

Testbank

to accompany

Managing Human Resources, 4th Edition

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Chapter 3

Human resource information management systems

Multiple choice questions - Factual

1. HRIMS contains data necessary for all of the following except:

- a. succession planning.
- *b. market trend analysis.
- c. human resource forecasting.
- d. career planning.

General Feedback:

Page 96. Learning Objective 1. Factual. HRMIS is concerned with information pertaining to managing the human resources in an organisation and does not deal with marketing information.

2. The major benefit of HRIMS is:

- a. the historical data it contains.
- b. ease of access to personnel data.
- *c. accurate and timely access to data.
- d. its ability to predict market trends.

General Feedback:

Page 96. Learning Objective 1. Factual. One of the key benefits deriving from a HRMIS is the provision of up-to-date and accurate information to facilitate the effective management of human resources.

3. The driving mechanism of HRIMS is:

- *a. database management.
- b. storage capacity.
- c. knowledge management.
- d. the internet.

General Feedback:

Page 98. Learning Objective 1. Factual. Data management involves the input, storage, manipulation and output of information.

4. There are two schools of thought relating to the issue of HR versus payroll systems. One argument is that payroll and HR are separate activities and should be treated as such. The second argument is that:

- a. HR does not really require such a system, and to try to coordinate HR activities by using such a system only serves to complicate things.
- b. much of the data used in making HR decisions is qualitative and not easily transferred to such a system.
- c. payroll systems are best outsourced and HR systems are best kept in-house.
- *d. HR and payroll systems should be integrated to create and maintain a 'complete' system and to prevent unnecessary duplication of effort.

General Feedback:

Page 97-98. Learning Objective 1. Factual. Much of the information stored on the HRMIS is replicated in payroll and thus it makes sense that the two systems be integrated.

5. Payroll is considered by many to be an accounting function, while the key function of an HRIMS is:

- a. monitoring the movement of employees in the organisation.
- *b. managerial planning and decision making.
- c. keeping track of employee performance and attitude.
- d. determining the suitability of employees for advancement.

General Feedback:

Page 98. Learning Objective 1. Factual. In contrast to a payroll system, HRMIS transactions are variable and dynamic, event-driven and require ad hoc reports to support managerial planning and decision making.

6. The HRIMS is dependent upon what to be effective?

- a. Employee support
- *b. database management
- c. knowledge management
- d. accessibility by all employees

General Feedback:

Page 98. Learning Objective 1. Factual. HRMIS relies on database management, which involves the input, storage, manipulation and output of information.

7. The use of a HR intranet to provide information such as HR policies, recruitment, training and compensation:

- a. allows free access by employees to otherwise scarce information.
- b. ensures that all employees are aware of their role within the organisation.
- *c. frees up the HR manager for more strategic work.
- d. provides a convenient media release for the organisation.

General Feedback:

Page 99. Learning Objective 2. Factual. When employees are able to access HR policy information directly themselves via the company Intranet, then this enables the HR manager to focus on more value-adding activities.

8. An important feature of an HRIMS is:

- a. relative cost.
- b. ease of use.
- *c. flexibility.
- d. accessibility.

General Feedback:

Page 100. Learning Objective 2. Factual. In planning for implementation of an HRMIS, the HR manager needs to be aware that flexibility is a key element; it is quite possible that the system will need to cater for analyses and ad-hoc reports in ways that are not presently contemplated.

9. For employees, a key concern associated with the use of HRIMS is:

- a. cost of establishment.
- b. user friendliness.
- c. data accuracy.
- *d. privacy.

General Feedback:

Page 101. Learning Objective 2. Factual. Most employees want to be reassured that their personal confidential and private information within the HRMIS is secure and that they are protected from potential abuse of that information by authorised or unauthorised users.

10. HR managers of global organisations must ensure that their HRIMS:

- a. is compatible with international communication networks.
- b. can be translated into the language of trading partners.
- *c. satisfies international data privacy laws.
- d. is compatible with overseas cultural customs.

General Feedback:

Page 101. Learning Objective 2. Factual. Privacy protection legislation varies considerably from country to country with some jurisdictions applying custodial sentences for breach of their laws.

