**Chapter 1 – Evolution of human resource management**

**TRUE/FALSE**

1. An organisation’s human resources are almost always the key ingredient for its success.

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

2. It is not important for human resources to be managed so that equity is given a high degree of importance.

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

3. Australia developed a wages and working conditions system the same as in the United Kingdom and the Unites States, based on mandated conditions.

ANS: F PTS: 1 DIF: Moderate TOP: Origins of, and influences on, HRM

4. In Australia, prior to World War II, personnel management functions were largely handled by line managers.

ANS: T PTS: 1 DIF: Easy TOP: Stages in the development of HRM

5. During World War II, skilled workers were hard to recruit prompting an increased provision of welfare services to employees.

ANS: T PTS: 1 DIF: Moderate TOP: Stage two (1940s–mid-1970s): welfare, administration, staffing and training

6. The *Conciliation and Arbitration Act 1904* legislated the establishment of Australia’s industrial relations structure at a national level.

ANS: T PTS: 1 DIF: Easy TOP: Stage two (1940s–mid-1970s): welfare, administration, staffing and training

7. HRM recasts employees as human resources who are vital organisational assets possessing knowledge, skills, aptitudes and future potential.

ANS: T PTS: 1 DIF: Easy TOP: Stage three (mid-1970s–late 1990s): HRM and SHRM

8. HRM focuses on short-term, reactive, ad-hoc and marginal planning.

ANS: F PTS: 1 DIF: Moderate TOP: Stage three (mid-1970s–late 1990s): HRM and SHRM

9. Regardless of what that the future holds for SHRM, HRM roles will likely remain unchanged.

ANS: F PTS: 1 DIF: Moderate TOP: Stage four (2000 onwards): SHRM into the future

10. The employment contract consists of two contracts: the legal contract and the social contract.

ANS: F PTS: 1 DIF: Moderate TOP: The changing employment contract – legal, social and psychological

11. Due to their emphasis on the management of the workforce, HRM theories are fundamentally unitarist, meaning that authoritarian management is the norm and union membership is also often low.

ANS: T PTS: 1 DIF: Moderate TOP: HRM – a unitarist or pluralist approach to the employment relationship?

12. Differing national or industry environments are reflected in both ‘hard’ and ‘soft’ HRM approaches.

ANS: T PTS: 1 DIF: Easy TOP: ‘Hard’ or ‘soft’ HRM?

13. ‘Soft’ HRM is focused on the measurement and management of employee costs and outcomes for organisational benefit.

ANS: F PTS: 1 DIF: Easy TOP: ‘Hard’ or ‘soft’ HRM?

14. SIHRM has expanded to include not only multinational enterprise but also comparative HRM (between countries) and the management of expatriates.

ANS: T PTS: 1 DIF: Easy TOP: Strategic international human resource management

15. HR practitioners will operate exclusively at the operational level in an organisation.

ANS: F PTS: 1 DIF: Moderate TOP: HRM: Roles and functions

16. The focus of HRM is the management of employees for the organisation’s benefit.

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

17. Globalisation is of importance mainly to the marketing and financial aspects of a business

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

18. An Association of Southeast Asian Nations (ASEAN) Economic Community (similar to the EU) would provide challenges and opportunities in relation to the attraction, retention and mobility of talented workers.

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

19. Personnel management has its origins in Australia.

ANS: F PTS: 1 DIF: Easy TOP: Origins of, and influences on, HRM

20. From a personnel management perspective, the evaluation of personnel management outcomes is based on maximising the utilisations of human resources.

ANS: F PTS: 1 DIF: Moderate TOP: Stage three (mid-1970s–late 1990s): HRM and SHRM

21. Employees as stakeholders of the organisation are seeking competence and commitment.

ANS: T PTS: 1 DIF: Moderate TOP: Stage four (2000 onwards): SHRM into the future

22. To survive, HR must demonstrate that it is adding value to key stakeholders – employees, customers, line managers and shareholders.

ANS: T PTS: 1 DIF: Moderate TOP: Stage four (2000 onwards): SHRM into the future

23. The purpose of the legal contract between an employer and employee details the employee’s rights and responsibilities.

