

TEST BANK



Human Resource Management Canada

Gaining a Competitive Advantage |

Search | 1st Edition

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Student: _____

1. _____ is the skillful employment and coordination of tactics.
 - A. Strategy
 - B. HRM
 - C. Business model
 - D. Structure
2. What is the name of the process that manages the pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole?
 - A. Long-range planning
 - B. Strategy implementation
 - C. Management by objectives
 - D. Strategic management
3. When an organization develops integrated manufacturing systems such as advanced manufacturing technology and just-in-time inventory control, then one of the responsibilities of SHRM is to:
 - A. assess the skills required to run these systems.
 - B. ensure the availability of the physical resources (plant, equipment, and technology) required to implement these systems.
 - C. test the applicability of these systems.
 - D. document the use of these systems within the organization.
4. _____ can be thought of as the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals.
 - A. HRM
 - B. Strategy implementation
 - C. Strategic HRM
 - D. Strategy formulation
5. Company X is a retail firm specializing in menswear. It has identified its main competitors as firms providing formal attire to working males between the ages of 22-35. Company X is at the _____ phase.
 - A. strategy implementation
 - B. strategy formulation
 - C. strategic management
 - D. strategic planning
6. Strategy formulation involves all but one of the following. Name the exception.
 - A. Defining the firm's mission and goals
 - B. Assessing the firm's external opportunities and threats
 - C. Defining the firm's organizational structure
 - D. Generating various strategic alternatives
7. The process that involves allocating resources, developing structures, hiring skilled employees, and developing appropriate reward systems is known as:
 - A. strategy formulation.
 - B. strategy implementation.
 - C. strategic planning.
 - D. strategic management.

8. All of the following are strategy decisions about competition EXCEPT:
 - A. How long to compete?
 - B. Where to compete?
 - C. How to compete?
 - D. With what to compete?

9. Strategic decision makers often pay less attention to the _____ issue, resulting in poor strategic decisions.
 - A. "when to compete"
 - B. "where to compete"
 - C. "how to compete"
 - D. "with what will we compete"

10. In an organization, a strategic planning group consists of all but one of the following. Name the exception.
 - A. Chief executive officer
 - B. Presidents
 - C. Regional business head
 - D. Chief financial officer

11. _____ levels of integration seem to exist between the HRM function and the strategic management function.
 - A. Two
 - B. Four
 - C. Five
 - D. Three

12. Which is the lowest level of integration between the HRM function and the strategic management function?
 - A. Administrative linkage
 - B. Two-way linkage
 - C. Integrative linkage
 - D. Executive linkage

13. At which level of integration is HR's attention and time focused solely on day-to-day activities?
 - A. Administrative linkage
 - B. One-way linkage
 - C. Two-way linkage
 - D. Integrative linkage

14. At which level of integration is the HR department simply engaged in regulatory work that is unrelated to the company's core business needs?
 - A. Administrative linkage
 - B. One-way linkage
 - C. Two-way linkage
 - D. Integrative linkage

15. Which of the following often leads to strategic plans that the company cannot successfully implement?
 - A. Congruent linkage
 - B. Integrative linkage
 - C. Two-way linkage
 - D. One-way linkage

16. Which of the following is NOT a step in two-way linkage?
- A. The strategic planning team informs the HRM function of the various strategies the company is considering.
 - B HRM executives analyze the HR implications of the various strategies, presenting the results of this analysis to the strategic planning team.
 - C After a strategic planning decision has been made, the strategic plan is passed on to the HRM executive, who develops programs to implement it.
 - D. Top management makes decisions about strategies without input from functional managers.
17. Integrative linkage is:
- A. dynamic, multifaceted, and based on continuing rather than sequential interaction.
 - B. dynamic, multifaceted, and based on sequential rather than continuing interaction.
 - C. simple, based on a single rather than continuing interaction.
 - D. simple, based on a continuing rather than single interaction.
18. In which level of integration are the strategic planning function and the HRM function interdependent?
- A. Administrative linkage
 - B. One-way linkage
 - C. Two-way linkage
 - D. Integrative linkage
19. The first component in the strategy formulation process is:
- A. establishment of corporate goals.
 - B. formulation of a statement of mission.
 - C. completion of an external analysis.
 - D. strategic choice.
20. The _____ is a statement of the organization's reason for being that usually specifies the customers served, the needs satisfied and or the values received by the customers, and the technology used.
- A. goal
 - B. mission
 - C. strategy
 - D. vision
21. An organization's _____ is what it hopes to achieve in the medium-to long-term future.
- A. goal
 - B. mission
 - C. strategy
 - D. vision
22. _____ consists of examining the organization's operating environment to identify the strategic opportunities and threats.
- A. Strategic formulation
 - B. Internal analysis
 - C. External analysis
 - D. Strategic choice
23. _____ attempts to identify the organization's strengths and weaknesses.
- A. Strategic formulation
 - B. Internal analysis
 - C. External analysis
 - D. Strategic choice
24. The purpose of the SWOT analysis is to:
- A. choose the best strategy.
 - B. consider the downside of each strategic alternative.
 - C. generate a large number of strategic alternatives.
 - D. realign HR practices.

25. The last step in the strategy formulation is:
- A. establishment of corporate goals.
 - B. formulation of a statement of mission.
 - C. completion of an internal and external analysis.
 - D. strategic choice.
26. HRM is primarily responsible for three of the following variables in the strategy implementation process. Identify the exception.
- A. Selection, training, and development of people
 - B. Task design
 - C. Reward systems
 - D. Customer awareness
27. Which of the following statements is TRUE regarding strategy implementation?
- A. HR has an influence over all the variables involved in the strategy implementation process.
 - B. HR is seldom involved in strategy implementation activities.
 - C. HR has primary responsibility for all five of the major components to strategy implementation.
 - D. HR practices are completely independent from strategy implementation.
28. High-tech firms in the growth stage tend to use compensation systems that:
- A. are highly geared toward benefits.
 - B. devote a lower percentage of total pay to incentives.
 - C. are highly geared toward incentive pay.
 - D. devote equal percentages to pay and benefits.
29. Which type of companies tend to use compensation systems devoting a lower percentage of total pay to incentives and a high percentage to benefits?
- A. Growing companies
 - B. Mature companies
 - C. Startup companies
 - D. Acquired companies
30. Company X wants to become the lowest cost producer in the industry. What should it do?
- A. Construct efficient large-scale facilities.
 - B. Create a product that is different from others available in the market.
 - C. Invest heavily in branding their product.
 - D. Reduce expenditure on production facilities.
31. Apple computers come with their own proprietary operating systems. What kind of a strategy is this?
- A. Overall cost leadership
 - B. Differentiation
 - C. Reactor
 - D. Prospector
32. What type of strategy is used by a firm that specifically defines required skills and seeks efficiency through worker participation?
- A. Cost
 - B. Differentiation
 - C. Focus
 - D. Analyzer
33. IBM has consistently emphasized its brand image and its reputation for superior service while charging a higher price for its computers. This is an example of which one of Porter's generic strategies?
- A. Overall cost leadership
 - B. Differentiation
 - C. Focus
 - D. Prospectors

