Test Bank for Human Resource Management 11th Noe

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Human Resource Management, 11e **(Noe)**
Chapter 2 Strategic Human Resource Management

1) The goal of strategic management in an organization is to deploy and allocate resources in a way that it provides the company with a competitive advantage.

2) To be maximally effective, the human resource management function of a company must be isolated from the company's strategic management process.

3) Strategic planning groups decide on a strategic direction during the strategy implementation phase.

4) Strategy implementation includes structuring an organization and allocating resources.

5) In a two-way linkage, an organization is restricted from considering the human resource issues while formulating its strategic plan.

6) Untapped labor pools are an example of a strategic threat to an organization's operating environment.

7) External analysis attempts to identify an organization's strategic opportunities and threats.

8) Strategic choice describes the way an organization attempts to fulfill its mission and achieve its long-term goals.

9) Job design addresses what tasks should be grouped into a particular job.

10) The strategy a company is pursuing does not have an impact on the types of employees that it seeks to recruit and select.

11) Training is a planned effort to facilitate the learning of job-related knowledge, skills, and behavior by employees.

12) Companies that are not diversified use objective measures of performance to evaluate managers.

13) Executives who have extensive knowledge of the behaviors that lead to effective performance tend to focus on evaluating the objective performance results of their subordinate managers.

14) Jolene is excited to meet with her supervisor and go over her year-end review. She has heard that there can be an increase in pay for high performance. Companies do tie pay to performance.

15) CompCo wants to bring radical change to the current skills that exist in the organization so they are going to employ concentration strategies.

16) An overall cost leadership strategy is achieved primarily by offering unique product features.

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17) Companies engaged in a cost strategy require employees to have reduced concern for quantity and a short-term focus.

18) Companies engaged in cost strategies develop internally consistent pay systems with negligible pay differentials between superiors and subordinates.

19) Employees in companies with a differentiation strategy need to have only a moderate concern for quantity.

20) Differentiation companies will have compensation systems that are geared toward internal rather than external equity.

21) Strategies emphasizing market share or operating costs are called "external growth" strategies.

22) Companies using concentration strategies attempt to focus on what they do best within their established markets.

23) Global Market is planning to downsize. Management sees a positive outcome being the opportunity to change the company's culture.

24) Companies going through downsizing often develop compensation programs that tie an individual's compensation to the company's success.

25) A learning organization constantly monitors its environment, assimilates information, makes decisions, and flexibly restructures itself to compete in an ever-changing environment.

26) Jam and Nuts is evaluating their resources so that they can compete with other companies. They have evaluated their plant, equipment, and geographic location. What other physical resource do they need to evaluate to complete this scan?
A) Controlling system
B) Technology
C) Planning system
D) Employee skill
E) Experience of employees

27) A(n) _____ is a story of how a firm will create value for customers and how it will do so profitably.
A) design specification
B) business model
C) job characteristics model
D) administrative linkage
E) process architecture

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28) Butterflies and Blooms, a new florist in town, is attempting to maximize profits but knows the company cannot charge too much for its bouquets in this market. As the company explores locations, the florist notes rent, property taxes, and parking. These are examples of _____ costs.
A) acquisition
B) procurement
C) fixed
D) variable
E) marginal

29) Which of the following statements is true of variable costs incurred by firms?
A) These costs are independent of the number of goods produced by firms.
B) The rent and interest paid by firms are examples of variable costs.
C) These costs are the difference between what firms charge for their products and the fixed costs of the products.
D) These costs change directly with the units produced.
E) These costs are the total amount of margin made by a firm.

30) Which of the following is an example of a fixed cost?
A) Raw materials
B) Factory rent
C) Operating cost
D) Direct labor costs
E) Packaging costs

31) The _____ margin is calculated as the number of units sold times the contribution margin.
A) holding cost
B) gross
C) profit
D) fixed cost
E) overhead rate

32) _____ is what is left after a firm pays its variable costs and fixed costs.
A) Contribution margin
B) Overhead cost
C) Profit
D) Variance
E) Holding cost

33) A _____ workforce describes the former workers to whom a firm still owes financial obligations.
A) contingent
B) consultant
C) temporary
D) legacy
E) contract

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34) Jonathan retired from a large, multinational automobile company last year. He receives health care benefits as well as a pension from the company. At present, Jonathan falls under the category of a
A) contingent workforce.
B) legacy workforce.
C) temporary workforce.
D) consultant workforce.
E) contract workforce.