ANS: F PTS: 1 DIF: Moderate TOP: The changing employment contract – legal, social and psychological

24. Practical application of the psychological contract might include health and safety; work–life balance; employee wellbeing, counselling and support policies and programs.

ANS: T PTS: 1 DIF: Easy TOP: The changing employment contract – legal, social and psychological

25. The ability to perceive and express emotion, assimilate emotion in thought, understand and reason with emotion, and regulate emotion in oneself and others is call cognitive intelligence.

ANS: F PTS: 1 DIF: Easy TOP: The changing employment contract – legal, social and psychological

26. The Global Financial Crisis revealed that organisations had forgotten to look at how people actually behave.

ANS: T PTS: 1 DIF: Moderate TOP: The changing employment contract – legal, social and psychological

27. HRM can be simply defined as the convergence of three factors – human beings, resources and management.

ANS: T PTS: 1 DIF: Easy TOP: HRM & SHRM – Evolving concepts and models of HRM

28. In the Harvard model of HRM, commitment, competence, congruence and cost-effectiveness are HRM outcomes.

ANS: T PTS: 1 DIF: Moderate TOP: HRM & SHRM – Evolving concepts and models of HRM

29. From a pluralist perspective, the employer and employee interests are shared and therefore there is no need for conflict.

ANS: F PTS: 1 DIF: Moderate TOP: HRM – a unitarist or pluralist approach to the employment relationship?

30. From pluralist view, conflict is inevitable between employers and employees.

ANS: T PTS: 1 DIF: Easy TOP: HRM – a unitarist or pluralist approach to the employment relationship?

31. ‘Soft HRM’ is focused on the measurement and management of employee costs and outcomes for organisational benefit.

ANS: F PTS: 1 DIF: Easy TOP: ‘Hard’ or ‘soft’ HRM?

32. Off-shoring, such as call centres, has received negative feedback from customers and unions.

ANS: T PTS: 1 DIF: Easy TOP: Business strategy and HRM

33. An interactive approach to integration of HR and business strategy involves two-way communication between HRM and corporate planning in which HRM contributes to, and then reacts to, overall strategies.

ANS: T PTS: 1 DIF: Moderate TOP: Business strategy and HRM

34. HRM strategy is primarily focused on the internal environment of the organisation.

ANS: F PTS: 1 DIF: Moderate TOP: Business strategy and HRM

35. A cost reduction strategy can translate into HRM strategy as minimal employee training and development.

ANS: T PTS: 1 DIF: Moderate TOP: Business strategy and HRM

36. Some guarantee of employment security can be an important HRM strategy where the organisation has a quality improvement strategy.

ANS: T PTS: 1 DIF: Moderate TOP: Business strategy and HRM

37. SHRM involves including line managers in the HRM policy-making process.

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

38. SHRM has been criticised for having a ‘hard’ rather than ‘soft’ HRM focus.

ANS: T PTS: 1 DIF: Easy TOP: Critics of SHRM

39. Seventy per cent of senior HR professionals in Australia report directly to a CEO.

ANS: T PTS: 1 DIF: Moderate TOP: The HRM community, its competencies, and the role of HR professional associations

40. The HRM community is the group or ‘community’ formed by HRM professionals, middle and line managers, and sometimes external service providers.

ANS: T PTS: 1 DIF: Easy TOP: The HRM community, its competencies, and the role of HR professional associations

**MULTIPLE CHOICE**

1. People are critical to all types of organisations because they:

|  |  |
| --- | --- |
| A. | operate and repair the technology, control the financial resources and manage other people. |
| B. | design, operate and repair the technology, control the financial resources and manage other people. |
| C. | design, operate the technology and manage other people. |
| D. | control the financial resources and manage other people. |

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

2. The behavioural school focuses on:

|  |  |
| --- | --- |
| A. | the job itself. |
| B. | efficient work processes. |
| C. | workers and the satisfaction of their needs. |
| D. | adaptation of workers to processes. |

ANS: C PTS: 1 DIF: Easy TOP: Origins of, and influences on, HRM

3. One of the key drivers of change from personnel to HRM at the third stage of HRM development in Australia was the:

|  |  |
| --- | --- |
| A. | development of minimum criteria for HR practitioner accreditation. |
| B. | improved and increased provision of welfare services for employees. |
| C. | the digital revolution – ‘big data’. |
| D. | growth in multilateral, bilateral trade agreements. |

