

**Test Bank for Human Resource Management 13th Edition by
Mathis and Jackson**

Chapter 10—Performance Management and Appraisal

MULTIPLE CHOICE

1. An effective performance management system must have all the following characteristics EXCEPT
- a. it must link organizational strategy to ultimate results. it must allow individual employees flexibility in how they will achieve b. ultimate results.
 - c. it must translate organizational strategies into unit-level actions.
 - d. it must assign unit-level actions to individual employees.

ANS: B PTS: 1 DIF: Challenging REF: p. 319-320

OBJ: 1 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

2. Which of the following statements is TRUE?

- If ethical behavior were evaluated in a performance appraisal system
- a. and rewarded, employees would sometimes be rewarded for causing immediate or long-term financial losses to the organization.
- Performance appraisal systems are most effective when the behaviors

- b. evaluated are objectively measurable or observable. This is the main reason why most performance appraisal systems do not incorporate specific evaluations of the ethical aspect of employee performance.
- c. An organization's ethical culture is independent of its performance management system.
A performance-driven organization culture, especially one using
- d. management-by-objective performance appraisal, is incompatible with strict ethical standards for employee behavior.

ANS: A PTS: 1 DIF: Moderate REF: p. 319

OBJ: 1 NAT: AACSB Ethics LOC: Ethical
Responsibilities

TOP: Conceptual

3. ____ is the process of determining how well employees do their jobs relative to a standard and communicating that information to the employee.
- a. Employee development
 - b. Performance management
 - c. Process improvement
 - d. Performance appraisal

ANS: D PTS: 1 DIF: Easy REF: p. 320

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Definitional

4. Ultimately, performance management links organizational strategy to organizational

- a. culture.
- b. goal setting.
- c. rewards.
- d. results.

ANS: D PTS: 1 DIF: Moderate REF: p. 321

OBJ: 1 NAT: AACSB Reflective Thinking LOC: Strategy

TOP: Conceptual

5. In order to translate organizational strategies in to employee behaviors that support these strategies, performance management systems use a variety of techniques at the individual employee level. These techniques include all of the following EXCEPT

- a. informing the employee of the expected performance levels.
- b. rewarding the individual employee based on his/her performance. ensuring that the individual employee is satisfied with his/her c. performance appraisal.
- d. providing feedback on individual employee performance.

ANS: C PTS: 1 DIF: Challenging REF: p. 321|
Figure 10-1

OBJ: 1 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

6. In comparison to some Asian countries such as China and Japan, U.S. managers are brutally honest in communicating negative information to

- a. employees in performance appraisals. performance appraisal systems over-emphasize traits rather than
- b. behaviors. performance appraisal systems are based on fewer sources of
- c. information. managers tend to be so tactful in communicating performance
- d. decrements to employees that employees often do not know where they stand.

ANS: A PTS: 1 DIF: Moderate REF: p. 322

OBJ: 1 NAT: AACSB Reflective
Thinking LOC: Environmental Influence

TOP: Conceptual

7. Which of the following statements is TRUE regarding performance management in a global setting?

Because human psychology is the same worldwide, a well-designed

- a. performance management system will work in any cultural setting.

- b. performance feedback for employees.

- c. U.S.-style performance management systems are becoming more widely used overseas because of their effectiveness in increasing employee performance.

- d. U.S. companies may need to eliminate their performance management processes in certain countries.

ANS: D PTS: 1 DIF: Challenging REF: p. 322-323

OBJ: 1 NAT: AACSB Reflective Thinking
Thinking LOC: Environmental Influence

TOP: Conceptual

8. Research has shown that performance-driven organizational cultures are based on eliminating differentiations among employees and
- a. commitment to equality of rewards for employees. is typically welcomed by employees when it is instituted in a formerly
 - b. entitlement-based organizational culture.
 - c. require behavior-based performance measures. tend to have significantly higher financial results compared with other
 - d. types of organizational cultures.

ANS: D PTS: 1 DIF: Moderate REF: p. 323

OBJ: 1 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

9. Which of the following statements is TRUE?

- Pay-for-performance systems do not work well for CEOs because most
- a. CEO performance is not objectively measurable. Performance-based pay systems for CEOs typically build in penalties for unethical behavior.
 - b. Performance-based pay systems for CEOs are a key factor in an
 - c. organization's development of a performance-driven culture.

- d. organizational performance is strongly affected by economic factors beyond the CEO's control

ANS: C **PTS: 1** **DIF: Easy** **REF: p. 323**

OBJ: 1 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

10. At SafeGreen, Inc., there is little variation in pay among employees within the existing job categories. Raises are essentially the same for average and excellent performers. Although performance appraisals are performed regularly, everyone views the process as paper-shuffling. The from the point of view of its performance appraisal system, the culture of SafeGreen, Inc., can best be described as

- a. entitlement-based.
- b. bureaucratic.
- c. performance-driven.
- d. equity-driven.

ANS: A **PTS: 1** **DIF: Moderate** **REF: p. 323**

OBJ: 1 **NAT: AACSB Analytic** **LOC: HRM**

TOP: Application

11. At Evergreen Cosmetics, the top executive team's bonus is based on the profitability of the firm. Each executive receives the same percentage bonus as the increase in profits over the previous year. This shows

- a. a lack of ambition on the part of the executive team.
- b. a disconnect between executive compensation and the compensation of regular employees.
- c. the pervasiveness of an entitlement culture even into top management c. ranks.
- d. executive commitment to performance management.

ANS: C PTS: 1 DIF: Challenging REF: p. 323

OBJ: 1 NAT: AACSB Analytic LOC: HRM TOP:

Application

12. The performance committee of Everyyoung Physical Therapy Associates has identified: (1) the progress of the patient according to medical guidelines, (2) patient satisfaction, (3) meeting treatment deadlines, and (4) therapist presence at work as ____ upon which the committee will base the measure of physical therapist performance.

- a. job duties
- b. performance measures
- c. subjective criteria
- d. critical incidents

ANS: B PTS: 1 DIF: Moderate REF: p. 323

OBJ: 1 NAT: AACSB Analytic LOC: HRM TOP:

Application

13. All of the following are common criteria of employee performance EXCEPT a. meeting deadlines.

- b. achieving quality standards.
- c. being present at work.
- d. acting in accordance with ethical principles.

ANS: D PTS: 1 DIF: Easy REF: p. 324

OBJ: 1 NAT: AACSB Ethics LOC: Ethical
Responsibilities

TOP: Conceptual

14. Essentially, ____ identify what the organization is paying an employee to do.

- a. performance measures
- b. job duties
- c. job qualifications
- d. expected performance levels

ANS: B PTS: 1 DIF: Easy REF: p. 324

OBJ: 1 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Definitional

15. Clementine Import-Export, Inc., has a language-proficiency test for its sales representatives in Latin America. Part of the test requires that sales representatives to be able to ask and answer in Spanish basic questions about prices, quantities, shipping dates and product characteristics. This performance standard can be classified as all of the following EXCEPT

- a. the standard trait-based.
- b. the standard is job-related.
- c. the standard is observable.
- d. the standard is non-numerical.