34. A company engaged in a differentiation strategy is likely to focus on all but one of the following. Name the exception.
- A. Encourage creativity through broadly defined jobs with general job descriptions.
 - B. Engage in limited socialization of newcomers.
 - C. Promote internally, with internally consistent pay systems.
 - D. Develop results-based performance management systems.
35. Employees in companies with a differentiation strategy would need to be:
- A. highly concerned with quantity.
 - B. comfortable with stability.
 - C. highly creative and cooperative.
 - D. risk averse.
36. Company X develops results-based performance management systems and conducts divisional-corporate performance evaluations to encourage risk taking on the part of managers. Which strategy is this company following?
- A. Cost
 - B. External growth
 - C. Directional
 - D. Differentiation
37. What type of strategy is used by a firm that focuses on what it does best within established markets?
- A. Concentration
 - B. Internal growth
 - C. External growth
 - D. Divestment
38. Which one of the following is NOT an internal growth strategy?
- A. Vertical integration
 - B. Market development
 - C. Joint venture
 - D. Innovation
39. Firms that seek to scale down their operations are following a(n):
- A. concentration strategy.
 - B. internal growth strategy.
 - C. external growth strategy.
 - D. divestment strategy.
40. Company Z's appraisals tend to be more behavioural because the company environment is more certain and the behaviours necessary for effective performance are established. Which strategy is this company following?
- A. Concentration strategy
 - B. Internal growth strategy
 - C. External growth strategy
 - D. Divestment strategy
41. For companies following a(n) _____ strategy, joint ventures require extensive training in conflict resolution techniques because of the problems associated with combining people from two distinct organizational cultures.
- A. concentration
 - B. internal growth
 - C. external growth
 - D. divestment

42. The most prevalent HR problem for firms facing external growth strategies is:
- A. hiring the right people.
 - B. standardizing practices across the organization.
 - C. finding the right companies to purchase.
 - D. determining the fair-market price of acquisitions.
43. Some companies now heavily weigh a firm's _____ before embarking on a merger or acquisition.
- A. operational efficiency
 - B. human capital
 - C. culture
 - D. infrastructure
44. _____ strategies are the result of the rational decision-making process used by top managers as they develop a strategic plan.
- A. Emergent
 - B. Intended
 - C. Divergent
 - D. Accidental
45. Most strategies that companies espouse are:
- A. concentration strategies.
 - B. directional strategies.
 - C. emergent strategies.
 - D. intended strategies.
46. Which of the following strategies evolves from the grassroots of an organization and can be thought of as what organizations actually do?
- A. Concentration
 - B. Directional
 - C. Emergent
 - D. Intended
47. Which of the following is essential if a company is to take advantage of emergent strategies?
- A. A formal organizational structure
 - B. A weak corporate culture
 - C. An externally-based compensation system
 - D. An effective communications system
48. Most _____ strategies are identified by those lower in the organizational hierarchy, where it is often the rank-and-file employees who provide ideas for new markets, new products, and new strategies.
- A. concentration
 - B. directional
 - C. emergent
 - D. intended
49. In which type of an organization do employees expand their capacity to achieve the results that they desire?
- A. Diversified organizations
 - B. Emergent organizations
 - C. Learning organizations
 - D. Strategic organizations
50. A recent trend in HR that is consistent with a total quality management philosophy emphasizes
- A. efficiency in delivering programs.
 - B. cost reduction of HR functions.
 - C. functional approaches in delivering HR programs.
 - D. a customer-oriented approach in delivering HR programs.

51. The first step to a customer orientation is
- identifying customers.
 - identifying the needs of customers.
 - developing technologies that serve customers.
 - creating strategies that serve customers.
52. This meets the needs of both the line managers and employees by giving employees opportunities to ensure that they increase their human capital.
- Selection systems
 - Training and development systems
 - Performance management systems
 - Reward systems
53. Increasing immigrant population is one of the functions of this stage in HR strategy process.
- Identifying people issues
 - Scanning the external environment
 - Developing the HR strategy
 - Identifying strategic business issues
54. Which of the following statements pertains to the audit approach?
- Key indicators and customer satisfaction measures are important in this approach.
 - This approach deals with the determination of the impact of the dollar value.
 - It involves the use of statistics and finance and hence it is more demanding.
 - It uses utility analysis to estimate the financial impact of the employee behaviour.
55. Evaluation helps determine whether the HRM function is meeting its objectives and effectively using its budget. This refers to
- auditing.
 - providing accountability.
 - marketing the function.
 - employee selection.
56. The audit approach for evaluating the effectiveness of HR practices focuses on
- determining whether the HR program practice has the intended effect.
 - estimating the financial costs and benefits resulting from an HR practice.
 - reviewing the various outcomes of the HR functional area.
 - determining the dollar value of a program.
57. The _____ approach focuses on either: (1) determining whether the introduction of a program or practice has the intended effect, or (2) estimating the financial costs and benefits resulting from an HRM practice.
- wellness
 - audit
 - cost-benefit
 - analytic
58. Which is not one of the three divisions?
- Field generalists
 - The center for outsourcing
 - Centers for expertise
 - The service center
59. _____ involves contracting with an outside vendor to provide a product or service to a firm, as opposed to producing the product using employees within the firm.
- Offshoring
 - Importing human capital
 - Outsourcing
 - Transferring human capital