ANS: A PTS: 1 DIF: Moderate TOP: Stage three (mid-1970s–late 1990s): HRM and SHRM

4. One of the key features of human resource management is the:

|  |  |
| --- | --- |
| A. | focus on compliance. |
| B. | cost minimisation. |
| C. | low trust employee relations environment.t |
| D. | proactive planning approach. |

ANS: D PTS: 1 DIF: Moderate TOP: Stage three (mid-1970s–late 1990s): HRM and SHRM

5. The globalisation of business demands that HR professionals be proactive in relation to which of the following issues?

|  |  |
| --- | --- |
| A. | Business ethics |
| B. | Corporate governance |
| C. | Management of employees’ work–life balance |
| D. | A, B and C are all correct. |

ANS: D PTS: 1 DIF: Easy TOP: Stage four (2000 onwards): SHRM into the future

6. The central theme of the Harvard model of HRM is:

|  |  |
| --- | --- |
| A. | ensuring that all HR functions are managed effectively. |
| B. | the effective utilisation of employees for organisational goal achievement. |
| C. | ensuring that the business plan reflects the organisation’s changing needs. |
| D. | ensuring that staff have input into the development of policies. |

ANS: B PTS: 1 DIF: Moderate TOP: HRM and SHRM – evolving concepts and models of HRM

7. A \_\_\_\_\_\_\_\_ approach to the employment relationship assumes common interests between employers and employees.

|  |  |
| --- | --- |
| A. | paternalistic |
| B. | planned |
| C. | pluralist |
| D. | unitarist |

ANS: D PTS: 1 DIF: Moderate TOP: HRM and SHRM – evolving concepts and models of HRM

8. The legal contract documents:

|  |  |
| --- | --- |
| A. | social norms that underpin an employment relationship. |
| B. | the expectations and beliefs about relationships in the workplace. |
| C. | employer and employee legal rights and responsibilities. |
| D. | obligations of employers, employees and the society at large. |

ANS: C PTS: 1 DIF: Easy TOP: The changing employment contract – legal, social and psychological

9. Several types of linkages between HR and organisational strategies have been identified. Which of the following is *not* one of them?

|  |  |
| --- | --- |
| A. | Fully integrated |
| B. | Moderate integration |
| C. | Interactive |
| D. | Accommodative |

ANS: B PTS: 1 DIF: Moderate TOP: Business strategy and HRM

10. The three linkages between business strategy and HR strategy are:

|  |  |
| --- | --- |
| A. | accommodative, interactive and fully integrated. |
| B. | exportive, interactive and fully integrated. |
| C. | accommodative, interpersonal and fully integrated. |
| D. | accommodative, interactive and partially integrated. |

ANS: A PTS: 1 DIF: Moderate TOP: Business strategy and HRM

11. Which of the following aspects of HR practice has been questioned by several writers?

|  |  |
| --- | --- |
| A. | Managerial focus |
| B. | Strategic perspectives |
| C. | Realities of practice |
| D. | A, B and C are all correct. |

ANS: D PTS: 1 DIF: Moderate TOP: Critics of SHRM

12. HRM practitioners operate at which levels in an organisation?

|  |  |
| --- | --- |
| A. | Operational |
| B. | Strategic |
| C. | Functional |
| D. | A, B and C are all correct |

ANS: D PTS: 1 DIF: Easy TOP: HRM: Roles and functions

13. The concept of the HRM community depicts HRM as an organisational responsibility shared between HRM professionals, external consultants and \_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |
| --- | --- |
| A. | middle and line managers |
| B. | employees |
| C. | executive managers |
| D. | A, B and C are all incorrect. |

ANS: A PTS: 1 DIF: Moderate TOP: The HRM community, its competencies, and the role of HR professional associations

14. The umbrella association for personnel and human resource specialists in Australia is the:

|  |  |
| --- | --- |
| A. | Institute of Personnel Management Australia. |
| B. | Association of Personnel Practitioners. |
| C. | Australian Human Resources Institute. |
| D. | A, B and C are all incorrect. |