ANS: A **PTS: 1** **DIF: Moderate** **REF: p. 325 |**
Figure 10-4

OBJ: 1 **NAT: AACSB Application** **LOC: HRM**

TOP: Application

16. Not all of an employee's job duties are equally important.

Performance appraisal systems can best take this into account by

using results-oriented performance measures for the most important

- a. duties and behavior-based or trait-based measures for the lesser important duties.
- b. measuring performance only for the most important duties.
- c. using a critical incident method to measure employee performance.
- d. weighting the more important duties more highly than the less important duties.

ANS: D **PTS: 1** **DIF: Moderate** **REF: p. 325**

17. One of the items on the performance appraisal form at Bioengineering Devices, Inc., is “The employee demonstrates creativity, inventiveness and openness to new ideas.” This can be considered ____ performance information.

- a. results-oriented
- b. behaviorally-based
- c. objectively observable
- d. trait-based

ANS: D **PTS: 1** **DIF: Moderate** **REF: p. 325**

OBJ: 1 **NAT: AACSB Analytic** **LOC: HRM TOP:**

Application

18. SafeCleanGreen, Inc., has used a _____ performance appraisal system for some 10 years. The company uses this for both administrative and development purposes. SafeCleanGreen has terminated Jerry, who belongs to a protected class, because of inadequate performance, especially on the “creative behavior” element of his performance. If Jerry sues the company for discrimination, the courts will likely be unfavorably disposed to SafeCleanGreen’s performance appraisal system.

- a. trait-based
- b. results-based
- c. behavior-based
- d. productivity-based

ANS: A **PTS: 1** **DIF: Moderate** **REF: p. 325**

19. Results-based information, used for evaluating performance, is effective in promoting ethical behavior since lawsuits and regulatory
- a. fines are easy to measure. is difficult to use for most jobs since few jobs have observable and
 - b. measurable results. is best used on a group or organization-wide basis since few individual
 - c. employees have a direct effect on organizational success..
 - d. may cause difficult-to-measure aspects of the work to be neglected by employees.

ANS: D

20. At a large on-line catalog retail company, supervisors randomly listen in on calls handled by customer representatives to make sure that the customers are greeted politely, orders are taken accurately, order details are repeated to the customer, and that customers are thanked for their orders. This is a ____ -based type of performance information.

- a. productivity
- b. trait
- c. results
- d. behavior

21. Which of the following is true about using behavior-based information for evaluating job performance?

- a. The aim is to identify the one critical employee behavior which will lead to job success.
- b. In effect, behavior-based performance appraisal systems penalize
- c. employees who use unusual approaches to gain successful results. Behavior-based performance appraisal systems are the easiest to develop.
- d. Behavior-based information looks at what the outcomes the employee d. has achieved.

ANS: B

PTS: 1

DIF: Challenging REF: p. 326

OBJ: 1 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

22. The auditors in a public accounting firm are assigned to new project teams as their current projects end. Consequently, an auditor may work on one project for an entire year or the auditor may be assigned to several different shorter-term projects during a year. All of the following are behaviors that would be important to encourage through the performance appraisal system

EXCEPT

- a. competitiveness.
- b. achievement orientation.
- c. initiative.
- d. information-seeking.

ANS: A

PTS: 1 DIF Moderate REF: p. 326
:

OBJ: 1 NAT: AACSB Analytic LOC: HRM TOP:

Application

23. Michael, the owner of a moving company, has developed a performance appraisal system for his customer representatives and truck drivers. He evaluates each of these employees on accuracy of weight estimates, meeting delivery deadlines, and dollar value of breakage. Michael's performance appraisal system is ____ based.

- a. trait
- b. results

- c. behavior
- d. productivity

ANS: B PTS: 1 DIF: Moderate REF: p. 327

OBJ: 1 NAT: AACSB Analytic LOC: HRM TOP:

Application

24. Counting the number of items a clerk scans per hour is be an example of a/an _____ measure of performance.

- a. quality
- b. subjective
- c. behavior-based
- d. objective

ANS: D

PTS: 1 DIF: Moderate REF: p. 327

OBJ: 1 NAT: AACSB Analytic LOC: HRM TOP:

Application

25. Performance measures are said to be _____ if they leave out some important job duties.

- a. subjective
- b. contaminated
- c. deficient
- d. biased

ANS: C

26. One of the performance criteria for a sales representative who covers Saskatchewan as the sole Western Canadian representative is “relationship with co-workers.” This criterion results in a performance measure that is a. distorted.
- b. contaminated.
 - c. deficient.
 - d. objective.

ANS: B **PTS: 1** **DIF: Moderate** **REF: p. 327**

OBJ: 1 **NAT: AACSB Analytic** **LOC: HRM TOP:**

27. Higbee Farm Implements one location, a rural Iowa area. Higbee has been experiencing slow sales of tractors and other expensive large agricultural equipment such as combines over the last few years because of the low profitability of the farms in its sales region. In order to increase its profits by increasing the sales of equipment, Higbee has announced that the salesperson who writes the highest dollar volume in sales contracts will win an all-expense-paid trip to Hawaii for two for a month. Naturally, this has motivated the sales staff. What is the likely result of this contest?
- a. The Higbee sales staff will work together smoothly as a team to meet local farmers’ equipment needs.
 - b. Higbee’s salespersons will pressure farmers to buy machinery they do not really need.
 - c. Higbee’s system for measuring performance is contaminated.
 - d. This is a “rank and yank” system and will result in Higbee’s sales staff becoming demoralized.

ANS: B **PTS: 1** **DIF: Moderate** **REF: p. 327**

OBJ: 1
Responsibilities

NAT: AACSB Analytic

LOC: Ethical

TOP: Application

28. ____ define the level of performance that is expected by an employee.

- a. Job criteria
- b. Job expectations
- c. Performance standards
- d. Essential elements

ANS: C

PTS: 1

DIF: Easy

REF: p. 327

OBJ: 1

NAT: AACSB Reflective Thinking

LOC: HRM

TOP: Definitional

29. All of the following are potential performance measures for an insurance salesperson.

- a. number of cold calls on potential clients per week
- b. materials cost per month
- c. number of direct client-service hours per month
- d. dollar amount of new contracts written per week

ANS: B

PTS: 1

DIF: Moderate

REF: p. 328

OBJ: 1

NAT: AACSB Analytic

LOC: HRM TOP:

Application

30. All of the following are common reasons why performance appraisal systems are ineffective EXCEPT
- a. managers lack the courage to tell subordinates they are performing inadequately.
 - b. managers and subordinates collude to inflate performance appraisals.
 - c. managers inflate evaluations to protect subordinates from being fired or losing promotions.
 - d. managers use the performance appraisal system to achieve political goals.

