

MULTIPLE CHOICE. Choose the one alternative that best completes the statement or answers the question.

- 1) Pay structures that link pay to the depth or breadth of the abilities and knowledge a person acquires, which are relevant to work are known as _____ pay structures. 1) _____
- A) job-based
 - B) mission-based
 - C) opportunity-based
 - D) skill-based
 - E) task-based
- 2) A pay structure in which employees are paid based on the work knowledge that they acquire is known as: 2) _____
- A) assignment-based pay structure
 - B) duty-based pay structure
 - C) task-based pay structure
 - D) work-based pay structure
 - E) skill-based pay structure
- 3) A(n) _____ system is one where pay increases come with certification of new abilities. 3) _____
- A) task-based
 - B) job-based
 - C) assignment-based
 - D) multiskill-based
 - E) work-based
- 4) Which of the following is the first step in determining an internal skill-based structure? 4) _____
- A) performing skill analysis
 - B) arranging skill blocks into a skill structure
 - C) performing skill certification
 - D) describing and evaluating the skills
 - E) grouping related skills into a single unit
- 5) Which of the following is true about certification methods? 5) _____
- A) Certification cannot be accomplished through on-the-job demonstrations.
 - B) Scheduling makes it more difficult to budget and control payroll increases.
 - C) Certification cannot be accomplished through peer review.
 - D) Recertification has been replaced with one-time certification.
 - E) Newer certification procedures are moving away from on-demand review and towards scheduling fixed-review points..

- 6) Research on skill-based plans has shown that skill-based plans: 6) _____
- A) are not affected by organizational strategy
 - B) are long-term initiatives for specific settings
 - C) do not provide enough motivation for individuals to increase their skills
 - D) are generally well accepted by employees
 - E) encourage employees to focus on seeking promotions to earn more pay
- 7) Competency-based pay plans are different from skill-based plans in that: 7) _____
- A) competency-based plans are not very specific; they are more general, paying for broadly applicable knowledge, skills and behaviour
 - B) competency-based plans are a type of job-based pay structures
 - C) competency-based plans are applied only to blue-collar jobs
 - D) competency-based plans eliminate the need to control costs
 - E) competency-based plans do not allow for lateral movement
- 8) Observable behaviours that indicate the level of competency within each competency set are known as: 8) _____
- A) cognitive patterns
 - B) core competencies
 - C) competence builders
 - D) core mnemonics
 - E) competency indicators
- 9) Which of the following is true about competencies? 9) _____
- A) They tend to be unfair to the employees by justifying pay differences based on inferred proficiencies.
 - B) They discourage employees from assuming leadership roles.
 - C) They make people lose their focus.
 - D) They fail to provide a common basis for working together.
 - E) They focus on average performance rather than optimum performance.
- 10) Competency analysis is a: 10) _____
- A) process used to clarify the purpose of a competency system
 - B) process used to measure the reliability of a competency system
 - C) process used to understand the nature and characteristics of a job
 - D) process used to measure the validity of a competency system
 - E) process used to evaluate the degree of subjectivity involved in a competency system
- 11) Which of the following individuals possesses "personal characteristics" competency? 11) _____
- A) Joshua possesses leadership skills.
 - B) Jake demonstrates an uncompromising integrity toward company values.
 - C) Katie works constantly to improve customer interaction.
 - D) Eric works respectfully in multicultural environments.
 - E) Lisa shows interest in developing others.

- 12) Which of the following can be classified under visionary competency? 12) _____
- A) loyalty
 - B) flexibility
 - C) global perspective
 - D) respect for others
 - E) personal integrity
- 13) The purpose of job-based and person-based procedures is to: 13) _____
- A) use outside consultants for internal decisions
 - B) design and manage an internal pay structure that helps achieve the organization's objectives
 - C) to match pay levels in competing markets
 - D) understand the level of competition with other organizations
 - E) to exceed the pay levels in competing markets
- 14) Lack of consistency among evaluators: 14) _____
- A) is a greater problem in quantitative job evaluation than conventional job evaluation
 - B) is common when evaluators work in similar jobs to those being evaluated
 - C) increases when employees are unionized
 - D) can be reduced by training
 - E) has little effect on results
- 15) "In order to establish a rational pay structure, a company performs job evaluation. The evaluation is found to be reliable." Which of the following statements indicate this? 15) _____
- A) The evaluation achieved the desired results.
 - B) All the evaluators produced the same results.
 - C) The evaluation plan matched an agreed-upon pay structure.
 - D) The evaluation was found to be subjective.
 - E) The majority of the employees found the evaluation acceptable.
- 16) Reliability of job evaluation can be measured by: 16) _____
- A) determining the degree to which the job evaluation achieved the desired results
 - B) determining if different evaluators produce the same results
 - C) determining the degree to which the job evaluation method is accepted by employees
 - D) hit rates—the degree to which the job evaluation plan matches an agreed-upon ranking
 - E) the degree of agreement between rankings that resulted from the job evaluation