60. A review of critical work processes and the redesign to make them more efficient and able to deliver higher quality is called
- reengineering.
 - benchmarking.
 - total quality management.
 - expert work systems.
61. Which of the following is the correct order of the reengineering process?
- Identify, Understand, Redesign, Implement.
 - Identify, Implement, Understand, Redesign.
 - Understand, Identify, Implement, Redesign.
 - Understand, Redesign, Identify, Implement.
62. Identify the role of a strategic advisor from the following.
- Sharing the people expertise as part of the decision-making process.
 - Helping the executive team see the importance of talent.
 - Identifying present and future talent gaps, and coming to own the talent agenda.
 - Meeting with direct reports to provide guidance and check on progress.
63. This role deals with identifying the morale or motivational issues with the employees.
- Leader of the HR function
 - Representative of the firm
 - Strategic advisor
 - Workforce sensor
64. Jeff works as an HR generalist for an IT firm. Along with his other responsibilities he has been entrusted with additional responsibilities which include performance and behavioural counseling. Which of the following roles would best describe Jeff?
- Liaison to the board
 - Talent architect
 - Counsellor Confidante Coach
 - Strategic advisor
65. Melissa is an HR manager. She has been recently promoted. Some of the activities her new role entails are engaging with the board of directors, performance of other members of the executive team, CEO succession. What is the Melissa's new role?
- Representative of the firm
 - Liaison to the board
 - Leader of the HR function
 - Strategic advisor
66. The goal of strategic management in an organization is to deploy and allocate resources in a way that provides the company with a competitive advantage.
True False
67. Strategic management is more than a collection of strategic types. It is a process to increase the likelihood of achieving a company's goals.
True False
68. The strategic management process includes two distinct yet interdependent phases: strategy formulation and strategy implementation.
True False
69. Strategic decision makers often pay less attention to the "how to compete" issue, which results in poor strategic decisions.
True False

70. Although one-way linkage does recognize the importance of human resources in implementing the strategic plan, it precludes the company from considering human resource issues while formulating the strategic plan.
True False
71. Untapped labour pools are an example of a strategic opportunity in an organization's operating environment.
True False
72. The responsibility of keeping tabs on the external environment for human resource-related opportunities and threats rests with the top management.
True False
73. Strategic choice is the way an organization attempts to fulfill its mission and achieve its long-term goals.
True False
74. Research has indicated that a majority of companies have fully integrated HRM into the strategy formulation process.
True False
75. A company's strategy will have a direct impact upon the firm's recruitment efforts, but only an indirect impact on its selection procedures and the types of employees selected.
True False
76. The down side of providing a high level of pay and benefits is that it can lead to employee complacency.
True False
77. By tying pay to performance, a company can elicit specific activities and levels of performance from employees.
True False
78. According to research, HRM practices and employee performance are positively related.
True False
79. Increasing the use of HRM practices will automatically result in increased profitability.
True False
80. Jobholder actions are behaviours required of an individual in his her role as a job holder in a social work environment.
True False
81. Concentration strategies traditionally include vertical and horizontal integration.
True False
82. Research indicates that downsizing has been largely successful in achieving goals of increased productivity and profitability.
True False
83. The basic process of building HR strategy starts with scanning the internal environment.
True False
84. The audit approach to evaluating HR effectiveness focuses on reviewing the various outcomes of the HR functional areas.
True False
85. The analytic approach to evaluating HR effectiveness focuses exclusively on estimating the financial costs and benefits resulting from HR practice.
True False

86. Fewer HR activities are being outsourced today than in past years.
True False
87. Outsourcing is usually done for one of two reasons: To provide the service more cheaply than it would cost to do it internally, or to limit competition.
True False
88. Reengineering involves incremental, on going changes and redesign to make work processes more cost efficient.
True False
89. The role of a strategic advisor entails sharing the people expertise as part of the decision-making process, as well as shaping how the human capital of the firm fits into its strategy.
True False
90. Activities focused on identifying workforce morale issues or concerns pertain to the leader of the HR function.
True False
91. Discuss four ways an HR department can ensure involvement with a firm's strategic management process.
92. List the three decisions about competition and explain each. Of these three which do decision makers often pay the least attention to and what is the result.
93. List the four levels of integration that can exist between the HR function and the strategic management functions.
94. Discuss the three steps in a two-way linkage between the HR function and the strategic management functions.

101. Discuss how outsourcing is being used to increase the effectiveness of HR.

102. Discuss what occurs at each of the four steps in the reengineering process.

103. List the roles of a chief human resource officer (CHRO).

02 Key

1. _____ is the skillful employment and coordination of tactics.

- (p. 43)
- A.** Strategy
 - B. HRM
 - C. Business model
 - D. Structure

In fact one defines strategy as the "skillful employment and coordination of tactics" and as "artful planning and management."

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-01
Noe - Chapter 02 #1
Topic: What is Strategic Management?*

2. What is the name of the process that manages the pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole?

- (p. 43)
- A. Long-range planning
 - B. Strategy implementation
 - C. Management by objectives
 - D.** Strategic management

Strategic management is a process, an approach to addressing the competitive challenges an organization faces.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-01
Noe - Chapter 02 #2
Topic: What is Strategic Management?*

3. When an organization develops integrated manufacturing systems such as advanced manufacturing technology and just-in-time inventory control, then one of the responsibilities of SHRM is to:

- (p. 44)
- A.** assess the skills required to run these systems.
 - B. ensure the availability of the physical resources (plant, equipment, and technology) required to implement these systems.
 - C. test the applicability of these systems.
 - D. document the use of these systems within the organization.

Strategic human resource management (SHRM) can be thought of as "the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals."

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-01
Noe - Chapter 02 #3
Topic: What is Strategic Management?*

4. _____ can be thought of as the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals.
- (p. 43)
- A. HRM
 - B. Strategy implementation
 - C. Strategic HRM**
 - D. Strategy formulation

An example of SHRM is when firms develop integrated manufacturing systems such as advanced manufacturing technology, just-in-time inventory control, and TQM in an effort to increase their competitive position.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-01
Noe - Chapter 02 #4*

Topic: What is Strategic Management?

5. Company X is a retail firm specializing in menswear. It has identified its main competitors as firms providing formal attire to working males between the ages of 22-35. Company X is at the _____ phase.
- (p. 44)
- A. strategy implementation
 - B. strategy formulation**
 - C. strategic management
 - D. strategic planning

Strategy formulation is the process of deciding on a strategic direction by defining a company's mission and goals, its external opportunities and threats, and its internal strengths and weaknesses.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-02
Noe - Chapter 02 #5*

Topic: Components of the Strategic Management Process

6. Strategy formulation involves all but one of the following. Name the exception.
- (p. 44)
- A. Defining the firm's mission and goals
 - B. Assessing the firm's external opportunities and threats
 - C. Defining the firm's organizational structure**
 - D. Generating various strategic alternatives

The task of defining the firm's organizational structure is an aspect of strategy implementation process.

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-02
Noe - Chapter 02 #6*

Topic: Components of the Strategic Management Process

7. The process that involves allocating resources, developing structures, hiring skilled employees, and developing appropriate reward systems is known as:
- (p. 44)
- A. strategy formulation.
 - B.** strategy implementation.
 - C. strategic planning.
 - D. strategic management.