ANS: B

PTS: 1

DIF: Moderate

REF: p. 329

OBJ: 2

NAT: AACSB Reflective Thinking

LOC: HRM

TOP: Conceptual

31. Performance appraisals are widely used for all the following types of employees EXCEPT

- a. non-exempt employees.
- b. professional employees.
- c. managers in service industries.
- d. unionized production employees.

ANS: D

PTS: 1

DIF: Easy

REF: p. 329

OBJ: 2

NAT: AACSB Reflective Thinking

LOC: HRM

TOP: Conceptual

32. The two general uses of performance appraisal, which are often in conflict, are

- a. salary administration and discipline.
- b. training and development.
- c. administrative and development.
- d. coaching and career planning

ANS: C PTS: 1 DIF: Easy REF: p. 329

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

33. Which of the following best describes the manager's role in the developmental aspect of performance appraisal?

- a. judge
- b. parent
- c. antagonist
- d. coach

ANS: D PTS: 1 DIF: Easy REF: p. 330

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

34. Which of the following is an example of the administrative role of performance appraisal?

- a. identifying individual subordinate's weaknesses to determine coaching needs
- b. measuring subordinate's performance for making retention decisions during a layoff
- c. identifying the organization's training needs
- d. communicating feedback to the employee

ANS: B PTS: 1 DIF: Moderate REF: p. 330

OBJ: 3 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

35. What is the purpose of developmental feedback?

- a. to plan for the employee's future opportunities inside the organization
- b. to motivate employees to perform at a higher level
- c. to compare individuals' performance with once another to assure that employees know the reasons for changes in their d. compensation

ANS: A PTS: 1 DIF: Easy REF: p. 330

OBJ: 3 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

36. All of the following are developmental uses for performance appraisals EXCEPT

selection of training seminars for a particular employee for the

- a. upcoming year.
- b. prioritizing employees for layoffs of various sizes.
- c. identification of jobs to which the employee could be promoted.
- d. counseling the employee in more effective interpersonal relations.

ANS: B **PTS: 1** **DIF: Moderate** **REF: p. 330**

OBJ: 3 **NAT: AACSB Analytic** **LOC: HRM TOP:**

Application

37. During the performance appraisal process, employees tend to focus on

- a. whether they will get a raise or not.
- b. the emotional content of their supervisor's communications.
- c. their areas of weaknesses as shown by the performance appraisal.
- d. the suggestions for future development contained in the performance appraisal.

ANS: A **PTS: 1** **DIF: Easy** **REF: p. 330**

OBJ: 3 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

38. If most employees in an organization consider their pay raises inequitable, even though the organization uses performance-based compensation, the most likely cause is that

- a. the majority of employees are poor performers.

- b. the organization has an entitlement culture. the work performed by the organization does not lend itself to objective c. performance appraisal.
- d. some part of the appraisal process has failed.

ANS: D **PTS: 1** **DIF: Challenging** **REF: p. 330**
OBJ: 3 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

39. As a vendor providing automated performance appraisal products, you would probably be able to promise purchasers of your system all of the following EXCEPT

- a. ease of use compared to manual performance appraisal systems.
- b. time savings compared to manual performance appraisal systems.
- c. aggregation of performance information.
- d. lower total costs compared to manual performance appraisal systems.

ANS: D **PTS: 1** **DIF: Moderate** **REF: p. 331**
OBJ: 3 **NAT: AACSB Analytic** **LOC: HRM**

TOP: Application

40. Which of the following comments by a supervisor during an appraisal interview illustrates the development function of performance appraisal?

- Unless you are able to meet your quota next quarter, you will be
- a. terminated.

b. How can I support your sales efforts better in the coming year?

I am going to pair you with Alex for a month so that you can learn his
c. technique in closing sales.

Next year the dollar amount of contracts you must sell for an d.
acceptable rating will be increased 10%.

ANS: C PTS: 1 DIF: Easy REF: p. 332

OBJ: 3 NAT: AACSB Analytic LOC: HRM

TOP: Application

41. The main responsibility for conducting performance appraisals lies with

a. HR specialists

b. managers

c. consultants

d. top management

ANS: B PTS: 1 DIF: Easy REF: p. 332

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

42. All of the following statements are true about team-based
performance appraisal EXCEPT

team performance appraisal is most effective in the administrative
a. aspect of performance management. teams tend to avoid awarding
individual team members larger or

- b. smaller pay increases based on performance. team members are often more familiar with a team member's work
- c. performance than the supervisor is. team members may use the team
- d. performance appraisal as a way to attack other team members.

ANS: A PTS: 1 DIF: Moderate REF: p. 332| p. 336

OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

43. A/an ____ appraisal is conducted as part of the day-to-day working relationship between a manager and an employee.

- a. spontaneous
- b. systematic
- c. developmental
- d. informal

ANS: D PTS: 1 DIF: Moderate REF: p. 333

OBJ: 3 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Definitional

44. Which of the following statements is TRUE regarding informal appraisals?

- a. Frequent informal feedback to employees can prevent surprises later when the formal evaluation is communicated.
- b. Well-done and frequent informal appraisals are more easily defended in court than traditional annual performance appraisals.
- c. Frequent informal performance appraisal can make an annual formal performance appraisal unnecessary. The day-to-day working relationship between a manager and an

d. employee is disrupted by unscheduled informal appraisals, so these should be minimized.

ANS: A PTS: 1 DIF: Moderate REF: p. 333

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

45. Performance appraisals at Swamp Blossom Designs, Inc., always occur on the employee's anniversary of employment. A standard protocol is in place to report managerial impressions and observations on employee performance. This is an example of

- a. objective evaluation.
- b. subjective evaluation.
- c. systematic appraisal.
- d. informal appraisal.

ANS: C PTS: 1 DIF: Moderate REF: p. 333

OBJ: 2 NAT: AACSB Analytic LOC: HRM

TOP: Application

46. In the typical division of appraisal responsibilities, the HR unit is responsible for

- a. rating performance of employees.
- b. designing and maintaining the formal system.
- c. reviewing appraisals with employees.
- d. providing regular informal appraisals.

ANS: B PTS: 1 DIF: Easy REF: p. 333 |
Figure 10-7

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

47. In most companies and for most employees, the typical time period for formal performance appraisals is

- a. semi-annual.
- b. monthly
- c. annual
- d. continuous

ANS: C PTS: 1 DIF: Easy REF: p. 333

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

48. At Decahedron Software, Inc., appraisals for non-technical employees are conducted annually. Technical employees receive evaluations every six months. This is probably because the technical employees have many job opportunities and semiannual evaluations allows for

- a. raises every six months as a retention tool. need more performance guidance from their managers than do non
- b. technical employees. tend to be younger employees who require more intense management
- c.attention. have shorter developmental cycles than non-technical employees
- d.because technology changes so rapidly in the software industry.

