

WorldatWork

Exam GR1

Total Rewards Management Exam

Version: 7.0

[Total Questions: 90]

Question No : 1

Which of the following is the most accurate statement about the business strategy?

- A. It usually is a secondary consideration in compensation design.
- B. It is the company's plan for competitive positioning of its products or services.
- C. It must be written after the company's operating plans are approved by senior management.
- D. It is developed for compensation, benefits and the work-life using the HR strategy as a basis.

Answer: B

Question No : 2

What is continuing to contribute most to the current rise in the cost of benefits programs?

- A. Rising salaries for support staff
- B. Increasing cost of enterprise software systems
- C. Increasing cost of communication
- D. Rising costs for health care

Answer: D

Question No : 3

Which method of job evaluation uses a "whole-job" approach to determine the importance of each job to the company?

- A. Job component
- B. Ranking
- C. Benchmark
- D. Point factor

Answer: B

Question No : 4

How should learning opportunities to enhance a current job best be determined?

- A. By each employee's pay grade
- B. By what is available on the annual development schedule
- C. By what is appropriate for the business and the job
- D. By what the manager thinks the employee should have

Answer: C

Question No : 5

Which of the following is the best definition of variable pay?

- A. Compensation that is given in the form of perquisites such as a company car, fitness membership, paid training, etc.
- B. Compensation that is nondiscretionary and does not vary according to performance or results
- C. Compensation that is contingent on discretion, performance or results
- D. Compensation that is determined by the organization's pay structure

Answer: C

Question No : 6

What best defines career opportunities in relation to total rewards?

- A. Plans for succession of roles and responsibilities of a particular position
- B. Opportunities that promote career moves into competing organizations
- C. Plans that may include advancement into more responsible positions within the organization
- D. Opportunities for employees to apply for open positions during a reduction in force

Answer: C

Question No : 7

Which of the following is an example of a flexible work arrangement?

- A. Compressed work week
- B. Work redesign
- C. Career flexibility
- D. Full-time work

Answer: A

Question No : 8

When are informal rewards generally given to employees?

- A. Immediately or shortly after making a positive contribution
- B. Shortly after the performance review
- C. During the merit increase process
- D. At the beginning of each month

Answer: A

Question No : 9

Which of the following is the best source for identifying the relative importance of various rewards elements to different work groups?

- A. Board of directors
- B. Employees
- C. Senior management
- D. Candidates for employment

Answer: B

Question No : 10

What is a shared leave program?

- A. A contribution of money to a nonprofit entity where a company employee volunteers
- B. A donation of vacation time to others facing emergency situations
- C. An arrangement to ensure adequate coverage of service during employees' vacations

D. An executive loan to worthy organizations for a period of time

Answer: B

Question No : 11

Which of the following is an organization's statement about what it wants to become?

- A. Corporate vision
- B. Corporate mission
- C. Business strategy
- D. Human resources strategy

Answer: A

Question No : 12

Which type of base pay is typically based on an individual employee's rate of production?

- A. Hourly rate
- B. Salary
- C. Piece rate
- D. Production rate

Answer: C

Question No : 13

What type of pay increase is given when an organization finds that its compensation program is behind competitive market rates?

- A. General
- B. Cost of living
- C. Automatic
- D. Merit

Answer: A

Question No : 14

When would an employee most likely receive a differential in addition to the regular hourly rate?

- A. When working in more than one department
- B. When working less time than his or her normal schedule
- C. When working in locations other than the corporate office
- D. When working a holiday or weekend

Answer: D

Question No : 15

Which of the following leads to the specific performance objectives for an organization?

- A. Performance standards
- B. Human resources strategy
- C. Performance measures
- D. Business strategy

Answer: D

Question No : 16

An employee and his manager have decided that he will type reports with no more than one error per five pages. Which type of performance standard are they using?

- A. Quality
- B. Time
- C. Process

Answer: A

Question No : 17

What typically happens when employees continually upgrade and build new skills?

- A. They demand higher pay
- B. Their level of performance increases.
- C. They become bored with their current jobs.
- D. Their competitiveness increases.

Answer: B

Question No : 18

What type of equity incentive gives employees the right to purchase company shares at a specified price?

- A. Stock/share options
- B. Stock/share grants
- C. Restricted stock/shares
- D. Performance units

Answer: A

Question No : 19

Which is the most accurate description of the work-life element of total rewards?

- A. Cash provided by an employer to an employee for his or her efforts and results toward completion of goals
- B. Organizational practices, policies and programs to help employees achieve success within and outside of the workplace
- C. Alignment of organizational, team and individual efforts toward success
- D. Learning experiences designed to enhance employees' skills and competencies

Answer: B

Question No : 20

Which of the following shows the proper sequence for development of the total rewards strategy?

