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Chapter Two
Strategic Training

OBJECTIVES

1. Discuss how business strategy influences the type and amount of training in a company.
2. Describe the strategic training and development process.
3. Discuss how a company's staffing and human resource planning strategies influence training.
4. Explain the training needs created by concentration, internal growth, external growth, and disinvestment business strategies.
5. Discuss the advantages and disadvantages of centralizing the training function.
6. Explain a corporate university and its benefits.
7. Discuss the strengths of a business-embedded learning function.
8. Discuss how to create a learning or training brand and why it is important.
9. Develop a marketing campaign for a training course or program.

MULTIPLE CHOICE

2.1. Which of the following is true about a learning organization?

a. A learning organization discourages learning at the group and organizational levels.
b. A learning organization restricts employees from experimenting with products and services.
c. In a learning organization, employees learn from failure and from successes.
d. In a learning organization, employees are discouraged from asking questions and admitting mistakes.

Answer: c
Difficulty: easy
Learning objective: 1

2.2. The strategic training and development process begins with _____.

a. choosing strategic training and development initiatives
b. identifying the business strategy

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c. developing websites for knowledge sharing
d. identifying measures or metrics

Answer: b
Difficulty: easy
Learning objective: 2

2.3. The final step of the strategic training and development process involves _____.
a. choosing strategic training and development initiatives
b. identifying the business strategy
c. identifying measures or metrics
d. creating concrete training and development activities

Answer: c
Difficulty: easy
Learning objective: 2

2.4 _____ typically includes information on the customers served, why the company exists, what the company does, the value received by the customers, and the technology used.
a. Balanced scorecard
b. Vision
c. Mission
d. Code of conduct

Answer: c
Difficulty: easy
Learning objective: 2

2.5. Which of the following is not one of the four major components of the balanced scorecard?
a. Customers
b. Internal business processes
c. Sustainability
d. Financial

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Answer: c
Difficulty: medium
Learning objective: 2

2.6. A SWOT analysis is typically conducted in the _____ step of the strategic training and development process.

a. business strategy formulation and identification
b. strategic training and development initiatives
c. training and development activities
d. measures or metrics identification

Answer: a
Difficulty: easy
Learning objective: 2

2.7. _____ involves examining a company's operating environment to identify opportunities and threats.

a. Internal analysis
b. Gap analysis
c. External analysis
d. Pareto analysis

Answer: c
Difficulty: easy
Learning objective: 2

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2.8. Which of the following is true with regard to SWOT analysis?

a. In a SWOT analysis, external analysis attempts to identify the company's strengths and weaknesses.
b. A SWOT analysis represents the strategy believed to be the best alternative to achieve the company goals.
c. A SWOT analysis is typically conducted in the strategic training and development initiatives step of the strategic training and development process.
d. A SWOT analysis provides a company the information needed to generate several alternative business strategies and make a strategic choice.

Answer: d
Difficulty: medium
Learning objective: 2

2.9. Business-level outcomes chosen to measure the overall value of training or learning initiatives are referred to as _____.

a. values
b. goals
c. business strategies
d. metrics

Answer: d
Difficulty: easy
Learning objective: 2

2.10. The _____ considers four different perspectives: customer, internal, innovation and learning, and financial.

a. SWOT analysis
b. value chain analysis
c. BCG matrix
d. balanced scorecard

Answer: d

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Difficulty: easy
Learning objective: 2

2.11. _____ refers to the company's decisions regarding where to find employees, how to select them, and the desired mix of employee skills and statuses.

a. Concentration strategy
b. Staffing strategy
c. External growth strategy
d. Disinvestment strategy

Answer: b
Difficulty: easy
Learning objective: 3

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2.12. Which of the following is not one of the major business strategies discussed in the text?

