

ARIZONA STATE UNIVERSITY (ASU) MGT 420 HUMAN RESOURCE MANAGEMENT EXAM 3 PRACTICE (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Which metric specifically measures the percentage of new hires who remain with the company after 12 months?**
 - A. Time-to-productivity
 - B. Vacancy rate
 - C. Retention rate after 12 months
 - D. Fill rate

- 2. What does 'salary basis' mean for exempt employees?**
 - A. The employee is paid a fixed amount regardless of hours worked
 - B. The employee is paid hourly
 - C. The employee is paid by commission
 - D. The employee's pay varies with performance

- 3. What are SMART goals in performance management?**
 - A. Simple, Manageable, Attainable, Relevant, Timed
 - B. Specific, Measurable, Achievable, Relevant, Time-bound
 - C. Specific, Measurable, Actionable, Realistic, Timely
 - D. Strategic, Motivating, Ambitious, Realistic, Timed

- 4. Which statement best describes gainsharing?**
 - A. Incentive based on profits
 - B. Stock options
 - C. Group incentive program that measures improvements in productivity and distributes a portion of each gain to employees
 - D. Individual merit pay

- 5. What is merit pay?**
 - A. A system of linking pay increases to ratings on performance appraisals
 - B. Yearly bonus regardless of performance
 - C. Pay raises based on seniority
 - D. Equity-based compensation

- 6. Which bias is the tendency to rate only the middle category?**
- A. Central tendency
 - B. Halo
 - C. Horns
 - D. Leniency
- 7. Quid pro quo harassment is defined as:**
- A. a benefit or punishment in contingent upon submitting to sexual advantages
 - B. someone's behavior makes it difficult for someone of a particular sex to work
 - C. a service in which professionals try to help dismissed employees manage the transition from one job to another
 - D. a judgment that fair methods were used to determine the consequences an employee receives
- 8. Which method involves comparing each employee with every other employee to establish rankings?**
- A. Paired comparison
 - B. BARS
 - C. Central tendency
 - D. Leniency
- 9. What is a pro of individual incentives?**
- A. Promotes teamwork
 - B. Rewards the individual for the work they do, increases production at an individual level
 - C. Always fair
 - D. Never create unhealthy competition
- 10. What is 'the one word men never see in their performance reviews'?**
- A. Ambitious
 - B. Abrasive
 - C. Analytical
 - D. Collaborative

Answers

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1. C
2. A
3. B
4. C
5. A
6. A
7. A
8. A
9. B
10. B

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Explanations

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1. Which metric specifically measures the percentage of new hires who remain with the company after 12 months?

- A. Time-to-productivity
- B. Vacancy rate
- C. Retention rate after 12 months**
- D. Fill rate

The question is about identifying a metric that captures how many new hires stay with the company over a year. Retention rate after 12 months specifically measures the percentage of those new hires who remain employed after a full year. It's calculated by taking the number of new hires still with the company at the 12-month mark, divided by the total number of new hires in that cohort, and multiplying by 100. This directly reflects long-term commitment and the effectiveness of onboarding, cultural fit, and early job satisfaction. The other metrics don't address staying power over a year: time-to-productivity looks at how quickly a new hire reaches expected performance, not whether they stay; vacancy rate focuses on unfilled positions; fill rate concerns how quickly roles are filled rather than whether new hires remain.

2. What does 'salary basis' mean for exempt employees?

- A. The employee is paid a fixed amount regardless of hours worked**
- B. The employee is paid hourly
- C. The employee is paid by commission
- D. The employee's pay varies with performance

Salary basis means you receive a fixed amount for each pay period, regardless of how many hours you work. This is the hallmark of exempt status: pay is not tied to the exact number of hours, overtime is not calculated hourly, and the regular paycheck amount doesn't fluctuate with workload (though there are limited permitted deductions in specific situations). The other options describe hourly pay, commission-based pay, or pay that changes with performance, none of which align with a set, regular salary.

3. What are SMART goals in performance management?

- A. Simple, Manageable, Attainable, Relevant, Timed
- B. Specific, Measurable, Achievable, Relevant, Time-bound**
- C. Specific, Measurable, Actionable, Realistic, Timely
- D. Strategic, Motivating, Ambitious, Realistic, Timed

SMART goals in performance management turn vague aims into clear, trackable targets. Specific means stating exactly what will be accomplished, who is involved, and what actions will be taken. Measurable provides a way to quantify progress and know when the goal is reached. Achievable ensures the target is realistic given available resources and constraints. Relevant links the goal to broader organizational objectives so effort adds value. Time-bound adds a deadline to create focus and urgency. This combination—Specific, Measurable, Achievable, Relevant, Time-bound—is the standard framework, which is why this option fits best. For example, "Increase sales by 10% in the next quarter by targeting key accounts and improving follow-up" is specific, measurable, achievable, relevant, and has a clear time frame. The other options use terms that don't align with the common SMART formulation.