Strategy implementation is the process of devising structures and allocating resources to enact the strategy a company has chosen.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-02
Noe - Chapter 02 #7*

Topic: Components of the Strategic Management Process

8. All of the following are strategy decisions about competition EXCEPT:
- (p. 44)
- A.** How long to compete?
 - B. Where to compete?
 - C. How to compete?
 - D. With what to compete?

The strategy decisions consist of addressing the issues of where to compete, how to compete, and with what to compete to achieve the firm's missions and goals.

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-02
Noe - Chapter 02 #8*

Topic: Linkage Between HRM and the Strategic Management Process

9. Strategic decision makers often pay less attention to the _____ issue, resulting in poor strategic decisions.
- (p. 44)
- A. "when to compete"
 - B. "where to compete"
 - C. "how to compete"
 - D.** "with what will we compete"

When firms make decisions without fully understanding what resources would be needed to compete in a particular market, they end up making poor strategic decisions.

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-02
Noe - Chapter 02 #9*

Topic: Linkage Between HRM and the Strategic Management Process

10. In an organization, a strategic planning group consists of all but one of the following. Name the exception.
(p. 78)
- A. Chief executive officer
 - B. Presidents
 - C. Regional business head**
 - D. Chief financial officer

A firm's strategic management decision-making process usually takes place at its top levels, with a strategic planning group consisting of the chief executive officer, the chief financial officer, the president, and various vice presidents.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #10*

Topic: Role of HRM in Strategy Formulation

11. _____ levels of integration seem to exist between the HRM function and the strategic management function.
(p. 47)
- A. Two
 - B. Four**
 - C. Five
 - D. Three

The four levels of integration are: administrative linkage, one-way linkage, two-way linkage, and integrative linkage.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #11*

Topic: Role of HRM in Strategy Formulation

12. Which is the lowest level of integration between the HRM function and the strategic management function?
(p. 48)
- A. Administrative linkage**
 - B. Two-way linkage
 - C. Integrative linkage
 - D. Executive linkage

In administrative linkage the HRM function's attention is focused on day-to-day activities and is completely divorced from any component of the strategic management process in both strategy formulation and strategy implementation.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #12*

Topic: Role of HRM in Strategy Formulation

13. At which level of integration is HR's attention and time focused solely on day-to-day activities?
(p. 48)
- A.** Administrative linkage
 - B. One-way linkage
 - C. Two-way linkage
 - D. Integrative linkage

In administrative linkage the HRM function's attention is focused on day-to-day activities and is completely divorced from any component of the strategic management process in both strategy formulation and strategy implementation.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #13*

Topic: Role of HRM in Strategy Formulation

14. At which level of integration is the HR department simply engaged in regulatory work that is unrelated to the company's core business needs?
(p. 48)
- A.** Administrative linkage
 - B. One-way linkage
 - C. Two-way linkage
 - D. Integrative linkage

In administrative linkage the HRM function's attention is focused on day-to-day activities and is completely divorced from any component of the strategic management process in both strategy formulation and strategy implementation.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #14*

Topic: Role of HRM in Strategy Formulation

15. Which of the following often leads to strategic plans that the company cannot successfully implement?
(p. 48)
- A. Congruent linkage
 - B. Integrative linkage
 - C. Two-way linkage
 - D.** One-way linkage

In one-way linkage, the firm's strategic business planning function develops the strategic plan and then informs the HRM function of the plan.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #15*

Topic: Role of HRM in Strategy Formulation

16. Which of the following is NOT a step in two-way linkage?
(p. 48)
- A. The strategic planning team informs the HRM function of the various strategies the company is considering.
 - B. HRM executives analyze the HR implications of the various strategies, presenting the results of this analysis to the strategic planning team.
 - C. After a strategic planning decision has been made, the strategic plan is passed on to the HRM executive, who develops programs to implement it.
 - D.** Top management makes decisions about strategies without input from functional managers.

The two-way linkage integration occurs in three sequential steps: the strategic planning team informs the HRM function of the various strategies the company is considering; then HRM executives analyze the human resource implications of the various strategies, presenting the results of this analysis to the strategic planning team; finally the strategic plan is passed on to the HRM executive, who develops programs to implement it.

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #16*

Topic: Role of HRM in Strategy Formulation

17. Integrative linkage is:
(p. 48)
- A.** dynamic, multifaceted, and based on continuing rather than sequential interaction.
 - B. dynamic, multifaceted, and based on sequential rather than continuing interaction.
 - C. simple, based on a single rather than continuing interaction.
 - D. simple, based on a continuing rather than single interaction.

Integrative linkage is dynamic and multifaceted, based on continuing rather than sequential interaction.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #17*

Topic: Role of HRM in Strategy Formulation

18. In which level of integration are the strategic planning function and the HRM function interdependent?
(p. 48)
- A. Administrative linkage
 - B. One-way linkage
 - C.** Two-way linkage
 - D. Integrative linkage

The strategic planning function and the HRM function are interdependent in two-way linkage.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #18*

Topic: Role of HRM in Strategy Formulation

19. The first component in the strategy formulation process is:
(p. 48)
- A. establishment of corporate goals.
 - B.** formulation of a statement of mission.
 - C. completion of an external analysis.
 - D. strategic choice.

Organization's mission is the first component in the strategy formulation process.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #19
Topic: Strategy Formulation*

20. The _____ is a statement of the organization's reason for being that usually specifies the customers served, the needs satisfied and or the values received by the customers, and the technology used.
(p. 48)
- A. goal
 - B.** mission
 - C. strategy
 - D. vision

The mission statement is often accompanied by a statement of a company's vision and or values.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #20
Topic: Strategy Formulation*

21. An organization's _____ is what it hopes to achieve in the medium-to long-term future.
(p. 49)
- A.** goal
 - B. mission
 - C. strategy
 - D. vision

An organization's goals are what it hopes to achieve in the medium-to long-term future; they reflect how the mission will be operationalized.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #21
Topic: Strategy Formulation*

22. _____ consists of examining the organization's operating environment to identify the strategic opportunities and threats.
(p. 49)
- A. Strategic formulation
 - B. Internal analysis
 - C.** External analysis
 - D. Strategic choice

External analysis consists of examining the organization's operating environment to identify the strategic opportunities and threats.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #22
Topic: Strategy Formulation*

23. _____ attempts to identify the organization's strengths and weaknesses.