a. Internal growth
b. External growth
c. Divestment
d. Product differentiation

Answer: d
Difficulty: medium
Learning objective: 4

2.13. Companies that emphasize innovation and creativity are labeled as _____.

a. clubs
b. academies
c. fortresses
d. baseball teams

Answer: d
Difficulty: easy
Learning objective: 3

2.14. In _____ financial and other resources are not available for development, so companies tend to rely on hiring talent from the external labor market.

a. clubs
b. fortresses
c. baseball teams
d. academies

Answer: b
Difficulty: easy
Learning objective: 3

2.15. Uniqueness refers to _____.

a. employee potential to improve company effectiveness and efficiency
b. the extent to which training and learning is centralized in an organization

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c. the extent to which employees are rare, specialized, and not highly available in the labor market
d. the picture of the future an organization wants to achieve

Answer: c
Difficulty: medium
Learning objective: 3

2.16. Job-based employees are characterized by _____.
a. high value and high uniqueness
b. high value and low uniqueness
c. low value and low uniqueness
d. low value and high uniqueness

Answer: b
Difficulty: easy
Learning objective: 3

2.17. Which of the following positions is characterized by high value and low uniqueness?
a. Lab technician
b. Scientist
c. Secretarial staff
d. Legal adviser

Answer: a
Difficulty: medium
Learning objective: 3

2.18. Companies adopting a _____ strategy need to train employees in job-search skills and to focus on cross-training their remaining employees.
a. concentration
b. disinvestment
c. external growth
d. internal growth

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Answer: b
Difficulty: easy
Learning objective: 4

2.19. A(n) _____ strategy focuses on new market and product development, innovation, and joint ventures.

a. disinvestment
b. privatization
c. external growth
d. internal growth

Answer: d
Difficulty: easy
Learning objective: 4

2.20. Development of an organizational culture that values creative thinking and analysis is characteristic of a company adopting a(n) _____ strategy.

a. concentration
b. disinvestment
c. internal growth
d. external growth

Answer: c
Difficulty: easy
Learning objective: 4

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2.21. Which of the following is true of centralized training?

a. A centralized training function helps drive stronger alignment with business strategy.
b. Training and development programs, resources, and professionals are housed in a number of different locations.
c. A centralized training function hinders the development of a common set of metrics or scorecards.
d. A centralized training function is largely ineffective during times of change.

Answer: a
Difficulty: medium
Learning objective: 5

2.22. Which of the following is true of the business-embedded (BE) learning function?

a. The BE function is customer-focused.
b. A BE training function views trainees as marketers.
c. A BE training function does not guarantee that training will improve performance.
d. Training functions organized by the BE model do not involve line managers.

Answer: a
Difficulty: medium
Learning objective: 7

2.23. Justin Mason, a product manager working in a manufacturing firm, is highly anxious about change. When the top management of Mason's firm made it mandatory for all product managers to undergo skills training, he told his superior that he would be uncomfortable with the process. He added that he was certain of not being able to cope with the new developments. In this instance, Justin is demonstrating _____.

a. indifference to change
b. uniqueness
c. resistance to change
d. loss of control

Answer: c

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Difficulty: hard
Learning objective:

2.24. _____ relates to managers' and employees' ability to obtain and distribute valuable resources such as data, information, or money.

a. Power
b. Control
c. Vision
d. Outsourcing

Answer: b
Difficulty: easy
Learning objective:

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2.25. Which of the following is not one of the major "change-related" problems that need to be addressed before the implementation of new training practices?

a. Resistance to change
b. Loss of control
c. Power imbalance
d. Training-business strategy incongruence

Answer: d
Difficulty: easy
Learning objective:

2.26. Which of the following is not one of the major reasons organizations outsource training?

a. Potential cost savings
b. Desire for greater control
c. Time savings
d. Desire to access best practices

Answer: b
Difficulty: easy
Learning objective:

TRUE-FALSE

2.27. Learning organizations emphasize that learning occurs not only at the individual employee level but also at the group and organizational levels.