35) Ashock has been brought in as a consultant for a large organization. He is tasked with identifying the goals, policies, and action sequences the company should take to offset competitive challenges. Ashock will be implementing
A) operational management.
B) transactional management.
C) management by objectives.
D) process mapping.
E) strategic management.

36) When an organization develops integrated manufacturing systems such as advanced manufacturing technology and just-in-time inventory control, it needs to assess the employee skills required to run these systems and train them accordingly. These assessments and training programs intended to enable an organization to achieve its goals fall under
A) strategic human resource management.
B) the job characteristics model.
C) diversity management.
D) the employee stock ownership plan.
E) participative management.

37) Selena is leading the strategic groups through an exercise to define the company's mission and goals through a SWOT (strengths, weaknesses, opportunities, and threats) analysis. She is employing
A) strategy implementation.
B) task design.
C) selection and training.
D) strategy formulation.
E) strategy evaluation.

38) Pluto Inc., a large manufacturer of desktops and laptops, has decided to enhance revenues by expanding its product line. It has identified the tablet market as a possible market to expand and has identified Compco Inc. as a potential competitor. Pluto Inc. is currently in the _____ stage of the strategic management process.
A) strategy formulation
B) strategy evaluation
C) strategy execution
D) strategy consultation
E) strategy implementation

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39) Saturn Inc. is a large manufacturer of footwear and accessories. It has always lagged behind its closest competitor, Hexagon Inc. It plans to overtake Hexagon by leveraging its strength in women's footwear and entering markets in the Midwest that it had traditionally ignored. Saturn Inc. is in the _____ phase.
A) strategy implementation
B) strategy formulation
C) administrative linking
D) selecting and training
E) task designing

40) During the strategic implementation stage of the strategic management process, an organization
A) decides on a strategic direction.
B) defines its mission and goals.
C) establishes external opportunities and threats.
D) ensures that it has skilled employees in place.
E) determines its internal strengths and weaknesses.

41) Which of the following statements is true of the strategic implementation stage of the strategic management process?
A) During this stage, an organization analyzes its strengths and weaknesses.
B) This is the first stage of the strategic management process, which is sequential in nature.
C) During this stage, an organization follows through on a strategy chosen in the strategy formulation stage.
D) During this stage, an organization defines its mission and goals.
E) This stage is independent of the formulation stage in the strategic management process.

42) The _____ component of the strategic management process consists of structuring the organization, allocating resources, ensuring that the firm has skilled employees in place, and developing reward systems that align employee behavior with the organization's strategic goals.
A) task designing
B) strategy implementation
C) administrative linking
D) strategy formulation
E) operational implementation

43) The strategic management decision-making process usually takes place at a firm's highest levels, with a firm's strategic planning group, which includes
A) middle managers and directors.
B) the chief executive officer and supervisors.
C) the chief executive officer and the president.
D) accountants and supervisors.
E) the directors and labor union representatives.

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44) Which of the following is the lowest level of integration between the human resource management function and the strategic management function?
A) Administrative linkage
B) Two-way linkage
C) Integrative linkage
D) Executive linkage
E) One-way linkage

45) Which of the following statements is true of the administrative linkage level between the human resource management function and the strategic management function?
A) In this level, the human resource management department is completely divorced from any component of the strategic management process.
B) This level recognizes the importance of human resources in implementing the strategic plan.
C) In this level, the human resource management designs systems and/or programs that implement the strategic plan.
D) This level allows for consideration of human resource issues during the strategy formulation process.
E) In this level, the human resource management functions are built right into the strategy formulation and implementation processes.

46) Sophie, the HR manager, checks her email, completes paperwork, and returns voicemail. These activities are part of the
A) administrative linkage.
B) one-way linkage.
C) two-way linkage.
D) integrative linkage.
E) executive linkage.

47) Sandman, Inc. has completed its strategic business plan and informed HR of how many employees will now need to be hired or retrained. This is an example of
A) integrative linkage.
B) executive linkage.
C) two-way linkage.
D) one-way linkage.
E) administrative linkage.

48) Which of the following is true of one-way linkage?
A) In this level, the human resource management executive has no time or opportunity to take a strategic outlook toward human resource issues.
B) It precludes the company from considering human resource issues while formulating the strategic plan.
C) In this level, the human resource management functions are built right into the strategy formulation process.
D) In this level, the human resource management function is involved in both strategy formulation and strategy implementation.
E) It lets the human resource management executive give strategic planners information about the company's human resource capabilities.

