

# TEST BANK



## HUMAN RESOURCE MANAGEMENT

MANAGING EMPLOYEES FOR COMPETITIVE ADVANTAGE



DAVID LEPAK  
MARY GOWAN



## *Human Resource Management (Lepak/Gowan)*

### **Chapter 2 Organizational Demands and Environmental Influences**

#### 2.1 Multiple Choice

1) Which statement best describes the difference between HR activities versus HR practices?

- A) HR activities are described as the knowledge skills and abilities of the manager, whereas the HR practices ensure that organizational goals are met.
- B) HR practices must be externally aligned while HR activities must be internally aligned.
- C) HR practices are carried out using HR activities.
- D) HR practices are put in place first, then HR activities must be determined.
- E) HR activities could be called the "tools" of a manager, whereas HR practices could be referred to as an organization's "strategy."

Answer: C

AACSB: Reflective Thinking

Objective: 2.1

2) HR system alignment means that:

- A) HR activities are designed to build upon each other to ensure that the right people are doing the right jobs at the right time.
- B) the knowledge, skills and abilities of managers are used to accomplish the goals of the organization.
- C) HR activities are effectively used to carry out HR practices.
- D) employees' attitudes and behaviors are monitored to ensure that no HR practices are being violated.
- E) organizations must focus on the internal alignment of their HR practices in order to be successful.

Answer: A

AACSB: Reflective Thinking

Objective: 2.1

3) An example of internally aligning HR practices is:

- A) implementing an employee dress code that increases customer satisfaction.
- B) designing a compensation program which offers competitive wages in order to attract and retain high quality candidates.
- C) implementing a training program which supports the company's differentiation strategy.
- D) setting up the organization's reporting structure so that payroll and HR report to the same senior executive.
- E) creating a recruitment plan that targets the predominate groups in the organization's labor market.

Answer: B

AACSB: Analytic Skills

Objective: 2.1

4) External alignment is best described as:

- A) designing HR activities so that the organization is able to meet organizational demand, handle external influences, remain compliant with regulations.
- B) creating a reward and recognition program which retains top performing employees.
- C) training management staff on how to appropriately counsel employees using a progressive discipline system.
- D) designing a job so that it can be performed in the safest and most efficient manner possible.
- E) using company characteristics to determine the organizational culture and values that will be followed.

Answer: A

AACSB: Reflective Thinking

Objective: 2.1

5) Knowing which HR practice to use requires first understanding which of the following?

- A) Using the wrong practice, or the right practice poorly, can cause more harm than good.
- B) No two companies are the same.
- C) There is one best way to manage employees.
- D) All of the above
- E) Both A and B

Answer: E

AACSB: Reflective Thinking

Objective: 2.2

6) Which of the following items are types of organizational demands?

- A) Employee concerns and cost leadership strategy
- B) Differentiation strategy and the aging workforce
- C) Organizational culture and globalization
- D) Technology and domestic strategy
- E) Social responsibility and labor force trends

Answer: A

AACSB: Reflective Thinking

Objective: 2.2

7) Generic or store-brand products could be said to be using a \_\_\_\_\_ strategy when competing with the more expensive, top of the line products in the same store.

- A) cost leadership
- B) product
- C) economic
- D) differentiation
- E) high profit

Answer: A

AACSB: Reflective Thinking

Objective: 2.1

8) Just based on the name of these organization's which one most likely follows a differentiation strategy?

- A) Dina's Discount Dresses
- B) Second Time Around Consignment Shop
- C) Kitchenware Emporium
- D) Eleanor's Elegant Evening Wear
- E) Alfred's Affordable Antiques

Answer: D

AACSB: Reflective Thinking

Objective: 2.1

9) When following a cost leadership strategy a manufacturing organization would most likely have which of the following?

- A) High employee turnover due to limited growth opportunities and repetitive nature of the work
- B) Short and simple job descriptions
- C) Training programs that focus on basic employee skills
- D) Compensation programs that pay employees a set dollar amount for each item they produce
- E) All of the above

Answer: E

AACSB: Reflective Thinking

Objective: 2.1

10) An organization pursuing a cost leadership strategy would most likely have all of the following items in place EXCEPT:

- A) specific job descriptions that clearly and concisely explain job expectations.
- B) recruitment program which attracts candidates with entry level skills.
- C) an extensive training program to teach employees every detail of the job to ensure a quality product.
- D) an employee evaluation program which rewards employees for achieving productivity goals or meeting safety standards.
- E) a compensation program which pays employees for each product completed during their shift.