11. Employee abuse of the internet and email is called:

- a. cybersurfing.
- *b. cyberloafing.
- c. misdemeanours.
- d. pilfering.

General Feedback:

Page 102. Learning Objective 2. Factual. The term cyber-loafing refers to employee abuse of the Internet and email systems whilst at work.

12. To guard against employee abuse of the internet and email facilities many companies:

- a. require employees to pay for the private use they make of these facilities.
- b. require employees to keep a record of their private use of these facilities.
- c. now ban employees from any use of these facilities during working hours.
- *d. use filtering software to manage employee internet use.

General Feedback:

Page 102. Learning Objective 2. Factual. To combat cyberloafing many organisations use special software to prevent employee access to shopping, gambling, networking and pornographic websites.

13. Which type of management involves the input, storage, manipulation, and output of data?

- *a. Database
- b. Knowledge
- c. Output
- d. Information

General Feedback:

Page 98. Learning Objective 2. Factual. Database management involves the input, storage, manipulation, and out of data.

14. Which type of management deals with an organisation's ability to collect, store, share, and apply knowledge in order to enhance its survival and success?

- a. Database
- *b. Knowledge
- c. Output
- d. Information

General Feedback:

Page 98. Learning Objective 2. Factual. Knowledge management deals with an organisation's ability to collect, store, share, and apply knowledge in order to enhance its survival and success.

15. Programs that require firms to make special efforts to recruit, hire, and promote women and/or members of minority groups are known as:

- *a. affirmative action.
- b. equal opportunity.
- c. workers' rights.
- d. anti-discrimination.

General Feedback:

Page 105. Learning Objective 3. Factual. Affirmative action (AA) requires firms to make special efforts to recruit, hire, and promote women and/or members of minority groups.

16. According to one expert, many HRIMS fall down in their implementation because of the lack of:

- a. interest.
- *b. resources.
- c. commitment.
- d. strategic vision.

General Feedback:

Page 105. Learning Objective 3. Factual. HRIMS may fail due to the lack of resources to get them up and running.

17. An organisation has three viable choices when introducing an HRIMS. These include all of the following EXCEPT:

- a. designing an in-house system.
- *b. designing several separate functional systems.
- c. buying a system off-the-shelf.
- d. buying a system and then modifying it.

General Feedback:

Page 105. Learning Objective 3. Factual. Adopting multiple separate functional systems for an HRMIS is not viable as there is likely to be significant duplication of effort as well as inconsistencies in data between the systems.

18. An off-the-shelf HRIMS has the benefit over an in-house system of:

- *a. giving users some comfort because set-up costs are known.
- b. providing flexibility in its design and capabilities.
- c. providing functions that are specific to the organisation.
- d. dependency on the IS department of the organisation.

General Feedback:

Page 105. Learning Objective 3. Factual. An off-the-shelf HRMIS has the significant advantage of having known establishment costs.

19. Which of the following statements is NOT true in respect of establishing a HRMIS?

- a. Costs such as training, ongoing development and maintenance are typically underestimated or overlooked.
- b. Many systems fail in implementation due to lack of resources.
- *c. The buy-and-modify approach is generally the best option for most organisations.
- d. Legal expert advice should be sought in contract negotiations for the supply of a HRMIS.

General Feedback:

Page 105-106. Learning Objective 3. Factual. There is no best approach to the adoption of an HRMIS and the selection of a system must be cognisant of the organisational culture, strategy, needs and budget.

20. An off-the-shelf HRIMS often has a large user base. This motivates the provider to:

- a. reduce the establishment costs as much as possible.
- b. develop systems with a wide range of applications.
- *c. provide ongoing maintenance and future development.
- d. regularly update the system to meet changing organisational needs.

General Feedback:

Page 105. Learning Objective 3. Factual. As an off-the-shelf HRMIS has a larger number of users, vendors are more likely to provide continued maintenance as well as necessary updates.

21. An in-house developed HRIMS has the benefit over an off-the-shelf system of:

- a. reduced likelihood of an inability to complete the project on time.
- *b. flexibility to meet user requirements.
- c. dependency on the IS department of the organisation.
- d. a large user base, promoting future development of the system.