- A. Business strategy Total rewards strategy Business mission HR strategy
- B. HR strategy Business strategy Business vision Total rewards strategy
- C. Business vision Business strategy HR strategy Total rewards strategy
- D. Total rewards strategy HR strategy Business strategy Business mission

Answer: C

Question No : 21

Cash compensation is a reward intended to provide what type of motivation?

- A. Intrinsic
- B. Extrinsic

Answer: B

Question No : 22

What is the best example of a coaching or mentoring opportunity?

- A. Sabbatical
- B. On-line self-directed training
- C. Participating in a major project
- D. Exposure to internal experts

Answer: D

Question No : 23

What does a performance standard specify?

- A. The experience required to achieve the goal or objective
- B. The reward that can be earned
- C. The time required for satisfactory performance

D. The expected outcome

Answer: D

Question No : 24

What is a primary purpose of pay grades or bands?

- A. To identify a compensation range in which to group multiple jobs with similar value
- B. To meet legal and regulatory requirements for classifying jobs according to market value
- C. To provide documentation that supports termination decisions
- D. To justify paying some employees less than market based on internal administrative limitations

Answer: A

Question No : 25

Which of the following is a type of variable pay?

- A. Pay for time not worked
- B. Hourly pay
- C. Bonuses
- D. Piece rate

Answer: C

Question No : 26

What best defines the organization's purpose or reason for existence?

- A. The corporate mission
- B. The business strategy
- C. The compensation strategy
- D. The corporate vision

Answer: A

Question No : 27

Which of the following best describes severance allowances?

- A. A portion of one's salary paid during reserve duty and military leave
- B. A practice of paying a lump sum to employees during a company shutdown
- C. A continuation of an employee's salary after termination
- D. A continuation of a portion of an employee's salary to a beneficiary after the death of an employee

Answer: C

Question No : 28

How do commissions typically differ from annual incentives for non-executive employees?

- A. They are based on a predetermined performance and reward schedule.
- B. They are offered to motivate employee performance.
- C. They are intended to align the interests of the employee with those of the organization.
- D. They tend to make up the larger portion of an employee's total compensation.

Answer: D

Question No : 29

What phrase below best describes a benchmark job?

- A. A job being paid at the midpoint of the salary range
- B. A job that is easily defined and found in other organizations
- C. A job that is considered an outlier for purposes of market pricing
- D. A job that is held by at least 25% of an organization's workforce

Answer: B

Question No : 30

Step-rate increase programs provide employees the opportunity to receive two regular pay increases at which points?

- A. At established dates and then every six months thereafter
- B. On January 1 and July 1 of each year
- C. Once when they move a step, and again when the step value changes
- D. At the anniversary date and at the annual merit increase date

Answer: C

Question No : 31

Which of the following best describes a factor that has influenced the growth and change in benefits?

- A. There is a decreasing number of females in the workforce.
- B. Employees are expressing a greater desire for choice in their benefits.
- C. Employees have longer career expectations.
- D. Decreasing costs are causing growth in the numbers of benefits employers offer.

Answer: B

Question No : 32

What is the final result of the job evaluation process?

- A. The job worth hierarchy
- B. The base pay structure
- C. Job documentation
- D. Job descriptions

Answer: A

Question No : 33

Which of the following combines traditionally segregated time off and leave programs into one policy covering a single block of time?

- A. Personal leave
- B. Sabbatical
- C. Severance allowances
- D. Paid time off (PTO) bank

Answer: D

Question No : 34

Upon which criterion are step increases typically based?

- A. Market adjustment
- B. Longevity
- C. Individual performance
- D. Skills

Answer: B

Question No : 35

Which of the following is an example of a proactive wellness strategy a company can implement in the workplace?

- A. Concierge service
- B. Career counseling
- C. On-site fitness program
- D. Product/service discounts

Answer: C

Question No : 36

Why should the annual development and career opportunities discussion take place separately from the performance discussion?

- A. To change the focus from reviewing past performance to planning for future performance
- B. To allow the manager to rank the employee after the performance discussion
- C. To allow both the manager and employee to have a "cooling off" period
- D. To allow human resources adequate time to post new job opportunities

Answer: A

Question No : 37

Which of the following formal recognition approaches is designed to specifically help bring new employees into the organization?

- A. Gift certificates
- B. Recruitment bonus
- C. Paid travel
- D. Paid time off

Answer: B

Question No : 38

Which of the following is the best example of an advancement opportunity?