Answer: true
Difficulty: easy
Learning objective: 1

2.28. In learning organizations, there is an understanding that failure provides important information.

Answer: true

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Difficulty: easy
Learning objective: 1

2.29. Tacit knowledge developed through experience and shared through interactions between employees is easy to imitate.

Answer: false
Difficulty: easy
Learning objective: 1

2.30. Explicit knowledge is thought to have a stronger impact on helping organizations achieve a competitive advantage than tactic knowledge.

Answer: false
Difficulty: medium
Learning objective: 1

2.31. The first step in the strategic training and development process is to identify metrics to determine if training will be successful.

Answer: false
Difficulty: easy
Learning objective: 2

2.32. Internal analysis involves identifying opportunities and threats.

Answer: false
Difficulty: easy
Learning objective: 2

2.33. Strategic training and development initiatives vary by company depending on a company's industry, goals, resources, and capabilities.

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Answer: true
Difficulty: easy
Learning objective: 2

2.34. Emphasis on the creation of intellectual capital and the movement toward high-performance work systems using teams has resulted in employees performing many roles once reserved for management.

Answer: true
Difficulty: easy
Learning objective: 3

2.35. From a strategic perspective, "diversify the learning portfolio" refers to providing strategic diversity training to enhance a company's competitive advantage.

Answer: false
Difficulty: medium
Learning objective: 2

2.36. Skill-based pay systems base employees' pay on what skills they are using for their current jobs rather than the number of skills they are competent in.

Answer: false
Difficulty: easy
Learning objective: 3

2.37. The CEO of a company is responsible for setting a clear direction for learning.

Answer: true
Difficulty: easy
Learning objective: 3

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2.38. Line managers spend less time managing individual performance and developing employees than midlevel managers or executives do.

Answer: false
Difficulty: easy
Learning objective: 3

2.39. In highly integrated businesses, training is likely to include rotating employees between jobs in different businesses.

Answer: true
Difficulty: easy
Learning objective: 1

2.40. For companies in an unstable or recessionary business environment, training programs focus more on correcting skill deficiencies rather than preparing staff for new assignments.

Answer: true
Difficulty: easy
Learning objective: 1

2.41. Companies that adopt state-of-the-art HRM practices realize higher levels of performance than firms that do not.

Answer: true
Difficulty: easy
Learning objective: 1

2.42. Uniqueness refers to employee potential to improve company effectiveness and efficiency.

Answer: false
Difficulty: easy

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Learning objective: 3

2.43. Job-based employees are likely to receive less training than knowledge-based employees.

Answer: true
Difficulty: easy
Learning objective: 3

2.44. Training for contract employees would focus on sharing expertise and team training.

Answer: false
Difficulty: medium
Learning objective: 3

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2.45. Companies should generally avoid involving unions in retraining and productivity-improvement efforts.

Answer: false
Difficulty: easy
Learning objective: 3

2.46. A centralized training function not only hampers the streamlining of processes but also denies the company a cost advantage in purchasing training from vendors.

Answer: false
Difficulty: easy
Learning objective: 5

2.47. Companies pursuing an external growth strategy typically focus on human capital issues to enhance efficiency.

Answer: false
Difficulty: medium
Learning objective: 4

2.48. Business process reengineering refers to the outsourcing of any business process, such as HRM, production, or training.

Answer: false
Difficulty: easy
Learning objective:

2.49. Outsourcing allows a company to focus better on its business strategy by saving cost and time.

Answer: true
Difficulty: easy

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Learning objective:

2.50. Compared to ten years ago, organizations are less focused now on creating a learning and training brand.

Answer: false
Difficulty: easy
Learning objective: 8

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SHORT ANSWER-ESSAY

2.51. Define balanced scorecard. What are the four perspectives it considers? Provide examples of metrics used to measure them.