General Feedback:

Page 105. Learning Objective 3. Factual. An off-the-shelf system does not have the same flexibility to meet specific organisational requirements compared to a system developed in-house.

22. Contracting out some (or all) of an organisation's HRIMS activities is referred to as:

- a. divestment.
- b. devolution.
- *c. outsourcing.
- d. job sharing.

General Feedback:

Page 106. Learning Objective 4. Factual. Outsourcing involves contracting out all or part of a HRMIS to an external technology specialist.

23. Companies are attracted to outsourcing because of:

- a. lack of computer knowledge, established systems, time constraints.
- b. efficiency, flexibility and knowledge of the contractor.
- c. reduced training time, user friendliness, computer literacy.
- *d. lower costs, simplicity and convenience.

General Feedback:

Page 106. Learning Objective 4. Factual. Many organisations are attracted to the notion of outsourcing as it appears to be a less costly, far simpler and more convenient alternative.

24. Falling costs and the increasing capacity of machines has encouraged HR managers to:

- a. transfer work previously done on microcomputers to mainframe computers.
- b. transfer work previously done on mainframe computers to minicomputers.
- *c. transfer work previously done on mainframe computers to microcomputers.
- d. transfer work previously done on minicomputers to mainframe computers.

General Feedback:

Page 111. Learning Objective 7. Factual. This has become the age of microcomputers and much of the work previously done on larger computers has now been transferred to personal PCs.

25. The logic, mathematical, and central functions contained in a computer chip:

- a. minicomputer.
- b. microcomputer.
- *c. microprocessor.
- d. central processing unit (CPU).

General Feedback:

Page 111. Learning Objective 7. Factual. A microprocessor is the logic, mathematical, and central functions contained in a computer chip.

26. Minicomputers are:

- *a. computers that are more powerful than microcomputers but less powerful than mainframes.
- b. the smallest and least expensive class of computer (also known as a PC).
- c. the logic, mathematical, and central functions contained in a computer chip.
- d. the computer's brain.

General Feedback:

Page 111. Learning Objective 7. Factual. Minicomputers are computers that are more powerful than microcomputers but less powerful than mainframes.

Multiple choice questions - Applied

27. A major barrier to achieving maximum strategic benefit from an HRIMS is:

- a. the lack of senior management support for any strategic role for information systems.
- *b. an unquestioning belief in the continuing need for new systems and hardware.
- c. the rising cost of appropriately designed and flexible information systems.
- d. opposition from line HR managers for a strategic role in the organisation.

General Feedback:

Page 96. Learning Objective 1. Applied. A fascination with state-of-the-art HRIMS can be fatal since that causes HR departments to be always looking for new systems and hardware rather than focusing on the strategic benefits the system should offer.

28. HRIMS is a critical tool for:

- a. recording employee personnel and work-related data.
- b. managing employee annual leave entitlements.
- c. monitoring the movement of employees within the organisation.
- *d. integrating HR information into the business strategy.

General Feedback:

Page 96. Learning Objective 1. Applied. A HRMIS can assist in demonstrating how HR can make an important contribution to the overall strategy and bottom line through the more effective and efficient management of human resources.

29. An antiquated HRIMS is a hindrance because:

- a. people do not understand how to use it.
- b. it is unable to be used with more sophisticated systems.
- *c. it is inflexible and may contain questionable data.
- d. it is only accessible to a selected personnel.

General Feedback:

Page 96. Learning Objective 1. Applied. A flexible HRMIS providing accurate and timely data is critical to HR supporting the business.

30. Boudreau found that the HRIMS is largely used for:

- *a. solving administrative problems.
- b. implementing strategic change.
- c. employee termination reports.
- d. accurate record keeping.

General Feedback:

Page 96. Learning Objective 1. Applied. Unfortunately, many HRMIS focus on streamlining administrative activities and do not pay sufficient attention to strategic capability.

31. For a HRIMS to be successful, it must:

- a. make use of up-to-date programs and technology.
- b. be easy to understand, implement and change.
- *c. be aligned with business strategy and HRM objectives.
- d. be accessed by those qualified to interpret the data correctly.