ANS: A PTS: 1 DIF: Challenging REF: p. 334

OBJ: 2

NAT: AACSB Analytic

LOC: HRM TOP:

Application

49. All of the following are requirements for performance appraisal supported by the courts and the EEOC EXCEPT

- a. performance criteria must be based on job analysis.
- b. appraisal activities must be documented. the rater must have personal knowledge of and contact with the c. appraised individual.
- d. performance criteria must be numerical and objective.

ANS: D

PTS: 1

DIF: Challenging REF: p. 334

OBJ: 2

NAT: AACSB Reflective Thinking

LOC: Legal

Responsibilities

TOP: Conceptual

50. Why are job-related, non-discriminatory and documented performance appraisals necessary when organizations terminate employees?

- a. They help explain the connection between merit and seniority.
- b. They provide developmental information to the employees.
- c. They are a legal defense if employees sue over such decisions.
- d. They are an important input to the strategic planning process.

51. In order to lessen the conflict between the administrative and the developmental roles of performance appraisal, the recommended practice is to

- a. combine both types of feedback into the same appraisal interview, but deal with pay issues first as that is the employee's primary concern. separate the administrative feedback and the developmental feedback b. into different interviews. have the employee's manager deliver the administrative feedback,
- c. including pay information, and have HR staff address the developmental issues in a separate interview. communicate all feedback to the employee in writing two weeks before
- d. the appraisal interview so there will be no surprises during the interview.

ANS: B PTS: 1 DIF: Moderate REF: p. 334

OBJ: 3 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

52. Lisa is a project manager for a large consulting firm. She supervises multiple project teams over a single year. Often, the teams work at distant

- a. one manager evaluates each employee.
- b. individuals are being evaluated even though they work on teams. the manager has little personal knowledge of and contact with the c. appraised individual.
- d. this type of evaluation is *prima facie* evidence of disparate impact.

ANS: C PTS: 1 DIF: Challenging REF: p. 334

OBJ: 2 NAT: AACSB Analytic LOC: Legal

Responsibilities

TOP: Application

53. Traditional ratings of employees by supervisors is based on the assumption that employees are more receptive to criticism from their immediate
- a. supervisors than from other sources such as co-workers or managers who are not their direct supervisors.
 - b. supervisors have regular day-to-day opportunities for informal appraisals.
 - c. the supervisor is the person most qualified to evaluate the employee's performance realistically and fairly.
 - d. supervisors are more aware of their subordinates' desires and goals than are other potential evaluators.

ANS: C PTS: 1 DIF: Moderate REF: p. 335

OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

54. The vice-president of HR for Blue Horizon Mental Health is designing a performance appraisal system that includes subordinate ratings of their supervisors. The supervisors are concerned about this and have raised all of the following objections EXCEPT
- a. the supervisors are concerned that they will be rated on how nice they are to subordinates rather than on their true supervisory performance.
 - b. the supervisors believe that employee feedback will be overly focused on objective performance criteria and not intangible leadership qualities.

c. the supervisors are most opposed to using the evaluations for administrative purposes, although they are more open to using the evaluations for development purposes.

d.the supervisors argue that subordinates will not want to give them negative feedback because of fear of reprisals.

ANS: B PTS: 1 DIF: Challenging REF: p. 336

OBJ: 4 NAT: AACSB Analytic LOC: HRM

TOP: Application

55. All of the following are reasons to have subordinates evaluate the performance of their supervisors EXCEPT

a.compensation for managers tends to be more equitable when subordinates have input into these decisions.

b.employee ratings can identify competent managers.

c.when subordinates rate managers, managers become more responsive to their subordinates.

d. subordinates can identify areas for growth for their managers.

ANS: A

PTS: 1 DIF: Moderate REF: p. 336

OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

56. In which of the following situations would peer ratings be most appropriate?

- a. A group of salespeople meets monthly as a committee to talk about strategies for improving customer relations.
- b. The manager is too busy to meet with each subordinate for a formal appraisal interview.
- c. The members of the work group are highly cohesive and have strong friendships with one another.
- d. The supervisor manages a large geographical region and travels extensively, while the employees work with each other daily.

ANS: D PTS: 1 DIF: Moderate REF: p. 336

OBJ: 4 NAT: AACSB Analytic LOC: HRM TOP:

Application

57. Common difficulties with team appraisals include all of the following EXCEPT

- a. some employees may use the appraisal as an excuse to attack a team member.
- b. team members feel the supervisor is abdicating his/her responsibility to make tough decisions.
- c. team members may “go easy” on their colleagues to spare feelings.
- d. potential negative effects on teamwork.

ANS: B PTS: 1 DIF: Moderate REF: p. 336
OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM
TOP: Conceptual

58. How can teams be useful in the appraisal process?

- a. Team members tend to be more objective in their ratings than are supervisors.
- b. Team members may have more opportunities to view an employee's performance than does a supervisor.
- c. Team ratings are useful for development information because the anonymity of the evaluation makes the raters "brutally honest."
- D. Teams are better able to allocate rewards based on merit than are supervisors.

ANS: B PTS: 1 DIF: Moderate REF: p. 336
OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM
TOP: Conceptual

59. The HR director feels it is necessary for each individual employee to analyze his or her personal strengths and weaknesses and set concrete goals for improvement. Consequently, the HR director is designing a ____ program.

- a. facilitated appraisal
- b. self-appraisal
- c. team evaluation
- d. introspective analysis

ANS: B **PTS: 1** **DIF: Moderate** **REF: p. 337**

OBJ: 4 **NAT: AACSB Analytic** **LOC: HRM TOP:**

Application

60. An artist has been a visiting instructor at a noted art academy for three years. The academy's process for moving a temporary/visiting instructor to regular faculty status is to have the artist's portfolio of work examined by a panel of noted artists who are not affiliated with the academy. This is a version of a/an

- a. field review.
- b. external audit.
- c. body-of-work appraisal.
- d. team appraisal.

ANS: A **PTS: 1** **DIF: Challenging** **REF: p. 337**

OBJ: 4

NAT: AACSB Analytic

LOC: HRM TOP:

Application

61. “Multisource” rating, also called _____, recognizes that employee performance crosses departmental, organizational and, in some cases, global boundaries.

- a. team appraisal
- b. global rating
- c. field review
- d. 360° feedback

ANS: D

PTS: 1

DIF: Moderate

REF: p. 337

OBJ: 4

NAT: AACSB Reflective Thinking

LOC: HRM

TOP: Definitional

62. As director of HR, you have decided to implement a multisource rating system for employee performance. The employee population for which you will use this system numbers about 1,000, with an average of 15 employees in each work unit. Which of the following statements is likely to be TRUE?

- a. You will need to implement this as a Web-based system.
- b. This system will be most useful for making compensation decisions affecting employees.
- c. There will be fewer problems with rater bias because individual biases “wash out” statistically when there are multiple raters.
- d. Employees tend to rate co-workers more harshly than they rate themselves, so performance ratings will need to be adjusted for rating deflation.

