Vendor: WorldatWork

Exam Code:C8

Exam Name: Business Acumen for Compensation Professional

Version: Demo

QUESTION 1

Regarding market position, a business with a high market share but low growth potential is typically referred to as what?

A. A Star

B. A Question Mark

C. A Market Leader

D. A Cash Cow

Correct Answer: D

QUESTION 2

The XYZ Company produces innovative products and brings them to market in advance of their competitors. What strategy is XYZ using?

A. Operational excellence

B. Product/service leadership

C. Customer intimacy D. Brand loyalty

Correct Answer: B

QUESTION 3

When connecting with other business units, what best describes a reason why is it important to keep up to date on organizational challenges?

A. Because you will be more informed when differences of opinion occur, lending more credibility to your position

B. Because you can demonstrate your understanding of issues from multiple perspectives

C. Because you will be able to explain the negative consequences of opposing your position

D. Because stakeholders with diverse opinions tend to compromise when they are aware that others know their weaknesses

Correct Answer: B

QUESTION 4

What best describes an effective approach for balancing multiple priorities and perspectives regarding compensation?

A. Being firm and uncompromising in your decision-making

B. Representing your view with data and relating it to business results

C. Finding a compromise that may not appease all stakeholders but does not give any one group or person everything they are seeking

D. Giving priority to perspectives based on the job or influence level of the stakeholders

Correct Answer: B

QUESTION 5

What best describes an effective core technique for communicating with executives?

A. Focus on negative issues first, such as compensation costs exceeding budget, to get their attention

B. Provide a wide range of facts and figures. With their high level of responsibility, executives must have all the data before they can make informed decisions.

C. Assume they have little knowledge of the issue and make a detailed presentation leading up to the purpose of the meeting.

D. Recommend a solution that will solve the issue and explain why it is the best solution available.

Correct Answer: D

QUESTION 6

When trying to achieve compromise and collaboration to achieve your goals, on which stakeholder(s) should you focus most of your efforts?

A. The most senior leader with the highest level of authority

B. No one person. Identify your stakeholders and work to achieve consensus among the majority.

C. Influencers and decision-makers who have the respect of employees and are both proponents and opponents of your objectives

D. Individuals with power in the organization who have the authority to overrule the concerns of opponents

Correct Answer: C

QUESTION 7

Your company has had a strong fiscal year with a 15% increase in net income over the prior fiscal year. Share prices are at an all time high. Working with Finance, you have arrived at a 2.5% merit increase budget for the next fiscal year, a smaller increase than the last fiscal year. Finance has indicated that some large capital expenditures will be needed next year, so the company needs to conserve resources. Additionally, Legal is in final negotiations on a lawsuit that may be very costly to the company. Word of the smaller increases has line management concerned that they will lose their best performers. Given all of these factors, what is your best course of action?

A. Implement the merit increase budget as is because the anticipated financial obligations have made it necessary

B. Meet with Finance and make a case for a larger merit increase budget because the loss of key talent will cost more over the long term than the savings from the smaller merit increases

C. Gather the perspectives of all stakeholders, analyze their individual concerns and meet to determine whether a compromise solution is possible

D. Recommend a reduction in force to eliminate poor performers, which will increase the merit budget by reducing headcount

Correct Answer: C

QUESTION 8

What question is answered by the organization\\'s mission statement?

A. What direction will we take?

B. How do we work?

C. Why are we in business?

D. How will we achieve our objectives?

Correct Answer: C

QUESTION 9

Regarding presentations to executives, which of the following is most accurate?

A. Keep them brief

B. Use multiple media

C. Include all details related to the issue

D. Leave backup data out of the presentation so there is time to develop an effective response to unexpected questions

Correct Answer: A

QUESTION 10

Understanding basic organization design principles is an example of what key competency for compensation professionals?

A. Financial Management

B. HR Management

C. Resource Management

D. Policy Management

Correct Answer: B

QUESTION 11

What is the most accurate statement regarding the effect of compensation plans on the organization?

A. They typically have the greatest effect on net income and operating results of any organizational expense or program

B. Their success or failure is closely tied to the success or failure of organizationwide goals and objectives

C. They have very little effect as long as they are managed effectively and efficiently

D. They affect the organization\\'s overall financial status and impact multiple stakeholders across most, if not all, business units

Correct Answer: D

QUESTION 12

You have been asked to develop a short-term incentive plan that motivates employees in business units to increase productivity. Your team has designed a plan that rewards managers and employees quarterly based on achievement against target on measures that should generate productivity increases that will self-fund the plan. When presenting the plan to senior management, what would be the best strategy to receive approval?

A. Demonstrate how it is aligned to the rewards philosophy, principles and organizational business strategy

B. Provide details on the plan design and measures and how they will be administered to employees at different levels

C. Make the case that a self-funded plan poses no risk to the organization while creating the potential for significant gains

D. Identify in advance the priorities of the various stakeholders and design your presentation to address any objections or perceptions they may have

Correct Answer: A