- A. Attendance at technology training
- B. Association membership
- C. Career ladder and pathway
- D. Compliance training

Answer: C

Question No : 39

Which of the following is a type of variable pay?

- A. Salary
- B. Piece rate

- C. Hourly rate
- D. Commissions

Answer: D

Question No : 40

Who is generally responsible for articulating the HR strategy?

- A. Human resources leadership
- B. Outside consultants
- C. Senior management
- D. Board of directors

Answer: A

Question No : 41

Which of the following best describes a form of base pay that is a fixed weekly, biweekly or monthly payment?

- A. Hourly rate
- B. Salary
- C. Piece rate
- D. Bonuses

Answer: B

Question No : 42

Which of the following are the two primary elements of benefits?

- A. Mental health coverage and health care coverage
- B. Pay for time not worked and income protection programs
- C. Unemployment and disability
- D. Defined contribution and defined benefits plans

Answer: B

Question No : 43

At a company communications event, several employees were awarded certificates for their roles in improving customer service. Later, their manager noticed some of the certificates in the trash bin. Which essential element for success did the manager miss?

- A. Link rewards to the performance evaluation
- B. Employ meaningful rewards
- C. Reward group or team accomplishments
- D. Make sure that measurement is accurate

Answer: B

Question No : 44

Which statement is most accurate regarding organizational performance?

- A. Individual performance is unrelated to organizational performance.
- B. The poor performance of just one individual will disrupt the performance of the entire organization.
- C. Performance at every level should be aligned towards achievement of organizational goals.
- D. Performance can only be accurately measured at the organizational level.

Answer: C

Question No : 45

Which of the following phrases best describes behavioral engagement by employees?

- A. Values aligned with those of the organization
- B. Showing passion for work
- C. Feeling invested in corporate outcomes/results
- D. Performing at an optimal level

Answer: D

Question No : 46

Which statement is most accurate regarding the effect of taxation on the benefits that employers offer?

- A.** Taxation has no effect on employee benefits; employers offer benefits for competitive reasons only.
- B.** Taxation is the primary reason that employers offer benefits; in the absence of tax incentives, employers would be unlikely to offer them.
- C.** Taxation affects the level of benefits offered, the source of benefits and the employer/employee cost-sharing basis.

Answer: C

Question No : 47

What term best describes an effective way to provide ongoing, instant information to those performing the work so that they can monitor their own performance and take steps to improve?

- A.** Coaching
- B.** Assessing
- C.** Rewarding
- D.** Grading

Answer: A

Question No : 48

How should appraisers address performance deficiencies on performance appraisals?

- A.** Avoid discussing them
- B.** Focus the entire appraisal on the areas that need attention
- C.** Balance every deficiency with a compliment, even if the compliments are for minor accomplishments

D. Provide specific information about deficiencies that affect performance

Answer: D

Question No : 49

Which of the following best describes midpoint-to-midpoint differentials?

- A.** The ordering of jobs from highest to lowest
- B.** The market wage for a particular job compared to a specific company's wage for the job
- C.** The adjustments to midpoints based on geographic differentials
- D.** The difference in wage rates paid at the midpoint of two adjacent grades

Answer: D

Question No : 50

Carla's job at the XYZ Company evolved over the many years she worked there. As she gained additional knowledge and skills, her responsibilities expanded into many diverse areas. When the time came to update her job description, her supervisor asked Carla to document all of the duties she performed in her area as well as those she had taken on over the years due to her versatility. Based on the above, which of the following statements is most accurate?

- A.** The supervisor should not have asked Carla to contribute to the job description. Job descriptions should be developed only by human resources and management.
- B.** The job description will be far more relevant than before because of the addition of duties that Carla has taken on over the years.
- C.** Although it is useful to have input from the job incumbent, care should be taken to avoid basing the job description on the specific individual who is filling the job.

Answer: C

Question No : 51

Which of the following formal recognition approaches has the advantage of aligning awards to the company?

- A. Gift certificates
- B. Telecommuting
- C. Company merchandise
- D. Flexible work schedules

Answer: C

Question No : 52

When an employee is sacrificing his or her personal life to manage job responsibilities, what is the first area of work-life that should be examined?

- A. Financial support
- B. Community involvement
- C. Workplace flexibility
- D. Use of paid time off

Answer: C

Question No : 53

Which of the following statements best describes defined contribution (DC) plans?

- A. They require complex actuarial calculations and assumptions.
- B. The benefit is based on a formula that considers pay and service.
- C. They generally provide better benefits to employees with longer service.
- D. The employee assumes the risk for the investments.

