

<b>Assessment</b>
<b><i>About Pay</i></b> <b><i>First Edition</i></b>

The objectives of this book are:

- To discuss pay management and employee motivation
- To give tips on talking to employees about money
- To show how to handle difficult pay management situations



## **Assessment Questions for *About Pay, First Edition***

*Select the best response.*

1. Pay should be considered an important tool of leadership.
  - A. True
  - B. False
  
2. If employees are unhappy with their jobs, they are probably:
  - A. Paid too little
  - B. Not achieving personal goals
  - C. Not being recognized or appreciated
  - D. Any of the above
  
3. A turnover rate of more than one percent per month may signal a poorly managed pay program.
  - A. True
  - B. False
  
4. The first consideration in determining pay is:
  - A. What other similar companies pay
  - B. Internal fairness
  
5. A good pay procedure is for management to:
  - A. Take the initiative in providing wage increases
  - B. Hire outsiders instead of promoting from inside
  - C. Be reactive rather than proactive

6. The relevant labor markets for competitive pay rates:
  - A. Are within your local hiring area
  - B. May be outside your community
  - C. May be outside your industry
  - D. All of the above
  - E. B or C
7. If you are responsible for merit pay decisions, you should:
  - A. Establish standards
  - B. Appraise results
  - C. Involve performers in A and B
  - D. All of the above
8. Companies should provide managers with a budget and guidelines for merit increases.
  - A. True
  - B. False
9. In hiring, a manager should:
  - A. Ask applicants what pay they want
  - B. Tell the starting rate before you have decided to hire the person
  - C. Hire as cheaply as possible
  - D. Offer pay in line with comparable jobs in the company
  - E. A and B
10. It is a good idea to tell employees that range adjustments and cost of living allowances are merit pay.
  - A. True
  - B. False
11. Step increases:
  - A. Are common in companies
  - B. Are used by many public agencies
  - C. Both of the above

12. A merit pay system requires:
  - A. Clear job performance standards
  - B. Fair appraisals
  - C. Job-related, not attitude-related, appraisals
  - D. All of the above
13. As a manager, in discussing a disappointing pay increase with an employee, it is appropriate to:
  - A. Say that you tried to get more
  - B. Listen more than talk
  - C. Suggest that better pay may come next year
  - D. All of the above
  - E. None of the above
14. If a company states a salary in a yearly amount, it may imply that the company has made a full-year contract.
  - A. True
  - B. False
15. A way to confront an employee with a negative message is to:
  - A. Place the negative decision on your boss
  - B. Imply that next year's pay will be better
  - C. Provide a positive motivational message
16. If the pay situation is complex and negative, you should:
  - A. Put it in writing
  - B. Ask the employee to restate the case
  - C. Both of the above
17. It is wise to let a poorly performing employee think a range increase is a merit increase if you can avoid an unpleasant encounter.
  - A. True
  - B. False

18. In a negative performance review, a manager should:
- A. Avoid creating a parent-child encounter
  - B. Discuss the merits of company pay policies
  - C. Both of the above
19. An employee who is aggressive in demanding a pay raise should:
- A. Not be tolerated
  - B. Be told to take it or leave it
  - C. Be allowed discussion time
20. The issue of competitive pay:
- A. Can be laid to rest by pay surveys
  - B. Can never be resolved
21. Discussing incentive pay is often:
- A. Complex
  - B. Sensitive
  - C. Difficult
  - D. All of the above
22. Changes in pay plans can produce employee:
- A. Anxiety
  - B. Sense of loss of autonomy
  - C. Realization of new opportunity
  - D. All of the above
23. If pay changes will affect employees unevenly, discussions with individuals should occur:
- A. Before the general announcement
  - B. Immediately after the general announcement
  - C. At any convenient time

24. Cases of internal pay inequity arise most frequently from:
- A. Overpaying new hires
  - B. Increasing pay of most valued employees
  - C. Match of job complexity and pay
25. When discussing a job with a potential new hire, it is a good idea to use the term:
- A. Annual salary
  - B. Permanent employment
  - C. Probationary period
  - D. All of the above
  - E. None of the above

## **Answer Key for About Pay, First Edition**

### ***Recommended response (Corresponding workbook page)***

1. A (6)	6. D (14)	11. B (21)	16. C (32)	21. D (56)
2. D (7)	7. D (16)	12. D (22)	17. B (20)	22. D (59)
3. A (9)	8. A (17)	13. B (30)	18. B (68)	23. B (60)
4. B (11)	9. D (19)	14. A (66)	19. C (55)	24. A (63)
5. A (6)	10. B (20)	15. C (38)	20. B (55)	25. E (66)