Answer: C

AACSB: Analytic Skills

Objective: 2.1

11) A human resources department can support an organization that is pursuing a differentiation strategy but doing all of the following EXCEPT:

- A) Training employees about the importance of producing a quality product.
- B) Creating a compensation system that rewards employees who make no or few errors.
- C) Implement employee retention programs that keep good employees happy.
- D) Design jobs that require entry level skill so that cheaper labor can be recruited.
- E) Recruit employees who have a proven record for innovation and creativity.

Answer: D

AACSB: Analytic Skills

Objective: 2.1

12) Sara operates her own beauty salon. Her prices are relatively high compared to other salons in her area and she and her staff specialize in color treatments and hair highlighting services. All of the following could describe Sara's salon EXCEPT:

- A) employees are paid based on how many clients they serve each day.
- B) her staff attends training in New York City to stay up to date with the latest hair trends.
- C) staff work together as a team to design new color treatments and options for clients.
- D) recruiting new staff involves selecting the top performers from area beauty schools.
- E) Sara provides bonuses at year end to those employees who design new services which have been popular with the clients.

Answer: A

AACSB: Analytic Skills

Objective: 2.1

13) Which of the following statements most accurately describes a small business?

- A) They typically have an HR departments to help support functions related to managing employees.
- B) Since they have a smaller number of staff they are able to pay more competitive wages.
- C) Small businesses make up the largest portion of the U.S. economy.
- D) One employee's performance has a small impact on the business as a whole.
- E) The required employee competencies are the same as those for someone working for a large company.

Answer: C

AACSB: Reflective Thinking

Objective: 2.2

14) Companies which are at a later stage of development are similar to large companies in that:

- A) they have more resources available for handling employee management issues.
- B) one employee's errors can cause a huge impact on productivity.
- C) they are challenged with recruiting and selecting employees who can grow the company.
- D) policies and procedures are very informal and always evolving.
- E) customer retention and expanding into new markets are not a concern.

Answer: A

AACSB: Analytic Skills

Objective: 2.2

15) As time passes and a company moves along its organization life cycle, which of the following may be an accurate statement about the company?

- A) Rules become more formalized.
- B) There is a strong entrepreneurial spirit among the management staff.
- C) Employee performance must be more closely monitored.
- D) There are less regulatory issues with which to be concerned.
- E) A and C are correct.

Answer: E

AACSB: Reflective Thinking

Objective: 2.2

16) The owner of J & J Car Dealership has always encouraged his sales staff to be competitive and he has always taken a "hands off" approach when managing his employees. The sales staff dresses casually and has very flexible schedules. All of these things describe the company's \_\_\_\_\_

- A) environmental influences.
- B) social responsibility.
- C) labor force trends.
- D) organizational culture.
- E) differentiation strategy.

Answer: D

AACSB: Reflective Thinking

Objective: 2.3

17) Organizational culture is most likely developed and sustained by all of the following EXCEPT:

- A) the founder of the organization.
- B) the history of the organization.
- C) where the company headquarters is located.
- D) the decisions made by management.
- E) how new hires are oriented to the organization.

Answer: C

AACSB: Communication

Objective: 2.3

18) Human resources management and organizational culture are closely linked for all of the following reasons EXCEPT:

- A) human resources determines the type of culture an organization will implement.
- B) human resources orients new employees to the organizations culture.
- C) the type of organizational culture can help or hinder the work of human resources.
- D) human resources helps to select people whose values align with those of the organization.
- E) designing and implementing HR practices is impacted by the type of organizational culture.

Answer: A

AACSB: Analytic Skills

Objective: 2.3

19) Company's strive to have a culture which is aligned with organizational objectives so that employees are willing and able to contribute to the company's success. An example of a situation when culture and goals may not align is:

- A) when changes to the compensation program are implemented.
- B) after the recruitment of a new manager.
- C) during company-wide diversity training.
- D) when new job descriptions are handed out.
- E) right after a merger occurs.

Answer: E

AACSB: Communication

Objective: 2.3

- 20) The organizational demand of employee concerns most closely relates to:
- A) a merger or acquisition and how the organization will create a new organizational culture.
  - B) how employees view their relationship with the organization for which they work.
  - C) employee involvement in deciding the strategy their organization will pursue.
  - D) the changing labor force trends and how the organization will be impacted by them.
  - E) whether an organization pursues a global strategy and its impact on the workforce.

Answer: B

AACSB: Communication

Objective: 2.4

- 21) A psychological contract could best be described as:
- A) the attitude the employee has towards their employer.
  - B) the employee's perception of how fairly they are being treated by their employer.
  - C) routine counseling provided to an employee for behavioral issues.
  - D) the employee's expectation as to what the company will provide them in return for their contributions to the company.
  - E) the personality traits that make up an employee and how they impact their work.

Answer: D

AACSB: Ethical Reasoning

Objective: 2.4

- 22) The organization you work for has a policy that employees are promoted from within before external candidates are considered for job openings. This type of policy most directly impacts the:

- A) psychological contract.
- B) organizational culture.
- C) organizational strategy.
- D) labor force trends.
- E) job design.