ANS: A PTS: 1 DIF: Moderate REF: p. 338

OBJ: 4 NAT: AACSB Analytic LOC: HRM

TOP: Application

63. Brownbrass, Inc., has instituted a multisource rating system. The results will be used for both developmental and administrative purposes, such as compensation and promotion decisions. As an HR consultant hired by the organization, you can predict that there will be fewer legal issues with this system than with a supervisory rating system.

- a. the employees will view the multisource ratings as more valid than if
- b. they were rated only by their supervisors.
- c. there will be little variation in performance ratings across sources.
- d. the performance ratings will be inflated.

ANS: D PTS: 1 DIF: Challenging REF: p. 338

OBJ: 4 NAT: AACSB Analytic LOC: HRM **TOP:**

Application

64. The 360° rating method appears to be less threatening to employees when it is used for _____ purposes.

- a. administrative
- b. customer relations
- c. development
- d. benchmarking

ANS: C **PTS: 1** **DIF: Moderate** **REF: p. 339**
OBJ: 4 **NAT: AACSB Reflective Thinking** **LOC: HRM**
TOP: Conceptual

65. The simplest methods for appraising performance are the

- a. behaviorally anchored rating scales (BARS).
- b. category scaling methods.
- c. comparative methods.
- d. written methods.

ANS: B **PTS: 1** **DIF: Moderate** **REF: p. 339**
OBJ: 2 **NAT: AACSB Reflective Thinking** **LOC: HRM**
TOP: Conceptual

66. Performance appraisal systems that combine information from team members and other employee “clients” to develop appraisals for individual employees are best used for ____ decisions.

- a. compensation
- b. developmental
- c. promotion
- d. disciplinary

ANS: B PTS: 1 DIF: Moderate REF: p. 339

OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

67. At High Flyer Airlines, managers rate their subordinates on a continuum from 1 to 7. A score of 1 indicates unsatisfactory performance, and a score of 7 indicates superior performance. High Flyer uses a _____ as its performance appraisal method.

- a. ranking system
- b. checklist
- c. multisource appraisal
- d. graphic rating scale

ANS: D PTS: 1 DIF: Moderate REF: p. 339

OBJ: 2 NAT: AACSB Analytic LOC: HRM **TOP:**

Application

68. All of the following statements are true about graphic rating scales EXCEPT a. graphic rating scales are easy to develop. separate traits or performance factors are sometimes grouped together b. which leads to inconsistency in how evaluators interpret the scale item.

- c. graphic rating scales can either use verbal or numerical scales. graphic rating scales require less rater training than other methods
- d. because the descriptive terms used carry widely-understood interpretations.

ANS: D PTS: 1 DIF: Moderate REF: p. 341

OBJ: 3 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

69. Which of the following is characteristic of graphic rating scales?

- a. Descriptive words used may have different meanings to different raters.
- b. Graphic rating scales are difficult to develop.

Raters typically try to place the same number of employees at each
c. level of scale.

Raters can use these scales without training because they are self-
explanatory.

ANS: A PTS: 1 DIF: Challenging REF: p. 341

OBJ: 3 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

70. Phrases such as “Greeted customer within 10 seconds of customer’s entry into store,” and “Failed to greet customer until customer addressed employee,” would be typical of a ____ performance appraisal method.

- a. forced distribution
- b. a management by objectives
- c. behaviorally-anchored rating scale
- d. ranking

ANS: C PTS: 1 DIF: Moderate REF: p. 342

OBJ: 2 NAT: AACSB Analytic LOC: HRM TOP:

Application

71. Statements that describe both desirable and undesirable employee behaviors on a numerical scale are called

- a. critical incidents.
- b. categorical descriptions
- c. MBO targets
- d. anchors.

ANS: D PTS: 1 DIF: Moderate REF: p. 342

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Definitional

72. What is the first step in constructing behavioral scales?

- a. determining a “standard of excellence” for each job dimension
- b. identifying the most important performance factors in an employee’s job description
- c. assessing the performance of the current job holder(s) specifying the performance goals that each employee must meet within d. stated time deadlines.

ANS: B PTS: 1 DIF: Challenging REF: p. 342

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

73. Comparative methods of rating are most acceptable to employees when they are applied to a. administrative decisions rather than to developmental decisions. can either be statistically-based (such as forced distribution) or simply b. rankings of each employee against his/her co-workers. are useful for small groups because the results can be statistically c. adjusted for small numbers. are preferred by managers because the results are easy to explain to d. subordinates.

ANS: B PTS: 1 DIF: Challenging REF: p. 343-344

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

74. Karl handles the HR duties in a small commercial bakery of only 16 employees. Nine of these employees are bakery assistants with the same job duties. Karl has decided to make a list of the bakery assistants placing the best employee at the top and the worst employee at the bottom, with the other bakery assistants placed in between according to how they compare

with the best and the worst employees. He is fairly satisfied that this system will work for his small company. Karl is using the ____ system. a. checklist
b. graphic rating scale
c. ranking

d. forced distribution

ANS: C PTS: 1 DIF: Moderate REF: p. 343

OBJ: 2 NAT: AACSB Analytic LOC: HRM TOP:

Application

75. Cheryl, a branch manager at Prairie Ridge Bank, is upset that all the tellers in the various branches will be evaluated by the ranking system. The tellers' raises will be determined by their ranking, and the worst-ranked teller in each branch will be terminated. Cheryl has many concerns about using the ranking method, and she has an appointment with the executive vice president of HR to present her arguments. All of the following are concerns she will raise EXCEPT the size of the difference in performance among individuals is not a. defined in the ranking method.

b. Cheryl's worst performing employee may be better than another branch manager's average performing employee.

It will be too difficult for Cheryl to distinguish between her best and c. worst performers.

There are 17 branches and the ranking system will be too unwieldy to d. use for so many groups.

ANS: C PTS: 1 DIF: Challenging REF: p. 343

OBJ: 2 NAT: AACSB Analytic LOC: HRM TOP:

Application

76. Neil, the director of HR for a paper mill, has found that the supervisors in the company give very generous and lenient appraisals to their subordinates, and it is difficult to determine from these appraisals which employees deserve pay raises more than others. Neil has decided to implement a _____ approach to performance appraisal to address this problem.

- a. graphic rating scale
- b. management-by-objectives
- c. forced distribution
- d. peer evaluation

ANS: C PTS: 1 DIF: Challenging REF: p. 343

OBJ: 2 NAT: AACSB Analytic LOC: HRM TOP:

Application

77. The assumption that the performance of employees in a department correspond to the classic “bell shaped curve” is essential to the _____ method of performance appraisal.

- a. ranking
- b. forced distribution
- c. critical incident
- d. statistical

ANS: B PTS: 1 DIF: Challenging REF: p. 343

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

78. Of the following performance appraisal systems, the ones most likely to be the subject of a discrimination lawsuit is/are

- a. the forced distribution system.
- b. systems based on critical incidents.
- c. systems using behaviorally-anchored rating scales.
- d. systems using numerical measures of performance.