Answer: D

Question No : 54

How is the performance review related to pay?

- A. It isn't. The performance review should not be related to pay decisions.
- B. It is related to the extent that it affects variable pay awards. Base pay is based solely on tenure, prior experience and job skills.

- C. It helps managers meet salary budgets by allowing them to adjust review results to align with available salary increase funds.
- D. It provides managers a measure that can be used along with salary planning guidelines to determine appropriate rewards or consequences.

Answer: D

Question No : 55

What type of performance standard specifies the steps necessary to complete a job duty?

- A. Quality
- B. Quantity
- C. Time
- D. Process

Answer: D

Question No : 56

Why is greater flexibility an advantage of a total rewards approach?

- A. Because programs can be added and/or withdrawn with little employee resistance
- B. Because incentive plans can be designed by work group or unit as well as separately for each employee
- C. Because the mix of rewards offered can be tailored according to the organization's specific challenges

Answer: C

Question No : 57

In general, what should occur first in the performance management process?

- A. Conduct performance discussion
- B. Define goals, standards and measures
- C. Conduct career opportunities discussion

D. Determine rewards

Answer: B

Question No : 58

Which group typically has responsibility for final approval of the total rewards philosophy and strategy for the general employee population?

- A. External consultants
- B. Compensation committee
- C. Board of directors
- D. Senior management

Answer: D

Question No : 59

Which of the following statements is most accurate regarding pay grades/bands?

- A. They include incentives that are paid out at certain times of the year
- B. They identify the actual compensation paid to each employee
- C. They may overlap with minimums and maximums falling within adjoining grades
- D. They represent the difference between the midpoint and the maximum of a given salary grade

Answer: C

Question No : 60

Which of the following is a nonquantitative method of job evaluation?

- A. Point factor
- B. Ranking
- C. Job content
- D. Rating

Answer: B

Question No : 61

As a general rule, how often should employees receive performance feedback?

- A. Once a year at the annual performance review
- B. Once a day, preferably early in the morning
- C. On an ongoing basis as appropriate
- D. Only as often as is comfortable for the supervisor

Answer: C

Question No : 62

What is one of the primary elements of total rewards?

- A. Pay for time not worked
- B. Compensation
- C. Organizational culture
- D. Human resources strategy

Answer: B

Question No : 63

Which statement below most accurately describes a company that is using a total rewards approach?

- A. Strives to find the appropriate mix of rewards elements that attract employees
- B. Motivates employees through compensation levels much higher than the competition
- C. Offers competitive benefits so that it can pay lower wages, minimizing compensation and related expenses
- D. Hires highly motivated employees who are willing to do without work-life programs in favor of increased compensation

Answer: A

Question No : 64

Which of the following identifies appropriate labor market segments and desired competitive position in the market for each employee group?

- A. The mission statement
- B. The business strategy
- C. The total rewards strategy
- D. The organizational vision

Answer: C

Question No : 65

When building a job worth hierarchy, which step involves the systematic, formal study of the duties and responsibilities that comprise job content?

- A. Job analysis
- B. Job documentation
- C. Job evaluation
- D. Job worth hierarchy

Answer: A

Question No : 66

A medical benefits plan provision ensuring that the correct plan is paying expenses when the member is covered under more than one plan is known as what?

- A. Deductible
- B. Coinsurance
- C. Coordination of benefits
- D. Out-of-pocket expenses

Answer: C

Question No : 67

What are usual, customary and reasonable charges (UCR)?

- A.** The charges that an insurance carrier determines are normal for a particular medical procedure within a specific geographical area
- B.** The charges that are published annually in the Global Insurers' Medical Cost Comparison Guide
- C.** The charges that are allowable for any given medical procedure with no pre-treatment authorization
- D.** The charges that are typically paid up front by a plan participant for services rendered.

Answer: A

Question No : 68

How should learning opportunities to accomplish a career plan best be determined?

- A.** By considering emerging and future trends in the employee's professional field
- B.** By considering what opportunities would enable the employee to move to competing organizations
- C.** By considering how much the employee likes his or her current position
- D.** By considering the minimum competencies needed to move up to the next pay grade

Answer: A

Question No : 69

What does a total rewards strategy identify?

- A.** The organization's reason for existence
- B.** The optimal mix of reward elements
- C.** The organization's primary competitors
- D.** The organization's ability to pay for performance

Answer: B

Question No : 70

The number of pay structures in an organization is most likely to be influenced by which of the following?

- A. The diversity of jobs
- B. The demographics of the workforce
- C. The organization's financial condition
- D. The organizations policies regarding centralized pay administration

Answer: A

Question No : 71

Regarding medical plans, what is the out-of-pocket maximum?