Answer: A

AACSB: Reflective Thinking

Objective: 2.4

- 23) Work / life balance is becoming more important to employees due to the following reasons EXCEPT:

- A) the majority of women in the workforce have very young families.
- B) the affordability of travel prompts people to request more vacation.
- C) both parents work in the majority of households.
- D) the needs for elder care is only going to increase.
- E) single parents or non-traditional families are more prevalent now than 30 years ago.

Answer: B

AACSB: Multicultural and Diversity

Objective: 2.5

- 24) To help employees achieve work/life balance organizations would most likely consider:
- A) offering on site day care so employees can quickly pick up their children and get home sooner.
  - B) allowing employees to work flexible schedules in order to attend personal appointments and activities.
  - C) providing employee discounts to area car dealers so they can save money on their next purchase.
  - D) both A and B.
  - E) all of the above.

Answer: D

AACSB: Reflective Thinking

Objective: 2.5

25) Mike received an adjustment to his wages today because his supervisor explained that he would be taking on some additional responsibilities since he has demonstrated great effort and commitment to his work. What has just occurred could be labeled as:

- A) interactional justice.
- B) workforce planning.
- C) social responsibility.
- D) distributive justice.
- E) procedural justice.

Answer: D

AACSB: Reflective Thinking

Objective: 2.4

26) When designing an employee bonus program all departments must be considered to ensure that everyone is being treated fairly and consistently. This meets which criteria of procedural justice?

- A) Bias suppression
- B) Representativeness
- C) Correctability
- D) Accuracy
- E) Ethicality

Answer: B

AACSB: Ethical Reasoning

Objective: 2.4

27) When the job offer was made to Amanda, the HR Manager based her starting salary on her having 11 years of experience. After Amanda started her supervisor found out that she really has 17 years of experience which puts her in a higher salary category. To save money, the supervisor never shared this information with the HR Manager, and thereby violated which procedural justice criteria?

- A) Bias suppression
- B) Representativeness
- C) Correctability
- D) Consistency
- E) Accuracy

Answer: C

AACSB: Ethical Reasoning

Objective: 2.4



28) Jose's supervisor often reprimands him in front of his coworkers, does not return his calls or emails when he has a question, and communicates process changes to his coworkers, leaving Jose left out. Jose's supervisor has not demonstrated appropriate:

- A) interactional justice.
- B) procedural justice.
- C) ethical behavior.
- D) distributive justice.
- E) bias suppression.

Answer: A

AACSB: Ethical Reasoning

Objective: 2.4

29) Marla met with her supervisor today to complete her annual performance evaluation. Her supervisor pointed out several areas that she needs to improve upon and also noted that she has failed to complete certain tasks by the required deadlines. In addition, her supervisor used a very reprimanding and demeaning tone towards Marla which was very upsetting to her. Marla felt that the evaluation was unfair based on the fact that she had never been told in the past that there were any concern with her work or that she had not met deadlines. Marla may respond in all of the following ways EXCEPT:

- A) resign from her position.
- B) do the very minimal amount of work necessary to meet her job expectations.
- C) speak up and try to meet again with her supervisor to discuss the evaluation.
- D) keep quiet and not address the issue with her supervisor.
- E) All of the above are correct.

Answer: E

AACSB: Communication

Objective: 2.4

30) A manager can impact how an employee reacts to a perceived injustice most greatly by:

- A) eliminating any type of formal grievance process.
- B) establishing an open and trusting relationship with the employee.
- C) having set office hours so employees know when they are available.
- D) conducting an employee satisfaction survey and following up with staff only if issues are identified.
- E) completing exit interviews with those identified as top performing employees.

Answer: B

AACSB: Communication

Objective: 2.4

31) Considering the latest labor force trends, select the statement which is most likely to be correct.

- A) People are retiring early.
- B) The white and Hispanic workforces are increasing at the same rate.
- C) White males are no longer the largest group in the labor force.
- D) Women will make up almost half of the labor force within the next 10 years.
- E) The average age of the labor force is decreasing.

Answer: D

AACSB: Multicultural and Diversity

Objective: 2.5

32) As an employer you don't want to lose your baby boomer work force due to the amount of knowledge and organizational history they possess. You also want to attract and retain younger workers who have updated skills and fresh perspectives about the work. Which of the following idea(s) may you want to consider?

- A) Consider offering retiree benefits to workers who remain with your organization up to a certain age or number of years of service.
- B) Create a mentor program which matches employees in similar age groups with each other in order to develop employee relationships.
- C) Provide student loan repayment programs for recent graduates.
- D) A and C only.
- E) A and B only.