General Feedback:

Page 96. Learning Objective 1. Applied. The driving force in the implementation of a successful HRMIS should be the organisation's strategic vision and supporting objectives.

32. A HRIMS, if used correctly, can:

- a. reduce labour costs.
- b. monitor the competition.
- c. reduce labour turnover.
- *d. provide a competitive edge.

General Feedback:

Page 96. Learning Objective 1. Applied. An effective HRMIS can contribute to the overall business strategy and enhance the efficient use of the organisation's human resources.

33. HRIMS is:

- *a. an integrated approach to acquiring, storing, analysing, and controlling the flow of HR information throughout an organisation.
- b. a sophisticated, computer-based method of calculating future employee requirements.
- c. a computerised record of employee personal and work related information.

d. an approach to human resource planning that allows the integration of both qualitative and quantitative predictive data.

General Feedback:

Page 96. Learning Objective 1. Applied. A HRMIS is much more than just a computerised record of information; rather it is an overall system for acquiring, storing and analysing HR information for the organisation.

34. Benson argues that payroll normally contains the most accurate and up-to-date information in any organisation because:

- *a. it is audited each pay period by every single employee.
- b. it is easy to update and enter new information.
- c. the cost to the organisation, if data is not accurate, is substantial.
- d. it is used in planning and decision making.

General Feedback:

Page 97. Learning Objective 1. Applied. Payroll information tends to be the most accurate as employees would generally scrutinise their own data each pay period.

35. Organisations with a bureaucratic culture are more likely to prefer a HRMIS that:

- a. enables individual employees to update their personal records.
- *b. has centralised data input and reporting.
- c. is not integrated with payroll systems.
- d. allows employees to view their leave records and submit online leave forms.

General Feedback:

Page 99. Learning Objective 2. Applied. Bureaucratic organisations are generally more likely to prefer a HRMIS that has centralised data input and reporting and is mostly likely controlled by the accounting or HR departments.

36. The choice and design of an HRIMS reflects an organisation's:

- *a. culture and HR practices.
- b. commitment and financial layout.
- c. understanding and support.
- d. commitment to HRM activities.

General Feedback:

Page 99. Learning Objective 2. Applied. An organisation's culture and HR philosophies and practices will influence the choice and design of the HRMIS and the ease of implementation.

37. If an HRIMS has sufficient flexibility it should be able to:

- *a. generate non-standard reports.
- b. be accessed by all employees.
- c. be updated regularly.
- d. provide details of employee performance.

General Feedback:

Page 100. Learning Objective 2. Applied. The HRMIS should have sufficient ability to generate ad-hoc reports and have the capacity to manipulate data in ways that may not have even been contemplated when the system was purchased or developed.

38. To guarantee employee and management confidence in an HRIMS it is important to:

- a. have regular consultation between the HR department and employees.
- b. ensure that the system is regularly updated and financially affordable.
- *c. ensure that questions of security and user access are addressed.
- d. seek the advice of professional external HRIMS consultants.

General Feedback:

Page 101. Learning Objective 2. Applied. Failure to address questions of confidentiality, security and accuracy of data and data access may significantly erode manager and employee confidence in the HRMIS.

39. When dealing with technology use by employees the challenge for employers is to:

- *a. find the right balance between permissiveness and surveillance.
- b. ensure that employees do not have personal email accounts.
- c. regularly monitor the type and extent of use by each employee.
- d. frequently upgrade the controls they have in place to monitor use.

General Feedback:

Page 102-103. Learning Objective 2. Applied. HR managers need to manage employee use of technology in the workplace so as to limit the potential for abuse whilst facilitating trust in the workplace and allowing employees to feel that they are not unnecessarily constrained in their actions.

40. Facebook, Twitter, and YouTube are all examples of:

- a. HRIMS site
- b. intranet
- *c. social networking sites
- d. social database

General Feedback:

Page 102. Learning Objective 6. Applied. These are all examples of social networking sites which allow users to connect with others through emails, instant messages, photos etc.