- A. The most that the member will be liable for in relation to co-insurance
- B. The maximum the plan will pay if the member is covered by another insurance plan
- C. The limit the member will be required to pay at each doctor visit
- D. The lifetime limit for benefits to any one employee

Answer: A

Question No : 72

Which statement is most accurate regarding the performance management process?

- A. It is a one-time event.
- B. Managers and supervisors should plan and measure performance without input or involvement from subordinates.
- C. Performance standards should be loosely defined, allowing great latitude in measurement.
- D. Mutual respect and trust should be the foundation of the relationship between managers and employees.

Answer: D

Question No : 73

What employee needs are most commonly addressed by work-life programs?

- A. Financial
- B. Intrinsic
- C. Retirement
- D. Insurance

Answer: B

Question No : 74

What is a primary objective of profit-sharing and performance-sharing variable pay plans?

- A. To achieve organizational cost savings through base pay reductions
- B. To increase employee identification with the organization's success
- C. To defer compensation expenses to future reporting periods
- D. To reward individual employees for some significant contribution

Answer: B

Question No : 75

How far do broadbanded pay ranges stretch from minimum to maximum?

- A. 10% to 30%
- B. 30% to 50%
- C. 50% to 100%
- D. 100% to 300%

Answer: D

Question No : 76

Which of the following statements best describes defined benefit (DB) plans?

- A. There is no promise of a specific benefit at retirement.
- B. Individual accounts must be maintained for each participant.

- C. They are often integrated with government-sponsored programs.
- D. Employees are at risk for financial resources.

Answer: C

Question No : 77

Which of the following benefits are usually offered at the discretion of the employer?

- A. Retirement plans
- B. Unemployment insurance
- C. Social security programs
- D. Disability (occupational)

Answer: A

Question No : 78

If the beginning wage needed to recruit quality candidates for given job is higher than that of incumbents who have been with a company for some time, what type of pay adjustment should be used to correct this discrepancy?

- A. Cost-of-living
- B. Tenure
- C. Automatic
- D. Market

Answer: D

Question No : 79

Why are lump-sum increases generally used?

- A. To control annual fixed costs from base pay adjustments
- B. To elevate employees who are below the midpoint in the range
- C. To reward employees under short-term incentive plans
- D. To make up for benefits not provided by the organization

Answer: A

Question No : 80

A company is sponsoring a diversity awareness fair for employees. Which category of work-life is the company trying to promote?

- A. Caring for dependents
- B. Culture change
- C. Corporate citizenship
- D. Internal sharing

Answer: B

Question No : 81

What guides the design of all total rewards programs?

- A. The human resources strategy
- B. The business strategy
- C. The business vision
- D. The total rewards strategy

Answer: D

Question No : 82

Which of the following is typically considered a health care benefit?

- A. Defined benefit plan
- B. Death benefits
- C. Defined contribution plan
- D. Vision plan

Answer: D

Question No : 83

When using a market pricing approach to build a base pay structure, what percentage of job content should typically be similar for a job match to be considered good for benchmarking purposes?

- A. 10% or more
- B. 30% or more
- C. 50% or more
- D. 70% or more

Answer: D

Question No : 84

Performance can be measured most objectively through which of the following methods?

- A. Making direct observations
- B. Documenting examples of performance
- C. Quantifying performance data
- D. Using management judgment

Answer: C

Question No : 85

What guides the design of all human resources programs?

- A. The corporate mission
- B. The human resources strategy
- C. Program design and administration
- D. The business strategy

Answer: B

Question No : 86

Which of the following is the most frequently used form of job documentation?

- A. Nature of work
- B. Level of work
- C. Job descriptions
- D. Job specifications

Answer: C

Question No : 87

What best describes the two primary elements of compensation?

- A. Fixed pay and variable pay
- B. Base pay and annual incentives
- C. Direct and indirect compensation
- D. Salary and hourly rate

Answer: A

Question No : 88

Which of the following is primarily focused on giving special attention to employee actions, efforts, behavior or performance?

- A. Compensation
- B. Benefits
- C. Career opportunities
- D. Recognition

Answer: D

Question No : 89

Employer-sponsored death benefits are most commonly based on which of the following?

- A. The size of the employee's family

- B. The employee's annual salary
- C. The employee's health history
- D. The employee's premium contributions

Answer: B

Question No : 90

Which of the following best describes one of the purposes of job analysis?

- A. To identify job families and career paths
- B. To rate the performance of specific employees
- C. To determine appropriate benefits options

Answer: A