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49) The one-way linkage level
A) is the lowest level of integration.
B) restricts companies from considering human resource issues while formulating a strategic plan.
C) is multifaceted, based on continuing rather than sequential interaction.
D) often leads to strategic plans that companies cannot successfully implement.
E) segregates the human resource management department from other components of the strategic management process.

50) In the two-way linkage level,
A) the human resource management executive has no time or opportunity to take a strategic outlook toward human resource issues.
B) the strategic planning function and the HRM function are independent of each other.
C) the second step involves the strategic planning team informing the human resource management function of various strategies.
D) the last step involves human resource management executives analyzing the human resource implications of the strategies suggested in the previous steps.
E) the human resource issues are allowed for consideration during the strategy formulation process.

51) Dionne, the HR manager, has been asked to share issues in the strategy formulation process. How do you know this is part of a two-way linkage?
A) The strategic planning function and the human resource management function are interdependent.
B) The two-way linkage level is the lowest level of integration.
C) The human resource management executive has no time to take a strategic outlook toward human resource issues.
D) The human resource function is limited to monitoring day-to-day activities.
E) The strategic planning function and the human resource management function are completely dependent.

52) Which of the following linkages has its human resource management functions built right into the strategy formulation and implementation processes?
A) Integrative linkage
B) Administrative linkage
C) One-way linkage
D) Two-way linkage
E) Executive linkage

53) Mission, goals, external analysis, internal analysis, and strategic choices are the five major components of the _____ process.
A) recruitment
B) strategy formulation
C) orientation
D) job designing
E) job engagement

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54) To provide excellent customer service to those in the electrical industry through the use of high-tech solutions is an example of a
A) work structure.
B) goal.
C) mission.
D) code of conduct.
E) vision.

55) To achieve 100 percent compliance on the next 3 years' compliance inspections is an example of a
A) goal.
B) mission.
C) strategy.
D) vision.
E) value.

56) EastWest is a consulting firm that helps organizations examine their operating environments. Their scope of work would be considered a(n)
A) job modeling.
B) internal analysis.
C) external analysis.
D) value chain analysis.
E) job analysis.

57) A common practice for companies in today's market is to look within at what is working and what is not. This is an example of a(n)
A) job analysis.
B) internal analysis.
C) job characteristics model.
D) competitor analysis.
E) job modeling.

58) An organization uses _____ to measure the quantity and quality of its resources.
A) job modeling
B) realistic job preview
C) internal analysis
D) value chain analysis
E) job analysis

59) External analysis and internal analysis combined constitute the
A) value analysis.
B) training analysis.
C) development analysis.
D) SWOT analysis.
E) recruitment analysis.

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60) Which of the following statements is true of the SWOT analysis?
A) It can be used to identify an organization's internal strengths and weaknesses, but not the external threats posed by competitors.
B) It can be used to identify an organization's external strengths and weaknesses, but not its internal strengths and weaknesses.
C) It gives the strategic planning team of an organization all the information it needs to generate a number of strategic alternatives.
D) It fails to recognize the opportunities and threats in the external environment that are people-related.
E) An analysis of a company's internal strengths and weaknesses using the SWOT analysis eliminates the need for input from the HRM function.

61) Which of the following describes the ways an organization will attempt to fulfill its mission and achieve its long-term goals?
A) Internal analysis
B) External analysis
C) Vision statement
D) Strategic choice
E) Code of conduct

62) The basic premise behind strategy implementation is that
A) boosting employee productivity is more important than effectiveness in production.
B) short-term orientation is detrimental to an organization's economic success.
C) external analysis and internal analysis should be performed during implementation.
D) the quality of resources is more important than the quantity of resources.
E) choice of organizational processes and structural forms makes an economic difference.

63) Using websites like Indeed.com, Monster.com, and LinkedIn, a company can begin
A) selection.
B) recruitment.
C) training.
D) development.
E) appraisal.

64) Marisol, an HR manager at a technology firm, is entrusted with the task of hiring a member for a new team. She has already received information about what the new role will entail as well as the tasks that the new employee will be performing. She is currently using several media to seek applicants for the role. Which of the following human resource management (HRM) practices is Marisol performing?
A) Job designing
B) Recruitment
C) Performance management
D) Training
E) Job analysis

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65) As a company prepares to look for talent in a particular position or group, it can evaluate the tasks needed, complete a talent inventory of current skill sets, and prepare a job description with knowledge, skills, and abilities (KSAs). This practice is also known as
A) job analysis.
B) internal analysis.
C) external analysis.
D) job design.
E) realistic job preview.