41. Since company policies on internet use are often inadequate or poorly communicated:

- a. employees' litigation against their employer has increased greatly in recent years.
- b. employees continue to misuse and abuse these provided facilities in working hours.
- c. companies surveillance costs of their HRIMS are exceeding budgets causing financial problems.
- *d. employees remain unaware of the dangers of receiving unsolicited communications.

General Feedback:

Page 103-104. Learning Objective 2. Applied. One expert claims that many organisations have inadequate policies regarding internet use or that their policies are poorly communicated and as a result many employees are often ignorant of the risks associated with receiving unofficial emails that may contain viruses, illegal or obscene material.

42. An off-the-shelf HRIMS rarely offers:

- a. user friendliness.
- b. cost savings.
- c. confidentiality.
- *d. flexibility.

General Feedback:

Page 105. Learning Objective 3. Applied. Generic off-the-shelf HRMIS generally provide one person's view of what the screens, reports and functionality should be like and it usual that such a system tends to be inflexible or very costly to modify.

43. With the buy-and-modify approach to HRIMS there is a danger that:

- *a. the system is rebuilt from the ground up, which involves considerable time and cost.
- b. the purchase of an incorrect system will make modifying it to meet the organisation's needs impossible.
- c. too much modification of a system can reduce its flexibility and ease of use.
- d. the system will be purchased with the intention of modifying it, but the modification never gets done.

General Feedback:

Page 105-106. Learning Objective 3. Applied. Carrying out the necessary modifications to a purchased product does have significant advantages, but there is a risk that the modifications will be so considerable that substantial time and cost overruns occur.

44. Middle managers will most likely use an HRMIS to:

- *a. generate regular and ad hoc reports for day-to-day decision-making.
- b. use 'what-if' scenarios for strategic planning.
- c. process payroll.
- d. answer general enquiries regarding HR records.

General Feedback:

Page 105. Learning Objective 3. Applied. Middle managers will need to generate ad hoc reports for day-to-day planning, decision making and control.

45. When purchasing or developing an HRIMS the HR manager must have a clear picture of the HR function and:

- a. the functions of the system chosen.
- b. the skills of those expected to use the system.
- *c. its strategic objectives.
- d. the costs associated with system maintenance.

General Feedback:

Page 108. Learning Objective 4. Applied. The design and implementation of the HRMIS should be driven by how the HR function operates within that particular organisation and by its strategic objectives.

46. The HR manager needs to beware of the 'bells and whistles' trap in selecting a HRMIS. This means that:

- a. Purchasers are trapped into buying additional functions for significant additional costs.
- *b. A HRMIS has a multitude of functions which are of little practical value.
- c. A HRMIS is not flexible enough to small and medium sized enterprises.
- d. The vendor fails to provide for ad-hoc reporting.

General Feedback:

Page 108. Learning Objective 4. Applied. In selecting a HRMIS, the HR manager needs to be particularly wary that they are not purchasing functionality that is of little practical value.

47. To develop a strong partnership with other departments, the HRIMS should:

- a. have centralised updating and control of data.
- *b. generate reports which help line managers to do their jobs.
- c. not intrude on the operations of another department.
- d. not be used to identify the problems of other departments.

General Feedback:

Page 110. Learning Objective 5. Applied. An HRMIS needs to be aligned with the organisation's strategic objectives and assist other managers to do their jobs, rather than just focussing on servicing the needs of the HR department.

48. Many organisations block access to social networking sites as they fear:

- *a. employees will waste time networking instead of actually working.
- b. employees will criticise their place of work.
- c. employees will give away confidential information about the firm.
- d. employees will look elsewhere for work.

General Feedback:

Page 112. Learning Objective 6. Applied. Organisations fear that employees will spend their time on networking rather than actually working.

49. PCs and LANS are NOT suited to which type of organisational structure:

- a. downsized.
- b. flat.
- c. empowered.
- *d. traditional.

General Feedback:

Page 112. Learning Objective 7. Applied. PCs and LANS are better suited to downsized, flat, and empowered organisations.

50. What is potential advantage of cloud computing?

- a. Data security concerns
- *b. Accessibility
- c. Danger of loss of access
- d. Social media access

General Feedback:

Page 111. Learning Objective 7. Applied. Potential advantages of cloud computing include accessibility, lower costs, conveniences, increased efficiency, greater flexibility, energy saving, reduced on site hardware and software, permits use of mobile devices, improved support for a mobile workforce, increased computing power, increased storage capacity.