Answer: D

AACSB: Multicultural and Diversity

Objective: 2.5

33) Ashley's productivity and attention to detail has seemed to be declining over the past few weeks. She recently moved into a new work area which is further down the hall from your office so that she could be closer to her work group. She has worked for you for two years and you have not had any issue like this with her in the past. Which of the following may best describe the situation?

- A) She is spending more time on the Internet for non-work related activities.
- B) She lacks the competency to complete her job tasks as assigned.
- C) She should request to telecommute so she can focus more on her work.
- D) She lacks work/life balance and is distracted by personal matters at work.
- E) None of these are correct.

Answer: A

AACSB: Use of Information Technology

Objective: 2.6

34) Telecommuting can have all of the following impacts EXCEPT:

- A) help employees manage their work and personal lives better.
- B) allow the employer to recruit from a larger pool of applicants.
- C) strains personal relationships in the workplace.
- D) enhances communication between the telecommuter and their supervisor.
- E) decrease employee loyalty to the organization.

Answer: D

AACSB: Use of Information Technology

Objective: 2.6

35) An alliance of independent countries established to create a single market by defining common commercial policy and reducing economic differences is known as:

- A) the Asia Pacific Economic Cooperation.
- B) offshoring.
- C) the European Union.
- D) a domestic strategy.
- E) the North American Free Trade Agreement.

Answer: C

AACSB: Multicultural and Diversity

Objective: 2.7

36) Establishing independent business units in several countries is known as a:

- A) domestic strategy.
- B) multinational strategy.
- C) transnational strategy.
- D) global strategy.
- E) international strategy.

Answer: B

AACSB: Multicultural and Diversity

Objective: 2.7

37) A large soft drink company wants to expand their market to other countries. They don't plan to make any changes to their product or focus on any particular country. This organization could be described as following which strategy?

- A) Domestic
- B) Multinational
- C) Transnational
- D) Global
- E) International

Answer: D

AACSB: Multicultural and Diversity

Objective: 2.7

38) BCD Industries has made arrangements to have the computer components that they manufacture be assembled overseas. This is an example of:

- A) a transnational strategy.
- B) a domestic strategy.
- C) a global strategy.
- D) telecommuting.
- E) offshoring.

Answer: E

AACSB: Multicultural and Diversity

Objective: 2.7

39) Before deciding to move the assembly of its computer components overseas, BCD Industries should have taken all of the following into considerations it relates to managing its employees EXCEPT:

- A) the cost of labor in the U.S compared to the overseas company for this specific type of work.
- B) the amount of unemployment claims it may have if overseas employees have to be downsized.
- C) the skill level of the labor force in the overseas country.
- D) the culture of the overseas country and how it might impact the work ethic of its employees.
- E) the availability of employees to do this type of work in the overseas country.

Answer: B

AACSB: Analytic Skills

Objective: 2.7

40) Which of the following statements is most accurate regarding unemployment?

- A) When there is a large number of workers available in the labor force then the unemployment rate in that job market is high.
- B) When there is a small number of workers available in the labor force then the unemployment rate in that job market is high.
- C) When there is a large number of workers available in the labor force then the unemployment rate in that job market is low.
- D) When the unemployment rate is high it is more difficult to find suitable job candidates.
- E) When the unemployment rate is low it is easier to find suitable job candidates.

Answer: A

AACSB: Analytic Skills

Objective: 2.7

41) If an overseas country's unemployment rate drops what may a U.S company consider doing?

- A) Raising its wages to attract workers to their organization and away from their competitors.
- B) Making no change to wage and benefits offered due to the poor economy.
- C) Pulling out of the overseas country and find a location with a higher unemployment rate.
- D) Adding additional positions to its overseas operation to stimulate the economy.
- E) Both A and C

Answer: E

AACSB: Analytic Skills

Objective: 2.7

42) The degree of inequality among the people of a country is related to which cultural dimension?

- A) Individualism
- B) Power distance
- C) Masculinity
- D) Uncertainty avoidance
- E) Long term orientation

Answer: B

AACSB: Multicultural and Diversity

Objective: 2.7

43) Marcus comes from a culture where personal achievement is very important and is rewarded more so than team accomplishments. Marcus most likely is from which type of culture?

- A) Masculinity
- B) Uncertainty avoidance
- C) Collectivism
- D) Individualism
- E) Long term orientation

Answer: D

AACSB: Multicultural and Diversity

Objective: 2.7

44) Jack's family runs a farmer's market that has been in the family for nearly 75 years. The expectation is that Jack will some day take over managing the family business and keep traditions that have been established regarding quality, customer service and giving back to the community. The culture in which Jack lives most like relates the the cultural dimension of:

- A) short term orientation.
- B) masculinity.
- C) power distance.
- D) collectivism.
- E) individualism.