4. Which statement best describes gainsharing?

- A. Incentive based on profits
- B. Stock options
- C. Group incentive program that measures improvements in productivity and distributes a portion of each gain to employees**
- D. Individual merit pay

Gainsharing is a group incentive approach that ties bonuses to improvements in productivity or reductions in costs, with a portion of the gains shared among employees. The core idea is teamwork: you set a baseline for performance, measure how much performance improves or costs drop, and then distribute a share of those gains to the workforce. This emphasizes collective problem-solving and immediate, measurable improvements in the work process. It isn't about profits overall, so it isn't based on broad profit figures alone. It also isn't stock options, which are equity-based and typically long-term, nor is it individual merit pay, which rewards only one person rather than a group.

5. What is merit pay?

- A. A system of linking pay increases to ratings on performance appraisals**
- B. Yearly bonus regardless of performance
- C. Pay raises based on seniority
- D. Equity-based compensation

Merit pay is a pay policy that ties increases in base pay to performance as shown on performance appraisals. In practice, employees who receive higher performance ratings get larger raises, while those with lower ratings receive smaller increases or none at all. This links compensation to how well someone performs, with the goal of rewarding contributions and motivating improvement. It's different from giving a yearly bonus regardless of performance, which isn't tied to appraisal outcomes; it's also distinct from pay raises based on seniority, which reward tenure rather than results, and from equity-based compensation, which uses stock or ownership stakes. For merit pay to work well, performance evaluations need to be reliable and well-calibrated to avoid bias and ensure meaningful differentiation among employees.

6. Which bias is the tendency to rate only the middle category?

- A. Central tendency**
- B. Halo
- C. Horns
- D. Leniency

Central tendency bias is the tendency to rate only the middle category on a rating scale. When evaluators stick to the neutral midpoint, they avoid giving strong signals about performance and can mask real differences among people. This leads to clustered, less discriminatory ratings and can hide who truly stands out or who needs improvement. The middle-category habit directly describes this behavior, making it the best fit. The halo effect involves letting a single favorable impression color judgments of other traits; the horns effect is the opposite—letting a negative impression taint judgments. Leniency bias is about consistently giving overly favorable ratings, not specifically choosing the midpoint.

7. Quid pro quo harassment is defined as:

- A. a benefit or punishment in contingent upon submitting to sexual advantages**
- B. someone's behavior makes it difficult for someone of a particular sex to work
- C. a service in which professionals try to help dismissed employees manage the transition from one job to another
- D. a judgment that fair methods were used to determine the consequences an employee receives

Quid pro quo harassment is about an exchange where a person in a position of authority uses a job-related benefit or consequence to pressure someone for sexual favors. This means a supervisor might offer a promotion, raise, or favorable assignment in return for submitting to sexual advances, or threaten negative consequences if the advances are refused. That conditional exchange is what defines this type of harassment. This is why the best choice captures the concept: a benefit or punishment tied directly to giving in to sexual requests. In contrast, the other scenarios describe different HR issues—one is about a hostile work environment created by unwelcome conduct, another is about services to help someone transition after dismissal, and the last is about whether fair methods were used to determine consequences. Those do not center on the conditional exchange between sexual advances and job-related outcomes.

8. Which method involves comparing each employee with every other employee to establish rankings?

- A. Paired comparison**
- B. BARS
- C. Central tendency
- D. Leniency

Paired comparison involves evaluating two employees at a time to determine which one is preferred on a given criterion, and doing this for every possible pair. By comparing each pair, you collect a set of direct, relative judgments that can be tallied to produce a full ranking of employees. This method emphasizes relative standing rather than giving an absolute score, and it can reduce some loose-rating biases because judgments are made in smaller, more concrete contrasts. However, the approach becomes impractical as the group size grows, since the number of pairs needed is $n(n-1)/2$. Central tendency describes a bias where raters cluster ratings around the middle rather than a method of ranking. Leniency is a bias where raters rate more favorably than warranted, again not a ranking approach. BARS (Behaviorally Anchored Rating Scales) uses specific behavioral anchors for ratings rather than pairwise comparisons of all employees.

9. What is a pro of individual incentives?

- A. Promotes teamwork
- B. Rewards the individual for the work they do, increases production at an individual level**
- C. Always fair
- D. Never create unhealthy competition

Individual incentives reward someone for their own performance, so the main benefit is that the paycheck or bonus directly reflects what a single employee contributes. This creates a clear link between effort and payoff, which tends to boost that person's motivation and, as a result, increases output at the individual level. It's the best fit because the focus is on recognizing and encouraging the contributions of the individual worker. In contrast, promoting teamwork is more aligned with team-based incentives, not strictly individual ones. Statements about being always fair or never creating unhealthy competition aren't accurate because fairness depends on transparent, objective measures, and individual rewards can spur competitive behaviors that sometimes undermine collaboration if not managed carefully.

10. What is 'the one word men never see in their performance reviews'?

- A. Ambitious
- B. Abrasive**
- C. Analytical
- D. Collaborative

This question examines gender bias in performance feedback. Abrasive is a negatively toned label that research and workplace observations show is more likely to be applied to women who are assertive or results-driven. Men, even when equally strong performers, are less often described with that kind of harsh judgment in reviews. Instead, traits like ambitious, analytical, and collaborative are generally seen as positive and align with how men's leadership and teamwork are perceived. So abrasive stands out as the descriptor that men are least likely to see in their performance reviews, making it the best answer.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

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We wish you the very best on your exam journey. You've got this!

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