The balanced scorecard is a means of performance measurement that provides managers with a chance to look at the overall company performance or the performance of departments or functions from the perspective of internal and external customers, employees, and shareholders. The four perspectives and examples of metrics used to measure them include:

- Customer (time, quality, performance, service, cost)
- Internal (processes that influence customer satisfaction)
- Innovation and learning (operating efficiency, employee satisfaction, continuous improvement)
- Financial (profitability, growth, shareholder value)

Difficulty: medium
Learning objective: 2

2.52. Describe the human capital requirements for *fortresses*, *baseball teams*, *clubs*, and *academies*.

Fortresses—companies with limited resources for training that tend to recruit from the outside

Baseball teams—companies that require innovation and creativity; recruit from other companies or new graduates with specialized skills

Clubs—companies in highly regulated industries that rely on developing their own talent

Academies—companies that require specialized skill and focus on developing their individual employees

Difficulty: medium
Learning objective: 3

2.53. Explain the business-embedded learning function.

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The BE learning function is characterized by five competencies: strategic direction, product design, structural versatility, product delivery, and accountability for results. It views trainees, managers, and senior-level decision makers as customers of training.

The most noticeable feature of a BE learning function is its structure. In BE learning functions all persons who are involved in the training process communicate and share resources. Trainers—who are responsible for developing training materials, delivering instruction, and supporting trainees—work together to ensure that learning occurs. Trainers not only have specialized competencies, but also can serve as internal consultants by providing a range of services, such as needs assessment, content improvement, and the like.

Difficulty: medium
Learning objective: 7

2.54. How does the strategic value of jobs and their uniqueness influence how training and learning resources are invested?

Uniqueness refers to the extent to which employees are rare, specialized, and not highly available in the labor market. Strategic value refers to employee potential to improve company effectiveness and efficiency. These dimensions can be crossed to characterize four types of employees:

Highly valued and unique employees are known as *knowledge-based employees*. Because knowledge-based employees possess valuable and unique skills, the company is expected to invest heavily in training and developing them, especially in developing skills specific to the company's needs

Highly valued employees who are not unique are known as job-based employees. Job-based employees are likely to receive less training than knowledge-based employees because although they create value for the firm, they are not unique. If they receive training, it would tend to focus on skills that they need to perform their jobs. Their development opportunities will be limited unless they have been identified as outstanding performers.

Employees with low value and uniqueness are known as contract employees. The training for contract workers likely would be limited to ensuring that they comply with company policies and legal or industry-based licensure and certification requirements.

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Unique employees with low value are known as alliance/partnership employees. Because they are not full-time employees of the company but provide valued services, training for alliance/partnership employees tends to focus on encouraging them to share their knowledge and using team training and experiential exercises designed to develop their trust and relationships with job-based and knowledge-based employees.

Difficulty: hard
Learning objective: 3

2.55. What are the advantages and disadvantages of a centralized training function?

Advantages – (1) ownership of training to one organization; (2) elimination of course and program variation and duplication; (3) stronger alignment with business strategy; (4) development of a common set of metrics or scorecards to measure and report rates of quality and delivery; (5) streamlined processes; (6) cost advantage in purchasing training from vendors and consultants because of the number of trainees who will be involved; and (7) integration of programs for developing leaders and managing talent with training during times of change.

The most significant disadvantage is that the training function may not be in touch with the unique needs of different constituents.

Difficulty: medium
Learning objective: 5

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2.56. Describe five strategies for marketing training to internal customers

- Involving the target audience in developing the training or learning effort
- Demonstrating how a training and development program can be used to solve specific business needs
- Showing an example of how training has been successfully used to solve specific business needs in the past
- Identifying a "champion" who actively supports training
- Listening and acting on feedback received from clients, managers, and employees
- Advertising on e-mail, on company Web sites, and in employee break areas
- Designating someone in the training function as an account representative who will interact between the training designer and the "customer"
- Determining what financial metrics top-level executives are concerned with and showing how training will help improve these
- Speaking in terms that employees understand--avoid technical jargon

Difficulty: medium
Learning objective: 9

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