Answer: A

AACSB: Multicultural and Diversity

Objective: 2.7

45) If your organization has operations in a country which has an individualistic culture you mostly like will want to have in place a:

- A) robust benefits package which can meet a variety of employee needs.
- B) performance evaluation system that recognizes each employees contribution to the organization.
- C) clear and concise employee manual which outlines the organizations expectations specifically.
- D) a program which demonstrates the organizations commitment to its social responsibilities.
- E) bonus program which rewards work teams for meeting monthly quotas.

Answer: B

AACSB: Multicultural and Diversity

Objective: 2.7

46) If your organization has operations in a country which has an uncertainty avoidance culture you mostly like will want to have in place a:

- A) robust benefits package which can meet a variety of employee needs.
- B) performance evaluation system that recognizes each employees contribution to the organization.
- C) clear and concise employee manual which outlines the organizations expectations specifically.
- D) a program which demonstrates the organizations commitment to its social responsibilities.
- E) bonus program which rewards work teams for meeting monthly quotas.

Answer: C

AACSB: Multicultural and Diversity

Objective: 2.7

47) All of the following could be said about ethical behavior towards employer stakeholders EXCEPT:

- A) it is important to be socially responsible in regard to how a company treats the environment.
- B) altering financial documents to increase shareholder wealth helps maintain shareholder loyalty.
- C) using unfair labor practices will impact a company's ability to attract and retain quality staff.
- D) providing training about how to communicate with different cultures helps foster positive customer relationships.
- E) giving a percentage of the proceeds from the sale of a limited time product to a local charity shows a company values more than just profits.

Answer: B

AACSB: Ethical Reasoning

Objective: 2.8

48) As an employer the best way(s) to encourage ethical behavior is/are:

- A) pressure employees to get involved in projects such as Habitat for Humanity.
- B) role model ethical behavior so that employees will mirror it and make good decisions.
- C) allow employees to use company property for personal interests.
- D) share positive information with employees about the organization and keep negative information confidential.
- E) both B and D.

Answer: B

AACSB: Ethical Reasoning

Objective: 2.8

49) If you were to design an ethics training program for your organization it would most likely include all of the following EXCEPT:

- A) share the results of employees' background checks in order to identify those who are most likely to violate the ethics policy.
- B) a message from the CEO voicing support for the ethics program.
- C) specific examples of what to do and what not to do in certain situations when ethical issues arise.
- D) describe how to confidentially report any perceived ethics violation within the organization.
- E) explain who the ethics officer is and what their role involves.

Answer: A

AACSB: Ethical Reasoning

Objective: 2.8

50) Having an organizational code of conduct is important so that the expectations are clear to all employees regarding ethical behavior. Some topic areas which are important to include in a code of conduct are all of the following EXCEPT:

- A) work hours and overtime.
- B) compensation policy.
- C) how to report a suspected ethical issue.
- D) environmental safety rules.
- E) employee dress and grooming rules.

Answer: E

AACSB: Ethical Reasoning

Objective: 2.8

## 2.2 True and False

1) Companies within the same industry share the same types of culture and strategy.

Answer: FALSE

AACSB: Reflective Thinking

Objective: 2.1

2) Offering a unique menu, a specialty drink, or offering to give a customer a free meal on their birthday may be approaches that a restaurant might try to make it stand out from other local restaurants and thereby creating a competitive advantage.

Answer: TRUE

AACSB: Reflective Thinking

Objective: 2.1

3) Both Wal-Mart and Target can be considered the cost leaders in their industry.

Answer: FALSE

AACSB: Reflective Thinking

Objective: 2.1

4) When following a differentiation strategy a company must convince its potential customer that the price of the product or service does not matter.

Answer: TRUE

AACSB: Reflective Thinking

Objective: 2.1

5) Employees who work for an organization that follows a cost leadership strategy generally hold jobs which are simple and clearly defined.

Answer: TRUE

AACSB: Reflective Thinking

Objective: 2.1

6) Small businesses have little impact on the industries they are a part of or on the larger business world and economy as a whole.

Answer: FALSE

AACSB: Reflective Thinking

Objective: 2.2

7) Employees of a small business are often easier to manage due to the lower number of employee issues and the decreased impact that employee performance issues will have on the overall outcomes of the business.

Answer: FALSE

AACSB: Reflective Thinking

Objective: 2.2

8) Companies that are newer to their market are most concerned with retaining customers, while more established companies are more focused on how their business is growing.

Answer: FALSE

AACSB: Reflective Thinking

Objective: 2.2

9) Capturing an organization's culture in writing is not of critical importance, as most culture comes from watching how employees communicate with each other, with their customers, and how their managers provide direction and guidance.