ANS: A PTS: 1 DIF: Moderate REF: p. 344

OBJ: 3 NAT: AACSB Reflective Thinking LOC: Legal Responsibilities

TOP: Conceptual

79. You are the director of HR for a medium-sized regional utility company. Your CEO attended a speech by Jack Welch, and now she wants to implement his “differentiation” performance appraisal system in the company. This system is similar to ranking and forced distribution. You have some concerns about the appropriateness this system because this system works best in unionized workplaces and your company is a. nonunion.

this system can be applied to managerial jobs, but not to nonb. managerial jobs. the performance measures in this system tend to be both contaminated c. and deficient. forced distribution systems have been subjects of discrimination d. lawsuits.

ANS: D PTS: 1 DIF: Moderate REF: p. 344

OBJ: 3
Responsibilities

NAT: AACSB Analytic

LOC: Legal

TOP: Application

80. All of the following are recommendations for making a performance appraisal system more effective and more defensible legally EXCEPT

- a. the use of specific, objective criteria and standards.
- b. involve employees in planning and designing the program. train managers and review their ratings to ensure favoritism is not c. involved.
- d. use multisource methods of performance appraisal.

ANS: D

PTS: 1

DIF: Moderate

REF: p. 344

OBJ: 3
Responsibilities

NAT: AACSB Reflective Thinking

LOC: Legal

TOP: Conceptual

81. In the ____ method, the manager keeps a written record of both highly favorable and unfavorable actions in an employee's performance during the entire rating period.

- a. checklist
- b. paired comparisons
- c. essay
- d. critical incident

ANS: D

PTS: 1

DIF: Moderate

REF: p. 345

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Definitional

82. The manager of a automotive repair shop keeps a logbook in which she records both especially good and especially poor actions of the mechanics. The manager is using the

- a. essay.
- b. forced distribution method.
- c. BARS method.
- d. critical incident method.

ANS: D PTS: 1 DIF: Moderate REF: p. 345

OBJ: 2 NAT: AACSB Analytic LOC: HRM

TOP: Application

83. Management-by-objectives is best for

- a. reducing interrater reliability problems.
- b. linking individual performance to organizational goals.
- c. minimizing instrument development time.
- d. evaluating non-exempt employees.

ANS: B PTS: 1 DIF: Moderate REF: p. 345

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

84. ____ specifies the performance goals that an individual and his or her manager agree to try to attain within an appropriate length of time.

- a. Performance counseling
- b. Strategic performance management
- c. The critical incident technique (CIT)
- d. Management by objectives (MBO)

ANS: D PTS: 1 DIF: Easy REF: p. 345

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Definitional

85. The key factor underlying the management by objectives approach is that

- a. the manager and subordinate work together to develop the goals. the manager has close and daily access to the subordinate in order to
- b. monitor his/her progress.
- c. the goals are subjective and intangible. the goals will push the subordinate to the very highest limits of his/her
- d. abilities.

ANS: A PTS: 1 DIF: Challenging REF: p. 345

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

86. Of the following steps in the development of an MBO performance appraisal system, _____ falls earliest in the process. continuous performance discussions between the subordinate and the a. supervisor. setting objectives for individual employees based on organizational b. objectives.

- c. developing accurate job descriptions
- d. devising performance standards

ANS: C PTS: 1 DIF: Moderate REF: p. 345

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

87. Of the types of employees listed below, the management by objective process would work best for

- a. assembly line employees at a commercial bakery.
- b. commercial loan officers in a national bank.
- c. police dispatchers at in an urban police department.
- d. emergency room physicians.

ANS: B PTS: 1 DIF: Moderate REF: p. 346

OBJ: 2 NAT: AACSB Analytic LOC: HRM

TOP: Application

88. Which of the following is FALSE?

- a. Narrative methods and MBO work better for higher-level jobs than for lower-level jobs.

Category scaling methods are not helpful in measuring strategic b. accomplishments of employees.

The MBO method takes quite a bit of time to define expectations and c. explain the process to employees.

It is important to use only one type of performance appraisal method d. for each category of employee.

ANS: D PTS: 1 DIF: Moderate REF: p. 346 OBJ:
2 NAT: AACSB Reflective Thinking LOC: HRM TOP: Conceptual

89. The training of raters should center on minimizing rater errors and

- a. documenting performance information.
- b. communicating ratings to subordinates.
- c. counseling subordinates to improve performance.
- d. identifying essential performance criteria.

ANS: A PTS: 1 DIF: Moderate REF: p. 348
OBJ: 5 NAT: AACSB Reflective Thinking LOC: HRM
TOP: Conceptual

90. Alvin, a sales representative for a company making industrial solvents, lost a major customer last month. Until then, Alvin's year has been about average in the dollar amount of sales. Early in the year, Alvin brought in two new customers of about the size of the customer he lost last month. Alvin's supervisor gives Alvin an

unsatisfactory rating in his annual performance appraisal. It is likely that Alvin's supervisor has committed the ____ error.

- a. contrast
- b. strictness
- c. recency
- d. primacy

ANS: C

PTS: 1

DIF: Moderate

REF: p. 348

OBJ: 5

NAT: AACSB Analytic

LOC: HRM TOP:

Application

91. A ____ is committed when an appraiser rates all employees as

average.

- a. contrast error

- b. central tendency error

- c. generalization error

- d. leniency error

ANS: B

PTS: 1

DIF: Easy

REF: p. 348

OBJ: 5

NAT: AACSB Reflective Thinking

LOC: HRM

TOP: Definitional

92. Curtis supervises a large number of clerical employees. Several of his female subordinates have had babies this year. Curtis has taken this into account when conducting the performance appraisals of these subordinates, because he knows that new mothers are frequently sleep-

deprived and that this can negatively affect their accuracy and performance levels. Curtis raises these employees' evaluations higher than what they would have objectively been otherwise. Curtis has committed the error of

- a. leniency.
- b. similar to me.
- c. contrast.
- d. varying standards.

ANS: D PTS: 1 DIF: Challenging REF: p. 348

OBJ: 5 NAT: AACSB Analytic LOC: HRM TOP:

Application

93. Ambrose was rated as having average performance levels when he worked in the design department of the Midwestern region of the company. Last year Ambrose was transferred to the Northeastern region where he holds the same job. Although Ambrose's production numbers have been consistent, he has been rated as an outstanding performer this year. It is most likely that Ambrose's varying performance appraisals have been affected by the _____ error.

- a. central tendency
- b. primacy
- c. halo
- d. contrast

ANS: D PTS: 1 DIF: Challenging REF: p. 348

OBJ: 5

NAT: AACSB Analytic

LOC: HRM TOP:

Application

94. During the appraisal interview with a poor-performing subordinate, the manager should NOT

- a. focus on future development issues because the performance being evaluated is in the past.
- b. insist on the subordinate's agreement with the negative evaluation.
- c. consider his or her own role in the subordinate's poor performance.
- d. allow the subordinate to respond to negative feedback

ANS: B

PTS: 1

DIF: Easy

REF: p. 348

OBJ: 6

NAT: AACSB Reflective Thinking

LOC: HRM

TOP: Conceptual

95. Glenda was transferred into her current department in October. In December, Glenda is required to evaluate her subordinates' performance. Glenda's ratings are likely to be affected by

- a. central tendency error.
- b. the varying standards effect.
- c. similar to me error.
- d. sampling error.