Essay questions

51. Critically discuss the importance of knowing what the organisation requires from an HRIMS before choosing a system.

Correct Answer:

Page 96-99. An HRIMS is an information tool that exists to serve the needs of the organisation. Different users of the system in the organisation will have different requirements and these different needs have to be considered before any system is chosen. Operational users will have different needs from middle management which in turn will have different needs from senior management which will be looking for information of a more strategic nature. Above all else the HRIMS must be aligned with the strategic direction of the business and the HR objectives.

52. Describe the three main approaches that might be used when introducing an HRIMS. Identify and discuss the pros and cons of each approach.

Correct Answer:

Page 105-106. An organisation can choose to design an in-house HRIMS using either internal or external resources, buy an off-the-shelf system as is, or buy an off-the-shelf system and modify it to meet its own needs. With off-the-shelf systems, set-up costs are known and it is immediately available with generally a strong vendor maintenance base. The major drawback is its lack of flexibility and the difficulty of introducing it into the existing culture. The in-house system can be designed specifically for the organisation's requirements and full control can be maintained over its development. On the other hand the costs of developing a system can go out of control and staff skilled in designing such a system might not be readily on hand. The buy and modify offers the best of both other systems since it uses both outside and internal specialists to ensure the needs of the organisation are met. The problem is that once modifications commence, it is often the case that the system ends up being built from the ground up because of irreconcilable differences about the design of the system.

53. Critically discuss how an effective HRIMS could be used by the HR manager to improve the performance of both employees and the organisation.

Correct Answer:

Page 96-97. The critical priority for a successful HRIMS is to ensure that it is aligned with the organisation's strategic objectives. A HRIMS if used correctly, can provide a powerful competitive edge for the organisation. The ability to analyse, estimate costs, savings or benefits and determine and examine trends becomes vital if HRM is to become a value-adding function. A HRIMS provides the necessary data for planning activities such as forecasting, succession planning, and career planning and development all of which can be used to improve the performance of employees.

54. Identify and discuss common problems associated with the introduction of an HRIMS, and what impact these might have on the organisation.

Correct Answer:

Page 96-104. Some of the common problems associated with the introduction of an HRIMS are ensuring that the system matches the culture of the organisation; deciding whether to buy one off-the-shelf as is, whether to modify one bought off-the-shelf, or whether to design an individual system to suit the organisation; to ensure that the system is flexible as well as providing timely and accurate information which will assist in the pursuit of the organisation's strategic goals; to ensure that the IT department is supportive of the system chosen; and to ensure that questions of security and confidentiality are considered. If these factors are not considered the wrong system might be selected that does not provide the information sought, security might be breached, other departments might oppose the system and the system might not be used for other than payroll functions.

55. Discuss the main security issues organisations face when introducing an HRIMS?

Correct Answer:

Page 101-104. While the internet and intranet offer improved communication systems both within and between organisations, there are a large number of security issues that can arise. HR data are typically confidential and sensitive. There is thus always the potential for invasion and abuse of employee privacy by both authorised and unauthorised personnel. To ensure employee and management confidence in an HRIMS, it is important to address issues of user access, data accuracy, data disclosure, employee rights and HRIMS security. Failure to do so may result in ethical, legal and employee relation problems of a magnitude that could destroy the credibility of the system. When dealing with global organisations there is also the issue of international data privacy to be addressed.

56. Outline the potential advantages and disadvantages of cloud computing.

Correct Answer:

Page 111. Potential advantages of cloud computing include accessibility, lower costs, conveniences, increased efficiency, greater flexibility, energy saving, reduced on site hardware and software, permits use of mobile devices, improved support for a mobile workforce, increased computing power, increased storage capacity. Potential disadvantages of cloud computing include data security concerns, costs and inconvenience of incompatible platforms, uncertainty regarding legal situations where data is stored outside of Australia, danger of loss of access to data if service provider becomes bankrupt/taken over, risk of hacker attack, security concerns over stolen/lost mobile devices.