66) The process by which a firm attempts to identify job applicants with the necessary knowledge, skills, abilities, and other characteristics that will help the firm achieve its goals is known as
A) appraisal.
B) selection.
C) performance management.
D) training.
E) differentiation.

67) _____ is a planned effort to facilitate the learning of job-related knowledge, skills, and behavior by employees.
A) Recruitment
B) Development
C) Training
D) Performance management
E) Selection

68) Pavi, an employee with Manor Electricals, has been transferred to a different division within the company. To facilitate a smooth transition, the company has initiated a program for Pavi that will provide her with the knowledge and skills required to perform the new role effectively. Which of the following human resource management practices did Manor Electricals perform?
A) Training
B) Job analysis
C) Performance management
D) Selection
E) Recruitment

69) At least annually companies evaluate employees based on their activities and outcomes aligned with the organization's objectives. This then leads to discussions of future individual goals and professional development opportunities. This practice demonstrates that a company has a practice of
A) divestment.
B) differentiation.
C) performance management.
D) job enlargement.
E) realistic job preview.

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70) Which of the following statements is true regarding companies that are not diversified?
A) Such companies typically use quantitative measures of performance to evaluate managers.
B) In such companies, top managers have less knowledge about managers below them in the hierarchy.
C) In such companies, executives tend to focus on evaluating the objective performance results of their subordinate managers.
D) They have evaluation systems that call for subjective performance assessments of managers.
E) People above the first-level managers in the hierarchy of such companies have limited knowledge about work-related tasks that should be performed.

71) A high level of pay relative to that of competitors can ensure that
A) the company's overall labor costs are low.
B) employees are highly satisfied with the work.
C) the organization is always in the growth stage.
D) organizational productivity is satisfactory.
E) the company attracts high-quality employees.

72) A company that follows an overall cost leadership strategy
A) focuses on becoming the lowest cost producer in an industry.
B) strives to reduce the cost of products in its industry.
C) does not use automated procedures and systems.
D) endeavors constantly to increase the quality of its products.
E) focuses on creating products that provide high value for their cost.

73) When Clean Motors condensed all its parts factories into one large location, the company increased research and development and customer service, and decreased its sales force. How would this practice help the company to become a low-cost producer?
A) The company created a product that was different from other products in the market.
B) The company constructed efficient large-scale facilities.
C) The company invested heavily in branding its product.
D) The company invested in creating a unique customer service process.
E) The company started using the latest machines for its production facility.

74) Which of the following is true regarding the differentiation strategy?
A) The differentiation strategy cannot protect a company from price sensitivity.
B) Brand images play a negligible role in differentiation strategies.
C) Companies using the differentiation strategy have to build large-scale facilities.
D) Companies have to control their overhead costs to use the differentiation strategy.
E) Companies achieve above-average returns if they succeed in their differentiation strategy.

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75) CompX Inc. is an online retailer of electronic products, including laptops and tablets. The company is known for its unique approach to customer support, which is known for going above and beyond in satisfying customer complaints and issues. What kind of a strategy is CompX using?
A) Cost leadership
B) Differentiation
C) Disintermediation
D) Penetration
E) Cannibalization

76) Benjamin, a plant manager, sets targets for his work lines every week. He rewards those who succeed and he makes note of those who do not reach their set target, placing them on warning. How would you describe this company's cost strategy?
A) The company has a high concern for quantity.
B) The company has a long-term focus.
C) The company performs tasks that are not independent.
D) The company is willing to take risks.
E) The company undertakes challenging and nonrepetitive work.

77) Which of the following statements is true for companies that employ cost strategies?
A) They focus on high-quality production rather than efficient production.
B) They are very specific in the skills they require from their employees.
C) They shy away from investing in training employees in the skills they need.
D) They seek greater creativity by providing broader career paths to employees than companies that employ differentiation strategy.
E) They encourage their employees to take greater risks.

78) A company employing a differentiation strategy requires employees who
A) are highly creative and cooperative.
B) have high concern for quantity.
C) tend to be risk averse.
D) have a short-term focus.
E) have less tolerance for ambiguity.