(p. 49)

- A. Strategic formulation
- B. Internal analysis**
- C. External analysis
- D. Strategic choice

Internal analysis attempts to identify the organization's strengths and weaknesses. It focuses on the quantity and quality of resources available to the organization—financial, capital, technological, and human resources.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #23
Topic: Strategy Formulation*

24. The purpose of the SWOT analysis is to:

(p. 49)

- A. choose the best strategy.
- B. consider the downside of each strategic alternative.
- C. generate a large number of strategic alternatives.**
- D. realign HR practices.

After going through the SWOT analysis, the strategic planning team has all the information it needs to generate a number of strategic alternatives.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #24
Topic: Strategy Formulation*

25. The last step in the strategy formulation is:

(p. 49)

- A. establishment of corporate goals.
- B. formulation of a statement of mission.
- C. completion of an internal and external analysis.
- D. strategic choice.**

After generating a number of strategic alternatives, the strategic managers compare these alternatives' ability to attain the organization's strategic goals; then they make their strategic choice.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #25
Topic: Strategy Formulation*

26. HRM is primarily responsible for three of the following variables in the strategy implementation process. Identify the exception.
(p. 50)
- A. Selection, training, and development of people
 - B. Task design
 - C. Reward systems
 - D. Customer awareness**

HRM has primary responsibility for three of the five implementation variables: task, people, and reward systems.

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #26*

Topic: Strategy Implementation

27. Which of the following statements is TRUE regarding strategy implementation?
(p. 50)
- A. HR has an influence over all the variables involved in the strategy implementation process.**
 - B. HR is seldom involved in strategy implementation activities.
 - C. HR has primary responsibility for all five of the major components to strategy implementation.
 - D. HR practices are completely independent from strategy implementation.

HRM has primary responsibility for three of these five implementation variables: task, people, and reward systems. In addition, HRM can directly affect the two remaining variables: structure and information and decision processes.

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #27*

Topic: Strategy Implementation

28. High-tech firms in the growth stage tend to use compensation systems that:
(p. 53)
- A. are highly geared toward benefits.
 - B. devote a lower percentage of total pay to incentives.
 - C. are highly geared toward incentive pay.**
 - D. devote equal percentages to pay and benefits.

High-tech companies in the growth stage used compensation systems that were highly geared toward incentive pay, with a lower percentage of total pay devoted to salary and benefits.

*BT: Knowledge
Difficulty: Hard
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #28
Topic: HRM Practices*

29. Which type of companies tend to use compensation systems devoting a lower percentage of total pay to incentives and a high percentage to benefits?
(p. 53)
- A. Growing companies
 - B. Mature companies**
 - C. Startup companies
 - D. Acquired companies

Mature companies (both high-tech and traditional) devoted a lower percentage of total pay to incentives and a high percentage to benefits.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #29
Topic: HRM Practices*

30. Company X wants to become the lowest cost producer in the industry. What should it do?
(p. 53-54)
- A. Construct efficient large-scale facilities.**
 - B. Create a product that is different from others available in the market.
 - C. Invest heavily in branding their product.
 - D. Reduce expenditure on production facilities.

According to Porter, the "overall cost leadership" is achieved by constructing efficient large-scale facilities, by reducing costs through capitalizing on the experience curve, and by controlling overhead costs and costs in such areas as research and development, service, sales force, and advertising.

*BT: Application
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #30
Topic: Strategic Types*

31. Apple computers come with their own proprietary operating systems. What kind of a strategy is this?
(p. 54)
- A. Overall cost leadership
 - B. Differentiation**
 - C. Reactor
 - D. Prospector

The "differentiation" strategy, according to Porter, attempts to create the impression that the company's product or service is different from that of others in the industry.

*BT: Application
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #31
Topic: Strategic Types*

32. What type of strategy is used by a firm that specifically defines required skills and seeks efficiency through worker participation?
(p. 54)
- A.** Cost
 - B. Differentiation
 - C. Focus
 - D. Analyzer

Companies engaged in cost strategies tend to specifically define the skills they require and invest in training employees in these skill areas.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #32*

Topic: HRM Needs in Strategic Types

33. IBM has consistently emphasized its brand image and its reputation for superior service while charging a higher price for its computers. This is an example of which one of Porter's generic strategies?
(p. 54)
- A. Overall cost leadership
 - B.** Differentiation
 - C. Focus
 - D. Prospectors

The "differentiation" strategy, according to Porter, attempts to create the impression that the company's product or service is different from that of others in the industry. The perceived differentiation can come from creating a brand image, from technology, from offering unique features, or from unique customer service.

*BT: Application
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #33*

Topic: Strategic Types

34. A company engaged in a differentiation strategy is likely to focus on all but one of the following. Name the exception.
(p. 54-55)
- A. Encourage creativity through broadly defined jobs with general job descriptions.
 - B. Engage in limited socialization of newcomers.
 - C.** Promote internally, with internally consistent pay systems.
 - D. Develop results-based performance management systems.

Promoting internally, with internally consistent pay systems is an attribute of the companies engaged in cost strategies.

*BT: Comprehension
Difficulty: Hard
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #34*

Topic: HRM Needs in Strategic Types

35. Employees in companies with a differentiation strategy would need to be:
(p. 54)
- A. highly concerned with quantity.
 - B. comfortable with stability.
 - C.** highly creative and cooperative.
 - D. risk averse.

Employees in companies with a differentiation strategy need to be highly creative and cooperative. Employees in these companies are expected to exhibit role behaviours that include cooperating with others, developing new ideas, and taking a balanced approach to process and results.

*BT: Comprehension
Difficulty: Hard
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #35*

Topic: HRM Needs in Strategic Types

36. Company X develops results-based performance management systems and conducts divisional-corporate performance evaluations to encourage risk taking on the part of managers. Which strategy is this company following?
(p. 55)
- A. Cost
 - B. External growth
 - C. Directional
 - D.** Differentiation

Differentiation companies develop results-based performance management system and divisional-corporate performance evaluations to encourage risk taking on the part of managers.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #36*

Topic: HRM Needs in Strategic Types

37. What type of strategy is used by a firm that focuses on what it does best within established markets?
(p. 55)
- A.** Concentration
 - B. Internal growth
 - C. External growth
 - D. Divestment

With "concentration" 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."

*BT: Comprehension
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #37
Topic: Directional Strategies*

38. Which one of the following is NOT an internal growth strategy?

(p. 55-56)

- A.** Vertical integration
- B. Market development
- C. Joint venture
- D. Innovation

Companies attempting to integrate vertically or horizontally or to diversify are exhibiting an "external growth" strategy, usually through mergers or acquisitions.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #38
Topic: Directional Strategies*

39. Firms that seek to scale down their operations are following a(n):

(p. 55)

- A. concentration strategy.
- B. internal growth strategy.
- C. external growth strategy.
- D.** divestment strategy.