- 17) If a job evaluation method consistently yields the same results under different evaluators it can be said that the method is: 17) _____
- A) reliable
 - B) valid
 - C) unpredictable
 - D) random
 - E) systematic
- 18) In the context of job evaluation, validity is defined as: 18) _____
- A) the underlying, broadly applicable knowledge needed to perform a job effectively
 - B) the degree to which different evaluators produce the same results
 - C) the degree to which the evaluation achieves the desired results
 - D) a skill-based approach for determining pay
 - E) the ability of employees to request a re-evaluation of skills
- 19) The primary purpose of using an appeal process for job evaluation results is to: 19) _____
- A) reduce employee interest in unionization
 - B) reduce employee involvement in the job evaluation process
 - C) ensure that different evaluators produce the same results after job evaluation
 - D) set pay level of the employees below that of the competitors
 - E) provide employees' with the opportunity to request skills re-evaluation
- 20) Which of the following is true of job evaluation? 20) _____
- A) Job evaluation fixes pay scale for each employee in every organizations.
 - B) Job evaluation is free of subjectivity.
 - C) Job evaluation involves periodical assessment of employees' performance.
 - D) Job evaluation influences internal pay structures.
 - E) Job evaluation is free of gender bias.
- 21) Which of the following is true about job evaluation? 21) _____
- A) It is free of subjectivity.
 - B) It involves identifying an employee's visionary competency.
 - C) It is not susceptible to gender bias.
 - D) It does not bear any influence on skill-based pay structure.
 - E) It perpetuates any bias that exists in current wages when structured to mirror existing pay rates.
- 22) In a skill-based structure, managers' focus is on: 22) _____
- A) promotion and placement.
 - B) controlling costs solely via pay for job.
 - C) linking employees to the job done.
 - D) providing training.
 - E) controlling costs solely via budget increase.

- 23) In a skill-based structure: 23) _____
- A) managers control costs via pay for job rather than certification
 - B) employees seek promotions to earn more pay rather than enhancing their knowledge
 - C) individuals are paid only for those certified skills that are required to perform their job
 - D) employees are paid for their assigned jobs, regardless of the knowledge they possess
 - E) managers focus on providing training rather than promoting

- 24) Which of the following is an advantage of competency-based systems? 24) _____
- A) They are free of vagueness and subjectivity.
 - B) They are free of perceptual biases.
 - C) They are free of potential bureaucracy.
 - D) They are more flexible than job-based pay systems.
 - E) They eliminate the need to control costs.

- 25) Which of the following is true of competency-based plans? 25) _____
- A) Results of these plans are always reliable and valid.
 - B) These plans are free of biases and judgments.
 - C) Managers who use these plans focus on placing the right people in the right job.
 - D) These plans maximize flexibility.
 - E) These plans eliminate the need to control costs.

TRUE/FALSE. Write 'T' if the statement is true and 'F' if the statement is false.

- 26) Skill-based plans are usually applied to so-called white-collar work, and competency-based plans to so-called blue-collar work. 26) _____
- 27) Skill-based pay structure does not allow people to be deployed in a way that matches the flow of work. 27) _____
- 28) One of the main advantages of a skill-based plan is that it can match people to a changing workflow more easily. 28) _____
- 29) The skills on which a structure is based should be directly related to the organization's objectives and strategy. 29) _____
- 30) Employees like the potential of higher pay that comes with learning. 30) _____
- 31) One of the advantages of skill-based pay is continuous learning. 31) _____
- 32) Skill-based plans are generally not well accepted by employees because it is difficult to see the connection between the plan, the work, and the size of the paycheck. 32) _____
- 33) Competency indicators translate the core competencies into specific actions. 33) _____

- 34) Advocates of competencies say that they can empower employees to take charge of their own development. 34) _____
- 35) Visionary characteristics are the lowest level competencies that can be used to collect information about competencies. 35) _____
- 36) The heart of the person-based plan is that employees get paid for the specific skills they use in their jobs, not for the relevant skills or competencies they possess. 36) _____
- 37) Employee acceptance is crucial for person-based plans because it is the key to employees' perceptions of fairness regarding the pay structure. 37) _____
- 38) Using evaluators who are familiar with the jobs they are evaluating enhances reliability of the evaluation. 38) _____
- 39) Reliability refers to the degree to which the evaluation achieves the desired results. 39) _____
- 40) A limitation of a competency-based structure is that it requires cost controls. 40) _____

ESSAY. Write your answer in the space provided or on a separate sheet of paper.