79) Which of the following statements is true of companies that employ differentiation strategies?
A) They primarily focus on efficient production.
B) They only train employees in specific required skill areas.
C) They want their employees to be risk averse.
D) They want their employees to take a balanced approach to process and results.
E) They expect their employees to exhibit role behaviors that are relatively repetitive.

80) Strategies emphasizing market share or operating costs are considered _____ strategies.
A) innovation
B) divestment
C) downsizing
D) concentration
E) cannibalization

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81) With a _____ strategy, a company attempts to focus on what it does best within its established markets and can be thought of as "sticking to its knitting."
A) concentration
B) retrenchment
C) benchmarking
D) divestment
E) downsizing

82) Gemco Inc., a high-end luxury jewelry manufacturer, has training programs to ensure that its current employees always design and manufacture jewelry in keeping with its high quality standards. Which of the following directional strategies has Gemco adopted?
A) Concentration
B) Liquidation
C) Benchmarking
D) Rightsizing
E) Divestment

83) Strategies focusing on market development, product development, innovation, or joint ventures make up the _____ strategy of an organization.
A) retrenchment
B) internal growth
C) divestment
D) liquidation
E) benchmarking

84) Companies attempting to integrate vertically or horizontally or to diversify exhibit a(n) _____ strategy.
A) external growth
B) divestment
C) concentration
D) liquidation
E) internal growth

85) Pets R Us has recently acquired Caring for Pets and Pet Go Round. Since they all are similar in market share, Pets R Us is planning to rebrand Caring for Pets to be a pet daycare facility and Pet Go Round to be a veterinary clinic and groomer. This is an example of which strategy?
A) Internal growth strategy
B) Retrenchment strategy
C) External growth strategy
D) Divestment strategy
E) Concentration strategy

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86) Which of the following is a strategy made up of retrenchment and liquidation?
A) Divestment strategy
B) Concentration strategy
C) Internal growth strategy
D) External growth strategy
E) Diversification strategy

87) Tokyo Electronics is facing financial difficulties mainly due to losses incurred by its gaming division. As a consequence, it has decided to shut down operations of this division. Which of the following strategies has Tokyo electronics adopted?
A) Concentration strategy
B) Internal growth strategy
C) External growth strategy
D) Divestment strategy
E) Diversification strategy

88) Which of the following is a challenge of downsizing?
A) It becomes difficult to change an organization's culture after downsizing.
B) It fails to force employees to cooperate with management.
C) It restricts organizations from developing new and positive relationships.
D) It is difficult to boost the morale of employees who remain after downsizing.
E) It is not an effective strategy if an organization wants to make way for fresh ideas.

89) Which of the following statements is true of intended and emergent strategies?
A) The new focus on strategic human resource management has tended to focus primarily on emergent strategies.
B) Intended strategies and emergent strategies are very similar to each other in the way they are developed.
C) Intended strategies are the result of the rational decision-making process used by top managers as they develop a strategic plan.
D) Emergent strategies can be thought of as what organizations intend to do as opposed to what they actually do.
E) Most emergent strategies are identified by those who are at the top of the organizational hierarchy.

90) A company where employees are in a constant state of assimilating knowledge through monitoring the environment, making decisions, and flexibly restructuring the company to compete in that environment is known as a _____ organization.
A) legacy
B) learning
C) downsized
D) traditional
E) transactional

91) Evaluate a company's strategic management process to ensure that the human resource management function is integrally involved. What steps should be taken and how would you document the process?

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92) List and define the four levels of integration between the human resource management function and the strategic management function.

93) What are the three steps involved in two-way linkages? As the HRM, describe the types of programs you would develop to implement a two-way linkage.

94) What are the five major components of the strategic management process that are relevant to strategy formulation?

Then use a SWOT format to identify for your company or future company its mission, strengths, weaknesses, opportunities, and threats.

95) List and explain with examples the five important variables that determine success in the strategy implementation stage.

96) Discuss the six important functional areas of human resource management.

97) Compare and contrast Porter's generic strategies of cost leadership and differentiation.

98) What are the four directional strategies that firms use to meet their objectives? For each strategy also provide a short scenario.

99) Using the company you currently work for or your desired place of employment, give real-life examples to explain the human resource challenges faced by a firm adopting an internal growth strategy?

100) Explain the challenges and opportunities that arise for human resource management during downsizing.

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