ANS: C PTS: 1 DIF: Easy TOP: The HRM community, its competencies, and the role of HR professional associations

15. There are five professional ethics items governing professional conduct in HRM. Which one of them is associated with maintaining and improving professional competence?

|  |  |
| --- | --- |
| A. | Privacy |
| B. | Proficiency |
| C. | Honesty |
| D. | Professional loyalty |

ANS: B PTS: 1 DIF: Moderate TOP: Ethics and HRM

16. Globalisation has which of the following implications?

|  |  |
| --- | --- |
| A. | Financial |
| B. | Marketing |
| C. | HRM |
| D. | A, B and C are all correct |

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

17. HRM is the management of employees for:

|  |  |
| --- | --- |
| A. | their own benefit. |
| B. | the organisation’s benefit. |
| C. | A and B are both correct. |
| D. | A, B and C are all incorrect. |

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

18. An integrated approach to HRM which ensures that HRM strategies and processes are aligned with broad organisational goals and strategies is referred to as:

|  |  |
| --- | --- |
| A. | SHRM. |
| B. | HRM. |
| C. | SIHRM. |
| D. | personnel management. |

ANS: A PTS: 1 DIF: Easy TOP: Stage one (1900–1940s): welfare and administration

19. In the Harvard model of HRM, the long-term consequences are:

|  |  |
| --- | --- |
| A. | individual wellbeing. |
| B. | organisational effectiveness. |
| C. | societal wellbeing. |
| D. | A, B and C are all correct. |

ANS: D PTS: 1 DIF: Easy TOP: HRM & SHRM

20. A unitarist approach is often reflected in the practices and traditions of which countries?

|  |  |
| --- | --- |
| A. | North America, Singapore and Malaysia |
| B. | North America, United Kingdom and Australia |
| C. | Singapore, India and Malaysia |
| D. | A, B and C are all correct |

ANS: A PTS: 1 DIF: Easy TOP: Unitarist and pluralist approaches

21. ‘Hard’ HRM is focused on the measurement and management of employee costs and outcomes for:

|  |  |
| --- | --- |
| A. | organisational benefit. |
| B. | employee benefit. |
| C. | A and B are both correct. |
| D. | A, B and C are all incorrect. |

ANS: A PTS: 1 DIF: Moderate TOP: HRM – a unitarist or pluralist approach to the employment relationship?

22. Which of the following would not be included in a HRM strategy to support Quality Improvement?

|  |  |
| --- | --- |
| A. | High levels of employee participation in decisions relevant to immediate work conditions and the job itself. |
| B. | A relatively egalitarian treatment of employees and some guarantees of employment security. |
| C. | Minimal levels of employee training and development. |
| D. | A mix of individual and group criteria for interdependent behaviour. |

ANS: C PTS: 1 DIF: Moderate TOP: Business strategy and HRM

23. The study of strategic HRM in a global context is referred to as:

|  |  |
| --- | --- |
| A. | HRM. |
| B. | SHRM. |
| C. | expatriate management. |
| D. | SIHRM. |

ANS: D PTS: 1 DIF: Easy TOP: Strategic international human resource management

24. The management of expatriates presents complex problems, including:

|  |  |
| --- | --- |
| A. | additional HRM development and career plans. |
| B. | complicated remuneration and performance management schemes. |
| C. | complex occupational health and safety issues. |
| D. | A, B and C are all correct. |

ANS: D PTS: 1 DIF: Moderate TOP: Strategic international human resource management

25. Which of the following is *not* a critical HR behaviour identified in the AHRI Model of Excellence?

|  |  |
| --- | --- |
| A. | Collaborative |
| B. | Courageous |
| C. | Professional |
| D. | A, B and C are all correct |

ANS: A PTS: 1 DIF: Easy TOP: The AHRI Model of Excellence

26. The HRM community consists of:

|  |  |
| --- | --- |
| A. | HR professionals, line managers and external service providers. |
| B. | HR professionals, academics and external service providers. |
| C. | HR professionals and line managers. |
| D. | HR professionals. |