A "divestment," or downsizing, strategy is one made up of retrenchment, divestitures, or liquidation. These strategies are observed among companies facing serious economic difficulties and seeking to pare down their operations.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #39
Topic: Directional Strategies*

40. Company Z's appraisals tend to be more behavioural because the company environment is more certain and the behaviours necessary for effective performance are established. Which strategy is this company following?

(p. 55)

- A.** Concentration strategy
- B. Internal growth strategy
- C. External growth strategy
- D. Divestment strategy

Appraisals in concentration strategy tend to be more behavioural because the environment is more certain, and the behaviours necessary for effective performance tend to be established through extensive experience.

*BT: Application
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #40
Topic: Directional Strategies*

41. For companies following a(n) _____ strategy, joint ventures require extensive training in conflict resolution techniques because of the problems associated with combining people from two distinct organizational cultures.
(p. 56)
- A. concentration
 - B. internal growth**
 - C. external growth
 - D. divestment

Joint ventures require extensive training in conflict resolution techniques because of the problems associated with combining people from two distinct organizational cultures.

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #41
Topic: Directional Strategies*

42. The most prevalent HR problem for firms facing external growth strategies is:
(p. 56)
- A. hiring the right people.
 - B. standardizing practices across the organization.**
 - C. finding the right companies to purchase.
 - D. determining the fair-market price of acquisitions.

Many HRM programs face problems in integrating and standardizing practices across the company's businesses since all the options for external growth consist of acquiring or developing new businesses, and these businesses often have distinct cultures.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #42
Topic: Directional Strategies*

43. Some companies now heavily weigh a firm's _____ before embarking on a merger or acquisition.
(p. 56)
- A. operational efficiency
 - B. human capital
 - C. culture**
 - D. infrastructure

"People issues" may be one of the major reasons that mergers do not always live up to expectations. Some companies now heavily weigh firm cultures before embarking on a merger or acquisition.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #43
Topic: Directional Strategies*

44. _____ strategies are the result of the rational decision-making process used by top managers as they develop a strategic plan.
(p. 59)
- A. Emergent
 - B. Intended**
 - C. Divergent
 - D. Accidental

Intended strategies are the result of the rational decision-making process used by top managers as they develop a strategic plan.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #44
Topic: Emergent Strategies*

45. Most strategies that companies espouse are:
(p. 59)
- A. concentration strategies.
 - B. directional strategies.
 - C. emergent strategies.
 - D. intended strategies.**

Most strategies that companies espouse are intended strategies.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #45
Topic: Emergent Strategies*

46. Which of the following strategies evolves from the grassroots of an organization and can be thought of as what organizations actually do?
(p. 59)
- A. Concentration
 - B. Directional
 - C. Emergent**
 - D. Intended

Emergent strategies, on the other hand, consist of the strategies that evolve from the grassroots of the organization and can be thought of as what organizations actually do, as opposed to what they intend to do.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #46
Topic: Emergent Strategies*

47. Which of the following is essential if a company is to take advantage of emergent strategies?
(p. 59)
- A. A formal organizational structure
 - B. A weak corporate culture
 - C. An externally-based compensation system
 - D. An effective communications system**

HRM plays an important role in facilitating communication throughout the organization, and it is this communication that allows for effective emergent strategies to make their way up to top management since most emergent strategies are identified by those lower in the organizational hierarchy.

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #47
Topic: Emergent Strategies*

48. Most _____ strategies are identified by those lower in the organizational hierarchy, where it is often the rank-and-file employees who provide ideas for new markets, new products, and new strategies.
(p. 59)
- A. concentration
 - B. directional
 - C. emergent**
 - D. intended

However, most emergent strategies are identified by those lower in the organizational hierarchy.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #48
Topic: Emergent Strategies*

49. In which type of an organization do employees expand their capacity to achieve the results that they desire?
(p. 59)
- A. Diversified organizations
 - B. Emergent organizations
 - C. Learning organizations**
 - D. Strategic organizations

"Learning organization," is the idea in which people continually expand their capacity to achieve the results they desire.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #49
Topic: Enhancing Firm Competitiveness*

50. A recent trend in HR that is consistent with a total quality management philosophy emphasizes
- (p. 60)
- A. efficiency in delivering programs.
 - B. cost reduction of HR functions.
 - C. functional approaches in delivering HR programs.
 - D.** a customer-oriented approach in delivering HR programs.

The strategic planning process that takes place at the level of the business can also be performed with the HRM function.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #50*

Topic: Strategic Management of the HRM Function

51. The first step to a customer orientation is
- (p. 60)
- A.** identifying customers.
 - B. identifying the needs of customers.
 - C. developing technologies that serve customers.
 - D. creating strategies that serve customers.

A customer orientation is one of the most important changes in the HRM function's attempts to become strategic.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #51*

Topic: Strategic Management of the HRM Function

52. This meets the needs of both the line managers and employees by giving employees opportunities to ensure that they increase their human capital.
- (p. 60)
- A. Selection systems
 - B.** Training and development systems
 - C. Performance management systems
 - D. Reward systems

The technologies through which HRM meets customer needs vary depending on the need being satisfied.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #52*

Topic: Strategic Management of the HRM Function

53. Increasing immigrant population is one of the functions of this stage in HR strategy process.
(p. 62)
- A. Identifying people issues
 - B. Scanning the external environment**
 - C. Developing the HR strategy
 - D. Identifying strategic business issues

The function first scans the environment to determine the trends or events that might have an impact on the organization (e.g., future talent shortage, increasing immigrant population, aging of the workforce).

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #53
Topic: Building an HR Strategy*

54. Which of the following statements pertains to the audit approach?
(p. 63)
- A. Key indicators and customer satisfaction measures are important in this approach.**
 - B. This approach deals with the determination of the impact of the dollar value.
 - C. It involves the use of statistics and finance and hence it is more demanding.
 - D. It uses utility analysis to estimate the financial impact of the employee behaviour.

The audit approach focuses on reviewing the various outcomes of the HRM functional areas.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #54
Topic: Evaluating HRM Effectiveness*

55. Evaluation helps determine whether the HRM function is meeting its objectives and effectively using its budget. This refers to
(p. 63)
- A. auditing.
 - B. providing accountability.**
 - C. marketing the function.
 - D. employee selection.