- 41) What are the two types of skill plans?
- 42) What is the purpose of a skill-based structure?
- 43) What is the process for determining a skill-based structure?
- 44) What is a competency-based approach?
- 45) How do competencies motivate behaviour toward organization objectives?
- 46) Define competencies and explain what is meant by core competencies, competency sets, and competency indicators.
- 47) How are "personal characteristics" competencies different from "visionary" competencies?
- 48) How is the validity of job evaluation measured?
- 49) In the context of job evaluation, how can an organization improve employee acceptability?
- 50) What are the recommendations that can ensure that job evaluation plans are bias-free?

Answer Key

Testname: UNTITLED6

- 1) D
- 2) E
- 3) D
- 4) A
- 5) E
- 6) D
- 7) A
- 8) E
- 9) A
- 10) A
- 11) B
- 12) C
- 13) B
- 14) D
- 15) B
- 16) B
- 17) A
- 18) C
- 19) E
- 20) D
- 21) E
- 22) D
- 23) E
- 24) D
- 25) D
- 26) FALSE
- 27) FALSE
- 28) TRUE
- 29) TRUE
- 30) TRUE
- 31) TRUE
- 32) FALSE
- 33) FALSE
- 34) TRUE
- 35) FALSE
- 36) FALSE
- 37) TRUE
- 38) TRUE
- 39) FALSE
- 40) TRUE
- 41) Skill plans can focus on depth (e.g., specialists in corporate law, finance, or welding and hydraulic maintenance) or breadth (generalists with knowledge in all phases of operations including marketing, manufacturing, finance, and human resources).
- 42) It supports the strategy and objectives of the organization, supports workflow, is fair to employees, and motivates behaviour toward organization objectives.
- 43) It begins with a skill analysis, which is similar to the task statements in a job analysis. Related skills can be grouped into a skill block; skill blocks can be arranged by levels into a skill structure. To build the structure, a process is needed to describe, certify, and value the skills.

- 44) It pays for underlying, broadly applicable knowledge, skills, and behaviours that form the foundation for successful work performance called competencies.
- 45) Competencies provide guidelines for behaviour and keep people focused. They can also provide a common basis for communicating and working together. This latter possibility has become increasingly important as organizations go global, and as employees with widely differing viewpoints and experiences fill leadership positions in these global organizations.
- 46) While skill- and job-based systems focus on information about specific tasks, a competency based approach pays for underlying, broadly applicable knowledge, skills, and behaviours that form the foundation for successful work performance, called competencies. Competencies can be used to address the need for internal alignment by creating a competency-based pay structure. Core competencies are those that form the foundation for successful performance at all jobs in the organization. They are often linked to mission statements that express an organization's philosophy, values, business strategies, and plans. Competency sets begin to translate each core competency into action. For the core competency of "business awareness," for example, competency sets might be related to organizational understanding, cost management, third-party relationships, and ability to identify business opportunities. Competency indicators are the observable behaviours that indicate the level of competency within each set. These indicators may be used for staffing and evaluation as well as for pay purposes.
- 47) Personal characteristics have the aura of the Boy Scouts about them: trustworthy, loyal, courteous. In business settings, the relevant characteristics might be personal integrity, maturity of judgment, flexibility, and respect for others. Employees are expected to come in the door with these characteristics and then develop and demonstrate them in increasingly complex and ambiguous job situations. Visionary are the highest level competencies. They might be expressed as possessing a global perspective, initiative in moving the organization in new directions, and being able to articulate the implications for the organization of trends in the marketplace, in world events, and in the local community.
- 48) Validity refers to the degree to which an evaluation achieves the desired results. Validity of job evaluation has been measured in two ways: (1) by agreement, i.e., the degree of agreement between rankings that resulted from the job evaluation compared to an agreed-upon rank of benchmarks used as the criterion; and (2) by "hit rates," i.e., the degree to which the job evaluation plan matches (hits) an agreed-upon ranking or pay structure for benchmark jobs. In both cases, the predetermined, agreed-upon ranking or pay structure is for benchmark jobs. It can be established by organization leadership or be based on external market data, union negotiations, or the market rates for jobs held predominantly by men (to try to eliminate any general discrimination reflected in the market), or a combination of these.
- 49) Several devices are used to assess and improve employee acceptability. An obvious one is to include a formal appeals process. Employees who believe their jobs are evaluated incorrectly should be able to request re-analysis and/or skills re-evaluation. Most firms respond to such requests from managers, but few extend the process to all employees, unless those employees are represented by unions who have negotiated a grievance process. Another approach is to use employee attitude surveys to assess their perceptions of acceptability.

- 50) Several recommendations seek to ensure that job evaluation plans are bias-free, including the following:
1. Define the compensable factors and scales to include the content of jobs held predominantly by women. For example, working conditions should include the noise and stress of office machines and the repetitive movements associated with the use of computers.
 2. Ensure that factor weights are not consistently biased against jobs held predominantly by women. Are factors usually associated with these jobs always given less weight?
 3. Apply the plan in as bias-free a manner as feasible. Ensure that the job descriptions are bias-free, exclude incumbent names from the job evaluation process, and train diverse evaluators.