ANS: A PTS: 1 DIF: Moderate TOP: The AHRI Model of Excellence

27. The role of external HRM consultants is to:

|  |  |
| --- | --- |
| A. | provide specialised HRM services. |
| B. | communicate HR processes to line managers. |
| C. | discipline employees. |
| D. | A, B and C are all correct. |

ANS: D PTS: 1 DIF: Easy TOP: HRM: Roles and functions

28. HRM ethical systems have focused on:

|  |  |
| --- | --- |
| A. | normative evaluations of HRM practices (i.e. whether they are acceptable in moral terms). |
| B. | perceptions HRM practices by employees and managers. |
| C. | overall evaluation of the effects of HRM policies and processes. |
| D. | A, B and C are all incorrect. |

ANS: D PTS: 1 DIF: Moderate TOP: Ethics and HRM

29. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is ethics of duty, and regards ethical behaviour as the result of acting in accordance with ethical principles – ‘the inherent rightness or wrongness of actions’.

|  |  |
| --- | --- |
| A. | Teleology |
| B. | Utilitarianism |
| C. | Deontology |
| D. | A, B and C are all incorrect |

ANS: C PTS: 1 DIF: Easy TOP: Ethics and HRM

30. Which of the following is an example of a HRM ethical principle and issue?

|  |  |
| --- | --- |
| A. | International and national human, civil and employment rights |
| B. | Child labour, gender equity, sexual harassment, etc. |
| C. | Dealing with whistle blowing |
| D. | A, B and C are all correct |

ANS: D PTS: 1 DIF: Moderate TOP: Ethics and HRM

**SHORT ANSWER**

1. Outline the four stages in the development of HRM in Australia.

ANS:

*Stage one* 1900–1940s: welfare and administration.

*Stage two* 1940s–mid-1970s: welfare and administration; staffing and training; personnel management and industrial relations.

*Stage three* Mid-1970s–late 1990s: human resource management and strategic human resource management.

*Stage four* 2000 onwards: SHRM into the future.

PTS: 1 DIF: Moderate TOP: Stages in the development of HRM

2. Baird [2001] explains that the employment relationship comprises three overlapping contracts: a legal contract, a social contract and a psychological contract. Describe a psychological contract.

ANS:

A psychological contract is the ‘reciprocal expectations of individual employees and their individual managers, and includes the whole pattern of rights, privileges and obligations between employees and their organisations … beliefs about fairness, trust and the delivery of worthwhile employment relationships’. If students do their own research they will also find it sometimes referred to by organisational behaviourists as an individual’s beliefs about the responsibilities that exist between an employee and the organisation he or she works for. The contract is made up of an individual’s observations about what he or she expects the organisation to provide – for example, competitive wages, advancement opportunities and job security – in return for what he or she provides to the organisation – for example, loyalty, a reasonable day’s work, knowledge and skills. The psychological contract, unlike formal employment contracts, is intrinsically perceptual; therefore, employers and employees may have different understandings of what their obligations infer.

PTS: 1 DIF: Moderate TOP: The changing employment contract – legal, social and psychological

3. What are the four areas that SHRM strategies, policies and processes fall into under the Harvard model?

ANS:

(1) *Employee influence and involvement* The extent to which employees are encouraged to share their ideas and participate in organisational consultation and decision-making procedures.

(2) *Human resource flow* All HRM functions involved in employee management (for example, HR planning, job design, recruitment and selection, performance review and termination).

(3) *Rewards systems* The monetary and non-monetary ways by which staff are recognised.

(4) *Work systems* Includes consideration of the ‘fit’ between employees and their workplaces (for example, in relation to technology, workplace design and teams).

PTS: 1 DIF: Moderate TOP: HRM and SHRM – Evolving concepts and models of HRM

4. HRM practitioners and line managers work together and separately at three levels in an organisation. What are the three levels of operation and what activities are typically performed at each level?

ANS:

At the strategic level, practitioners are involved in corporate and human resource planning. At the operational level, together with line managers, they develop action plans to meet present labour needs. At the functional level, line managers primarily carry out the many activities that ensure employees are in the right place at the right time and for the right cost.

PTS: 1 DIF: Moderate TOP: HRM: Roles and functions