Having good measures of the function's effectiveness provides marketing the function and providing accountability.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #55
Topic: Evaluating HRM Effectiveness*

56. The audit approach for evaluating the effectiveness of HR practices focuses on
(p. 63)
- A. determining whether the HR program practice has the intended effect.
 - B. estimating the financial costs and benefits resulting from an HR practice.
 - C.** reviewing the various outcomes of the HR functional area.
 - D. determining the dollar value of a program.

The audit approach is the type of assessment of HRM effectiveness that involves review of customer satisfaction or key indicators (like turnover rate or average days to fill a position) related to an HRM functional area (such as recruiting or training).

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #56*

Topic: Evaluating HRM Effectiveness

57. The _____ approach focuses on either: (1) determining whether the introduction of a program or
(p. 63) practice has the intended effect, or (2) estimating the financial costs and benefits resulting from an HRM practice.
- A. wellness
 - B. audit
 - C. cost-benefit
 - D.** analytic

Analytic approach is the type of assessment of HRM effectiveness that involves determining the impact of, or the financial cost and benefits of, a program or practice.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #57*

Topic: Evaluating HRM Effectiveness

58. Which is not one of the three divisions?
(p. 66)
- A. Field generalists
 - B.** The center for outsourcing
 - C. Centers for expertise
 - D. The service center

Outsourcing refers to the practice of having another company (a vendor, third-party provider, or consultant) provide services.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #58*

Topic: Outsourcing to Improve HRM Effectiveness

59. _____ involves contracting with an outside vendor to provide a product or service to a firm, as opposed to producing the product using employees within the firm.
- A. Offshoring
 - B. Importing human capital
 - C. Outsourcing**
 - D. Transferring human capital

An organization's use of an outside organization for a broad set of services.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #59*

Topic: Outsourcing to Improve HRM Effectiveness

60. A review of critical work processes and the redesign to make them more efficient and able to deliver higher quality is called _____.
- A. reengineering.**
 - B. benchmarking.
 - C. total quality management.
 - D. expert work systems.

Reengineering is especially critical to ensuring that the benefits of new technology can be realized.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #60*

Topic: Process Redesign and New Technologies

61. Which of the following is the correct order of the reengineering process?
- A. Identify, Understand, Redesign, Implement.**
 - B. Identify, Implement, Understand, Redesign.
 - C. Understand, Identify, Implement, Redesign.
 - D. Understand, Redesign, Identify, Implement.

Reengineering is a complete review of critical work processes and redesign to make them more efficient and able to deliver higher quality.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #61*

Topic: Process Redesign and New Technology

62. Identify the role of a strategic advisor from the following.
- A. Sharing the people expertise as part of the decision-making process.**
 - B. Helping the executive team see the importance of talent.
 - C. Identifying present and future talent gaps, and coming to own the talent agenda.
 - D. Meeting with direct reports to provide guidance and check on progress.

CHROs are reported spending the second most time (21 percent) as a strategic advisor to the executive team.

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-07
Noe - Chapter 02 #62*

Topic: The Role of the Chief Human Resource Officer

63. This role deals with identifying the morale or motivational issues with the employees.
(p. 69)
- A. Leader of the HR function
 - B. Representative of the firm
 - C. Strategic advisor
 - D. Workforce sensor**

Role of workforce sensors is a role in which CHROs do not spent much time, and few viewed it as having the greatest impact on the business.

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-07
Noe - Chapter 02 #63*

Topic: The Role of the Chief Human Resource Officer

64. Jeff works as an HR generalist for an IT firm. Along with his other responsibilities he has been entrusted with additional responsibilities which include performance and behavioural counseling. Which of the following roles would best describe Jeff?
(p. 68)
- A. Liaison to the board
 - B. Talent architect
 - C. Counsellor Confidante Coach**
 - D. Strategic advisor

Role of counsel or confidante coach is the role which entails anything from behavioural or performance counseling to being the personal sounding board for the CHRO.

*BT: Application
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-07
Noe - Chapter 02 #64*

Topic: The Role of the Chief Human Resource Officer

65. Melissa is an HR manager. She has been recently promoted. Some of the activities her new role entails are engaging with the board of directors, performance of other members of the executive team, CEO succession. What is the Melissa's new role?
(p. 69)
- A. Representative of the firm
 - B. Liaison to the board**
 - C. Leader of the HR function
 - D. Strategic advisor

Liaison to the board entails all of the activities in which CHROs engage with the board of directors, including discussions of executive compensation, CEO performance, CEO succession, and performance of other members of the executive leadership team.

*BT: Application
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-07
Noe - Chapter 02 #65*

Topic: The Role of the Chief Human Resource Officer

66. The goal of strategic management in an organization is to deploy and allocate resources in a way that provides the company with a competitive advantage.
(p. 41)
- TRUE**

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-01
Noe - Chapter 02 #66
Topic: Introduction*

67. Strategic management is more than a collection of strategic types. It is a process to increase the likelihood of achieving a company's goals.

(p. 43)

TRUE

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-01
Noe - Chapter 02 #67*

Topic: What is Strategic Management?

68. The strategic management process includes two distinct yet interdependent phases: strategy formulation and strategy implementation.

(p. 44)

TRUE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-02
Noe - Chapter 02 #68*

Topic: Components of the Strategic Management Process

69. Strategic decision makers often pay less attention to the "how to compete" issue, which results in poor strategic decisions.

(p. 44)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-02
Noe - Chapter 02 #69*

Topic: Linkage Between HRM and the Strategic Management Process

70. Although one-way linkage does recognize the importance of human resources in implementing the strategic plan, it precludes the company from considering human resource issues while formulating the strategic plan.

(p. 48)

TRUE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #70*

Topic: Role of HRM in Strategy Formulation

71. Untapped labour pools are an example of a strategic opportunity in an organization's operating environment.

(p. 49)

TRUE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #71*

Topic: Strategy Formulation

72. The responsibility of keeping tabs on the external environment for human resource-related opportunities and threats rests with the top management.

(p. 49)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #72*

Topic: Strategy Formulation

73. Strategic choice is the way an organization attempts to fulfill its mission and achieve its long-term goals.

(p. 49)

TRUE

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #73*

Topic: Strategy Formulation

74. Research has indicated that a majority of companies have fully integrated HRM into the strategy formulation process.

(p. 50)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-03
Noe - Chapter 02 #74
Topic: Strategy Formulation*

75. A company's strategy will have a direct impact upon the firm's recruitment efforts, but only an indirect impact on its selection procedures and the types of employees selected.