ANS: D

PTS: 1

DIF: Moderate

REF: p. 349

OBJ: 5

NAT: AACSB Analytic

LOC: HRM TOP:

Application

96. An appraisal interview technique that encourages employees to identify their own performance deficiencies is termed a/an _____ approach.

- a. self-auditing
- b. confessional
- c. introspective
- d. analytic

ANS: A

PTS: 1

DIF: Moderate

REF: p. 349

OBJ: 6

NAT: AACSB Reflective Thinking

LOC: HRM

TOP: Conceptual

97. In order for employee performance data to be evaluated as evidence of good or poor performance,

- a. it is necessary for performance standards to be developed.
- b. the performance data must be quantifiable.
- c. a specific action plan for performance improvement must result.
- d. multiple sources of performance data must be combined.

ANS: A

PTS: 1

DIF: Moderate

REF: p. 350

OBJ: 6

NAT: AACSB Reflective Thinking

LOC: HRM

TOP: Conceptual

98. The performance appraisal interview is a type of feedback system. The components of a feedback system include all of the following EXCEPT

- a. evaluation of data.
- b. data.
- c. acceptance of the evaluation as fair.
- d. action based on the evaluation.

ANS: C PTS: 1 DIF: Moderate REF: p. 350

OBJ: 6 NAT: AACSB Reflective Thinking LOC: Motivation
Concepts

TOP: Conceptual

99. George supervises the work of 15 subordinates. These individuals are in a state-subsidized work program for the chronically-unemployed that is intended to help them learn good work habits and job skills that will allow them to move into jobs in the local economy. George is required to appraise his subordinates' performance each month. George

should focus on positive feedback because these employees may have a

- a. low sense of self-efficacy and will be discouraged by negative feedback.
must keep in mind that his performance appraisal may negatively affect
- b. the employee's ability to continue in this work program and the employee's ability to actually earn a living in the future. must emphasize the performance shortfalls of the employees so that
- c. they understand the competitive, win/lose environment they will be in when they get jobs in the local economy. owes each of these employees a true picture of his/her performance, no

d. matter how difficult the conversation may be or how difficult the employee is.

ANS: D PTS: 1 DIF: Moderate REF: p. 351

OBJ: 6 NAT: AACSB Analytic LOC: Ethical
Responsibilities

TRUE/FALSE

1. If an organization does not have clear organizational objectives, it is impossible to have an effective performance management system.

ANS: T PTS: 1 DIF: Easy REF: p. 320

OBJ: 1 NAT: AACSB Reflective Thinking LOC: Strategy

TOP: Conceptual

2. Ready-Vet, Inc., has a performance-driven organizational culture. All other factors being equal, it is likely that it will have higher financial performance than its chief rival, Vet-Tex, Inc., that has an entitlement culture.

ANS: T PTS: 1 DIF: Easy REF: p. 323

OBJ: 1 NAT: AACSB Analytic LOC: HRM TOP:

Application

3. Poorly-designed pay-for-performance systems could cause high-performing employees to leave the organization because of perceived inequity.

ANS: T PTS: 1 DIF: Moderate REF: p. 323

OBJ: 1 NAT: AACSB Reflective Thinking LOC: Motivation

Concepts

TOP: Conceptual

4. Many court decisions have upheld the use of trait-based performance appraisals if the traits are clearly quantifiable.

ANS: F PTS: 1 DIF: Moderate REF: p. 325

OBJ: 1 NAT: AACSB Reflective Thinking LOC: Legal
Responsibilities

TOP: Conceptual

5. At Minotaur Consulting, consultants are evaluated primarily on the dollar amount of client revenue they generate each month. This makes unethical behavior by the consultants a concern.

ANS: T PTS: 1 DIF: Moderate REF: p. 326

OBJ: 1 NAT: AACSB Analytic LOC: Legal
Responsibilities

TOP: Application

6. One reason that employees take ethical shortcuts in the pursuit of organizational profits is that performance appraisal systems cannot be structured in a way to penalize unethical behaviors.

ANS: F PTS: 1 DIF: Challenging REF: p. 326

OBJ: 1 NAT: AACSB Ethics LOC: Ethical
Responsibilities

TOP: Conceptual

7. Subjective measures of performance that require judgment on the part of the evaluator are more difficult to determine than are objective measures.

ANS: T PTS: 1 DIF: Easy REF: p. 327

OBJ: 1 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

8. The use of non-numerical performance standards are a sign of a flawed performance appraisal system.

ANS: F PTS: 1 DIF: Moderate REF: p. 327

OBJ: 1 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

9. If the organization's performance appraisal system is flawed, there are negative effects on the compensation system, job placement decisions, and the ability to defend the organization against charges of discrimination.

ANS: T PTS: 1 DIF: Easy REF: p. 330

OBJ: 3 NAT: AACSB Reflective Thinking LOC: Legal
Responsibilities

TOP: Conceptual

10. Research on performance appraisal has shown that it is most effective for the manager to give the employee information about pay decisions immediately in the performance appraisal interview, leaving the rest of the time available for developmental focus and coaching.

ANS: F **PTS: 1** **DIF: Moderate** **REF: p. 330**

OBJ: 3 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

11. If a supervisor is considering recommending that an employee be terminated for poor performance, the supervisor should make certain that performance appraisals of this employee are well-documented.

ANS: F **PTS: 1** **DIF: Moderate** **REF: p. 331**

OBJ: 3 **NAT: AACSB Reflective Thinking** **LOC: Legal Responsibilities**

TOP: Conceptual

12. The purpose of developmental feedback is to clarify to employees how their performance compares with the performance of their co-workers.

ANS: F **PTS: 1** **DIF: Easy** **REF: p. 332**

OBJ: 3 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

13. The two roles of appraisal, administrative decision making and development often conflict, so the developmental role is gradually being absorbed into the HR function of training and employee development and removed from the supervisor's responsibility.

ANS: F **PTS: 1** **DIF: Moderate** **REF: p. 332**

OBJ: 3 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

14. The trend is for HR performance management specialists to conduct performance appraisals for exempt-level employees because of widespread problems with supervisor-rater bias.

ANS: F **PTS: 1** **DIF: Easy** **REF: p. 332**

OBJ: 3 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

15. SolarFire Alternative Energy has grown so rapidly in the last five years that the HR director has not been able to keep job descriptions up-to-date. As long as SolarFire managers conduct formal performance evaluations based on documented performance data, there should be no problem if a terminated employee makes a claim of discrimination in performance appraisal.

