culture committee, or other similar committees.