Answer: TRUE

AACSB: Reflective Thinking

Objective: 2.3

10) If an organization has an entrepreneurial type of culture it would value such things as being innovative, creative, and sharing knowledge.

Answer: TRUE

AACSB: Reflective Thinking

Objective: 2.3

11) An employer that ensures their internal transfer process for employees is fair is ensuring that distributive justice is being carried out.

Answer: FALSE

AACSB: Reflective Thinking

Objective: 2.4

12) A manager who types an e mail or answers his phone while another employee is meeting with them in person is not demonstrating interactional justice.

Answer: TRUE

AACSB: Reflective Thinking

Objective: 2.4

13) The "baby boomer" generation has retirement on their mind and companies should find ways to help them exit the organization quickly.

Answer: FALSE

AACSB: Multicultural and Diversity

Objective: 2.5

14) With the number of younger workers entering the work force organizations should have no difficulty with appropriate work force planning since there will be an even larger supply from which to pick.

Answer: FALSE

AACSB: Multicultural and Diversity

Objective: 2.5

15) Providing diversity training in the years to come will be key to helping companies teach employees how to learn from and appreciate the different perspectives throughout the work force.

Answer: TRUE

AACSB: Multicultural and Diversity

Objective: 2.5

16) Using text messaging to communicate with field sales representatives demonstrates one way in which technology has impacted how communication occurs within an organization.

Answer: TRUE

AACSB: Use of Information Technology

Objective: 2.6

17) Telecommuting is a way to help employees establish close and lasting relationships with coworkers and make them feel connected to the organization.

Answer: FALSE

AACSB: Use of Information Technology

Objective: 2.6

18) NAFTA was enacted to help remove trade barriers between the European Union and the United States.

Answer: FALSE

AACSB: Multicultural and Diversity

Objective: 2.7



19) A large pharmacy chain that only has stores within the United States could be said to be following a domestic strategy in regard to the type of market it has chosen to serve.

Answer: FALSE

AACSB: Multicultural and Diversity

Objective: 2.7

20) Many companies ship their work overseas to countries like Taiwan because people in that country are known to be more productive and efficient in their work, thereby saving the company money.

Answer: FALSE

AACSB: Multicultural and Diversity

Objective: 2.7

21) You are working overseas for your company and have asked an employee to complete a certain task but did not provide them with specific instructions. The employee now seems anxious and tense and has been asking you questions all day about how to proceed. You are probably in an individualistic culture.

Answer: FALSE

AACSB: Multicultural and Diversity

Objective: 2.7

22) A society that values things such as solidarity, quality of life and service would be described as a masculine society.

Answer: FALSE

AACSB: Multicultural and Diversity

Objective: 2.7

23) You strictly enforce with employees that they must follow the "chain of command" when they have a question or issue that needs to be addressed. You are most likely in a high power distance culture.

Answer: TRUE

AACSB: Multicultural and Diversity

Objective: 2.7

24) If your supervisor asks you to fix some numbers on a financial report so that the results appear more favorable they have asked you to act in a socially irresponsible manner.

Answer: FALSE

AACSB: Ethical Reasoning

Objective: 2.8

25) Since ethics and social responsibility are more internal to an organization they have limited impact on the bottom line and reputation of an organization.

Answer: FALSE

AACSB: Ethical Reasoning

Objective: 2.8

## 2.3 Short Answer

1) HR activities are established to help companies handle \_\_\_\_\_ demands, \_\_\_\_\_ influences, and \_\_\_\_\_ issues.

Answer: organizational; environmental; regulatory

AACSB: Reflective Thinking

Objective: 2.1

2) Factors within an organization that influence how employees are managed are known as organizational \_\_\_\_\_.

Answer: demands

AACSB: Reflective Thinking

Objective: 2.2

3) An organization that focuses on designing the most efficient processes and rewards employees for identifying cost savings ideas is pursuing a \_\_\_\_\_ strategy.

Answer: cost leadership

AACSB: Reflective Thinking

Objective: 2.1

4) Thinking long term by focusing on ways to develop employees and encourage creativity are characteristics of a company pursuing a \_\_\_\_\_ strategy.

Answer: differentiation

AACSB: Reflective Thinking

Objective: 2.1

5) Jones & Sons accounting firm has been in business since 1964 and employees a staff of 12. This information about Jones & Sons is describing its \_\_\_\_\_.

Answer: company characteristics

AACSB: Reflective Thinking

Objective: 2.2

6) The fact that the company's founder grew up working on his family farm and having a strong work ethic was instilled in him from when he was very young, will have a dramatic impact on his company's \_\_\_\_\_ and he will have the same expectation of his employees.

Answer: culture.

AACSB: Ethical Reasoning

Objective: 2.3

7) Feeling as though you owe something to the organization you work for and that the organization should in turn owe you something creates a \_\_\_\_\_ between you and your employer.