ANS: F **PTS: 1** **DIF: Easy** **REF: p. 334**

OBJ: 2
Responsibilities

NAT: AACSB Analytic

LOC: Legal

TOP: Application

16.If a performance appraisal system faces a legal challenge because there is evidence of disparate impact on protected classes, management could defend against this challenge by showing that supervisors were given wide discretion in how they applied evaluation criteria.

ANS: F

PTS: 1

DIF: Moderate

REF: p. 334

OBJ: 2
Responsibilities

NAT: AACSB Analytic

LOC: Legal

TOP: Application

17. Amanda makes notes about each of her subordinates' exceptionally good and poor performance in a performance log. If Amanda subsequently recommends that an employee be terminated, this performance log would serve as documentation in court.

ANS: T

PTS: 1

DIF: Easy

REF: p. 334-335

OBJ: 4
Responsibilities

NAT: AACSB Analytic

LOC: Legal

TOP: Application

18. One advantage of having supervisors and managers rated by their subordinates is that this type of rating program can help make the managers more responsive to employees.

ANS: T

19. Bringing in an outside consultant to interpret peer/team ratings is one way to overcome the tendency of some employees to attack one another in the ratings.

ANS: T PTS: 1 DIF: Moderate REF: p. 336

OBJ: 3 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

20. Employee performance can be rated by anyone familiar with the performance of the individual. Consequently, customer ratings can provide good sources of performance appraisal information for employees with extensive customer contact.

ANS: T PTS: 1 DIF: Moderate REF: p. 337

OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

21. The use of self-appraisal is a good counterpoint to supervisor appraisal because the subordinate's leniency in self-appraisal offsets the rater bias of the supervisor.

ANS: F PTS: 1 DIF: Moderate REF: p. 337
OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM
TOP: Conceptual

22. The performance ratings of an employee given by the various evaluators in a multisource performance appraisal system tend to be remarkably consistent with a narrow range of variability.

ANS: F PTS: 1 DIF: Moderate REF: p. 338
OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM
TOP: Conceptual

23. As an HR director of an organization with a racially-mixed workforce, you have decided to implement multisource appraisals. You anticipate that the biases of the majority group against the two minority groups with “wash out” when the ratings are combined. You are correct in your assumption.

ANS: F PTS: 1 DIF: Moderate REF: p. 338
OBJ: 4 NAT: AACSB Reflective Thinking LOC: HRM
TOP: Conceptual

ANS: F **PTS: 1** **DIF: Challenging** **REF: p. 339**

OBJ: 2 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

24. Category scaling methods are easy to develop and they help guard against leniency bias by supervisors by forcing the supervisors to rank subordinates against one another on each performance category.

25. Graphic rating scales are generic and therefore can be effectively applied to almost any non-managerial job without much customization.

ANS: F **PTS: 1** **DIF: Challenging** **REF: p. 341**

OBJ: 3 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

26. Although BARS systems are time-consuming to develop, they are costeffective in the long run because the same appraisal form can be used for broad job families in an organization, such as all technical jobs and all administrative jobs.

ANS: F **PTS: 1** **DIF: Moderate** **REF: p. 342**

OBJ: 2 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

27. The equivalent of a 20/70/10 forced distribution method of performance appraisal applied in a classroom would require 10 percent of the students to be given a failing grade, so that they would be motivated to either improve or to drop the class.

ANS: F **PTS: 1** **DIF:** **REF:**

OBJ:

NAT:

LOC:

TOP:

28. One of the advantages of the forced distribution approach to performance appraisal is that it can be used in workplaces that have small numbers of employees.

ANS: F PTS: 1 DIF: Moderate REF: p. 344

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

29. In the essay approach to performance appraisal, the manager has more flexibility than in other appraisal methods and can provide highly detailed information about the subordinate being rated.

ANS: T PTS: 1 DIF: Moderate REF: p. 345

OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

30. The critical incident method can be combined with other performance appraisal methods as a form of documentation.

ANS: T PTS: 1 DIF: Moderate REF: p. 345
OBJ: 2 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

31. Supervisors who can constructively communicate negative feedback to subordinates is critical to an effective performance appraisal system.

ANS: T PTS: 1 DIF: Easy REF: p. 348
OBJ: 5 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

32. At the present time, Wilbur Aviation has an effective performance appraisal system in place for its employees. It does not train hourly employees who are promoted to supervisor because they have been through many appraisal cycles themselves and have internalized the company's process. This is an acceptable practice because managers and supervisors tend to "repeat the past" and evaluate their subordinates as they have been evaluated.

ANS: F PTS: 1 DIF: Challenging REF: p. 348
OBJ: 5 NAT: AACSB Analytic LOC: HRM TOP:

Application

33. The primacy effect occurs when a rater gives greater weight to events that have happened in the near past when appraising an individual's performance.

ANS: F **PTS: 1** **DIF: Easy** **REF: p. 348**

OBJ: 5 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Definitional

34. The practical effect of the halo and horns effect is that the rater makes generalizations about the subordinate based on only one aspect of their job performance.

ANS: T **PTS: 1** **DIF: Easy** **REF: p. 348**

OBJ: 5 **NAT: AACSB Reflective Thinking** **LOC: HRM**

TOP: Conceptual

35. Tasha, a Boston native, is the director of benefits for a large manufacturing firm in the Northeast. Tasha has given Walt a below-average performance appraisal because she feels Walt's languid Alabama drawl indicates he is not very bright. In this case, the director has committed the different-from-me rating error.

ANS: T **PTS: 1** **DIF: Easy** **REF: p. 349**

OBJ: 5 NAT: AACSB Analytic LOC: HRM TOP:
Application

36. Since the data pertinent to the employee's performance has been collected and evaluated before the performance appraisal interview is held, it is too late at that point to correct misunderstandings and mistakes.

ANS: F PTS: 1 DIF: Moderate REF: p. 349

OBJ: 6 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

37. If the performance appraisal system in an organization is properly designed and administered, it will not be a stressful experience for either managers or their subordinates.

ANS: F PTS: 1 DIF: Moderate REF: p. 349

OBJ: 6 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

38. For negative feedback in a performance appraisal to cause a subordinate to change his/her behavior, it is necessary for an action plan to be devised, with or without the subordinate's input.

ANS: T PTS: 1 DIF: Moderate REF: p. 350

OBJ: 6 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

39. At the end of a negative performance appraisal interview, it is essential that both the manager and the subordinate agree in all areas of the review, otherwise a true “meeting of the minds” has not occurred and the employee will not change his or her behavior.

ANS: F PTS: 1 DIF: Challenging REF: p. 351

OBJ: 6 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

40. A performance management system can be effective even if organizational employees do not generally regard it as fair.

ANS: F PTS: 1 DIF: Easy REF: p. 351

OBJ: 5 NAT: AACSB Reflective Thinking LOC: HRM

TOP: Conceptual

41. “Performance calibration” refers to the statistical calculations involved in developing a forced ranking system based on a bell-shaped curve.

ANS: F PTS: 1 DIF: Moderate REF: p. 352