Answer: psychological contract

AACSB: Reflective Thinking

Objective: 2.4

8) A single mother of two teenage boys who are actively involved in after-school activities is looking for a job that can offer \_\_\_\_\_ so that she can juggle her busy schedule effectively.

Answer: work/life balance

AACSB: Multicultural and Diversity

Objective: 2.4

9) \_\_\_\_\_ justice is achieved by offering a fair compensation and benefits package, while \_\_\_\_\_ justice is achieved through consistently and fairly carrying employee disciplinary and evaluation processes.

Answer: Distributive; procedural

AACSB: Reflective Thinking

Objective: 2.4

10) The number and type of individuals available to work is known as the \_\_\_\_\_ and as we approach the year 2016 there will be less growth in the \_\_\_\_\_ workforce as opposed to the \_\_\_\_\_ workforce.

Answer: labor force; younger; aging or older

AACSB: Multicultural and Diversity

Objective: 2.5

11) \_\_\_\_\_ and \_\_\_\_\_ are the fastest growing groups in the labor force, with the number of \_\_\_\_\_ in the labor force is expected to grow by about 9% by 2016.

Answer: Hispanics; Asians; women

AACSB: Multicultural and Diversity

Objective: 2.5

12) Many companies turning to computer-based training to help employees learn job skills demonstrates the impact that \_\_\_\_\_ has had on the methods used to educate employees.

Answer: technology

AACSB: Use of Information Technology

Objective: 2.6

13) \_\_\_\_\_ is one possible method for companies to use technology to expand their pool of qualified applicants for "hard to fill" positions.

Answer: Telecommuting

AACSB: Use of Information Technology

Objective: 2.6

14) A company who establishes independent business units in several countries in order to meet the needs of the local country is pursuing a \_\_\_\_\_ strategy, whereas a company who is not concern with local preferences but focuses more on offering standardized products across several markets is pursuing a \_\_\_\_\_ strategy.

Answer: multinational; global

AACSB: Multicultural and Diversity

Objective: 2.7

15) In addition to employees, shareholders, the community and the environment the remaining stakeholders an organization should be concerned with when establishing standards related to ethics and social responsibility are \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

Answer: governance; diversity; human rights; product

AACSB: Ethical Reasoning

Objective: 2.8

## 2.4 Essay

1) Bethany's Boutique, a small women's clothing boutique, sells only top quality, expensive women's apparel and accessories and offers a personal shopper service to customers. This store is located downtown in a large city. Bonnie's Bargain Barn, a large women's clothing store located in a strip mall in a rural area outside of the same city, sells only deep discounted women's apparel and accessories. Identify and define which strategy each store is using. Describe, using examples, how each of their primary HR activities may be different based on the strategy they are using.

Answer: Bethany's is using differentiation strategy. HR activities used may involve enhancing employee competency by offering detailed training on customer service and how to be an effective personal shopper. Work design and workforce planning would involve recruiting a professional sales staff that can offer a top class shopping experience. Managing employee attitudes and behavior may involve creating a performance management system that rewards employees for excellent customer service and sales incentives.

Bonnie's is using cost leadership strategy. HR activities may involve enhancing employee competency related to handling difficult customers and understand the layout and products they sell so they can direct customers around the store. Work design and workforce planning would involve recruiting to appropriately staff the many departments of a large store and determining how many part time or full time staff needed. Managing employee attitudes and behaviors would may involve creating a compensation plan that involved a set hourly rate, as commission would not be appropriate. It could also include a performance management system that rewards the employee's ability to manage large crowds of customers and ringing up customer sales quickly and accurately. Rewarding employees for submitting cost savings ideas would also be appropriate.

AACSB: Analytic Skills

Objective: 2.1

2) If an organization is pursuing a strategy of differentiation, is relatively large, is growing rapidly and has a relatively formal and conservative culture, what type of approach might it most likely be taking in regard to how it designs and implements its HR practices. Give examples of at least three HR practices and how they would be impacted.

Answer: Recruitment would be carried out in a very traditional way using employment advertisements, perhaps recruiters, and networking. The interview process would be very structured and candidates would be expected to be very professional and polished. Compensation would probably be ahead of what competitors pay in order for them to attract top candidates to carry out the differentiation strategy. Pay would reward individual and team accomplishments and long term results. HR policies related to employee behaviors would be defined in detail and expected to be carried out in a very formal and authoritative way.

AACSB: Analytic Skills

Objective: 2.1

3) You have operated your 20 employee cleaning service for almost four years. Your company cleans not only private homes but small business offices as well. You run the company out of an office you have established in the basement of your home, but you are starting to run out of room to store business records, cleaning supplies and equipment and also hold meetings with your staff. Based on the characteristics of your company, describe three challenges you may currently or soon face with regard to managing your employees and a suggestion for addressing it.

Answer: When an employee calls off work it may be difficult to find someone to cover their assignments so you may either have to substitute yourself or the work may be delayed, upsetting the customer. A solution may be to have an arrangement with a local temp agency to provide fill in workers for you. You may not have the resources to provide the best wages or benefits to your employees and may need to find other ways to reward and recognize staff. A suggestion may be to allow the employees to leave early on days that they complete their work ahead of schedule or offer to provide lunch for staff meetings or other small but meaningful acknowledgements. Due to limited resources you may not be able to afford employment advertisements like your competitors, which will require you to become more creative in how you recruit staff. You may need to make your own fliers to post at local job centers, grocery stores, etc. or ask current customers to set out to distribute your business cards to market your services.

AACSB: Reflective Thinking

Objective: 2.2

4) Describe three things which help to create an organization's culture? Once defined, what types of things are impacted by an organization's culture?

Answer: The values and beliefs of the organization's founder and decisions made in the early stages of development, the history of the company and any challenges faced along the way, and the actions of the management team all create an organization's culture. Things such as rules, written and unwritten, communication methods and styles, customer service philosophy, HR practices, creativity, innovation, competitiveness, team orientation and more are all impacted by the organization's culture.

AACSB: Communication

Objective: 2.3

5) Briefly describe the organizational culture of a company you have worked for or know well (i.e., perhaps the employer of a friend or family member). How did the culture impact employees and the work being done?

Answer: Answer should include such things as references to values and beliefs of the organization, how they were established, how they were transferred to the employees, how work was affected, and whether it was viewed as a positive or negative culture.

AACSB: Reflective Thinking

Objective: 2.3

6) What is meant by the term work/life balance? Describe four examples of what an organization can do to create this for its employees.

Answer: Work/life balance is an employee's ability to balance the demands of work and the demands of their personal life. Some things an organization could offer to assist employees with this concern are offer flexible scheduling options, provide on site day care or discounted day care options, provide employee discount programs for local restaurants, attractions, family activities, etc., offer employee benefit programs that focus on families, offer elder care options or time off for elder care, provide personal leaves of absence for employees to attend to family or personal matters, offer a fair vacation or time off policy, etc.

AACSB: Reflective Thinking

Objective: 2.4

7) You are an HR Manager in charge of preparing your organization for impact of labor force trends. Given what you learned in this chapter about how labor force trends will impact employers describe four ideas will you be presenting to your VP of HR to address the impact of these trends.

Answer: Offer Spanish and English course for your employees to enable them to better communicate with each other. Offer a phased out retirement plan in order to retain the highly qualified older work force longer. Provide training to the older workforce on the latest technology and job skills so they keep current with their profession. Develop a mentor program where older workers mentor and train the younger workers. Provide diversity training to all staff so that everyone is accepting of the variety of cultures and ethnicities that will make up your work force.

AACSB: Multicultural and Diversity

Objective: 2.5

8) Describe three ways in which technology has impacted HR practices.

Answer: Many business transactions are now completed on line therefore employee's must be computer literate in order to remain productive and provide appropriate customer service. Abuse or misuse of the Internet at work impacts employees behaviors and attitudes thereby creating employee disciplinary issues. Employee work relationships and communication may be strained or not as personal due to the reliance on email, teleconferencing, videoconferencing etc. Telecommuting employees may cause resentment from non-telecommuters but may also enhance work/life balance an employee satisfaction for those that conduct work this way.

AACSB: Use of Information Technology

Objective: 2.6

9) Identify the two factors that impact operating in a global environment. Describe two basic challenges an organization faces regarding each factor.

Answer: Economic Considerations: Compensation will differ based on the country an organization operates in, even if employees are performing the same job in the organization's home country.

Recruitment and selection of employees will differ based on the available work force in each country and the skill level of that workforce. Cultural differences: How men and women are viewed in the workplace and whether they are able to hold positions of authority and power will impact how employees are managed. How much structure and rules are valued by certain countries, will impact how work is accomplished and whether employees are willing to abide by the rules set forth.

AACSB: Multicultural and Diversity

Objective: 2.7

10) Describe five steps an organization can take to support ethical behavior by its employees. What impact can these steps have on the organization as a whole?

Answer: Appoint an ethics officer. Monitor the organization's culture as it relates to its values and ethics., provide employees with training about the companies values and ethics standards, complete background checks on new employees, and communicate with employees on-going about appropriate ethical behavior via employee newsletters, staff meetings, etc. An organization which follows these steps and promotes ethical behavior can see benefits such as low employee turnover, employee and customer satisfaction, increased profits, and decreased amount of employee behavioral issues.

AACSB: Ethical Reasoning

Objective: 2.8