(p. 50)

FALSE

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #75
Topic: Strategy Implementation*

76. The down side of providing a high level of pay and benefits is that it can lead to employee complacency.

(p. 52)

FALSE

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #76
Topic: HRM Practices*

77. By tying pay to performance, a company can elicit specific activities and levels of performance from employees.

(p. 53)

TRUE

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #77
Topic: HRM Practices*

78. According to research, HRM practices and employee performance are positively related.

(p. 53)

TRUE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #78
Topic: HRM Practices*

79. Increasing the use of HRM practices will automatically result in increased profitability.

(p. 53)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #79
Topic: HRM Practices*

80. Jobholder actions are behaviours required of an individual in his her role as a job holder in a social work environment.

(p. 54)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-04
Noe - Chapter 02 #80
Topic: HRM Needs in Strategic Types*

81. Concentration strategies traditionally include vertical and horizontal integration.

(p. 55)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #81
Topic: Directional Strategies*

82. Research indicates that downsizing has been largely successful in achieving goals of increased productivity and profitability.

(p. 55)

FALSE

*BT: Comprehension
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-05
Noe - Chapter 02 #82
Topic: Directional Strategies*

83. The basic process of building HR strategy starts with scanning the internal environment.

(p. 62)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #83*

Topic: Building an HR Strategy: The Basic Process

84. The audit approach to evaluating HR effectiveness focuses on reviewing the various outcomes of the HR functional areas.

(p. 63)

TRUE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #84*

Topic: Evaluating HRM Effectiveness

85. The analytic approach to evaluating HR effectiveness focuses exclusively on estimating the financial costs and benefits resulting from HR practice.

(p. 63)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #85*

Topic: Evaluating HRM Effectiveness

86. Fewer HR activities are being outsourced today than in past years.

(p. 65-66)

FALSE

*BT: Knowledge
Difficulty: Easy
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #86*

Topic: Outsourcing to Improve HRM Effectiveness

87. Outsourcing is usually done for one of two reasons: To provide the service more cheaply than it would cost to do it internally, or to limit competition.

(p. 66)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #87*

Topic: Outsourcing to Improve HRM Effectiveness

88. Reengineering involves incremental, on going changes and redesign to make work processes more cost efficient.

(p. 66)

FALSE

*BT: Knowledge
Difficulty: Hard
Gradable: automatic
Learning Objective: 02-06
Noe - Chapter 02 #88*

Topic: Process Redesign and New Technologies

89. The role of a strategic advisor entails sharing the people expertise as part of the decision-making process, as well as shaping how the human capital of the firm fits into its strategy.

(p. 68)

TRUE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-07
Noe - Chapter 02 #89*

Topic: The Role of the Chief Human Resource Officer

90. Activities focused on identifying workforce morale issues or concerns pertain to the leader of the HR function.

(p. 69)

FALSE

*BT: Knowledge
Difficulty: Medium
Gradable: automatic
Learning Objective: 02-07
Noe - Chapter 02 #90*

Topic: The Role of the Chief Human Resource Officer

91. Discuss four ways an HR department can ensure involvement with a firm's strategic management process.

(p. 41)

Answers may vary

Feedback: In the strategic management process, the human resource department should:

1. have input into the strategic plan;
2. have specific knowledge of the organization's strategic goals;
3. know what types of employee skills, behaviours, and attitudes are needed to support the strategic plan; and
4. develop programs to ensure that employees possess these skills, behaviours, and attitudes.

*BT: Knowledge
Difficulty: Medium
Gradable: manual
Learning Objective: 02-01
Noe - Chapter 02 #91
Topic: Introduction*

92. List the three decisions about competition and explain each. Of these three which do decision makers often pay the least attention to and what is the result.
(p. 46)

Answers may vary

Feedback:

1. Where to compete?-In what market or markets (industries, products, etc. will we compete)?
 2. How to compete?-On what criterion or differentiating characteristic(s) will we compete? Cost? Quality? Reliability? Delivery?
 3. With what will we compete?-What resources will allow us to beat our competition? How will we acquire, develop, and deploy those resources to compete.
- The decision that strategic decision makers often pay less attention to is the, "With what will we compete" resulting in poor strategic decisions

*BT: Knowledge
Difficulty: Medium
Gradable: manual
Learning Objective: 02-02
Noe - Chapter 02 #92*

Topic: Linkage Between HRM and the Strategic Management Process

93. List the four levels of integration that can exist between the HR function and the strategic management functions.
(p. 47-48)

Answers may vary

Feedback:

1. Administrative linkage
2. One-way linkage
3. Two-way linkage
4. Integrative linkage

*BT: Knowledge
Difficulty: Easy
Gradable: manual
Learning Objective: 02-03
Noe - Chapter 02 #93*

Topic: Role of HRM in Strategy Formulation

94. Discuss the three steps in a two-way linkage between the HR function and the strategic management functions.
(p. 48)

Answers may vary

Feedback:

1. Strategic planning team informs HR functions of various strategies the firm is considering.
2. HR executives analyze HR implications of various strategies, presenting results of analysis to the strategy planning team.
3. The strategy plan is passed on to HR executives who develop programs to implement it.

*BT: Knowledge
Difficulty: Medium
Gradable: manual
Learning Objective: 02-03
Noe - Chapter 02 #94*

Topic: Role of HRM in Strategy Formulation

95. Identify and explain the steps in formulating a strategy.

(p. 48-49)

Answers may vary

Feedback: Mission—The mission is a statement of the organization's reason for being; it usually specifies the customers served, the needs satisfied and or the values received by the customers, and the technology used.

Goals—Goals are what a company hopes to achieve in the medium-to long-term future; they reflect how the mission will be operationalized.

External analysis—The external analysis consists of examining the organization's operating environment to identify the strategic opportunities and threats facing the firm.

Internal analysis—The internal analysis attempts to identify the organization's strengths and weaknesses.

Strategic choice—The strategic choice is the organization's strategy; it describes the ways the organization will attempt to fulfill its mission and achieve its long-term goals.

BT: Comprehension

Difficulty: Medium

Gradable: manual

Learning Objective: 02-03

Noe - Chapter 02 #95

Topic: Strategy Formulation

96. List the five important variables that can determine the success of an implemented strategy. Of these five variables explain why HRM has primary responsibility for these variables.

(p. 50)

Answers may vary

Feedback:

Task

People

Reward systems

Organizational structure

Types of information and information systems

To start, in order for the strategy to be successfully implemented, the tasks must be designed and grouped into jobs in a way that is efficient and effective. Then, the HRM function must ensure that the organization is staffed with people who have the necessary knowledge, skill, and ability to execute their part in implementing the strategy. This goal is achieved primarily through human resources planning, recruitment, selection and placement, training, development, and career development. Further, the HRM function must develop performance management and reward systems that direct employees to work for and support the strategic plan. Essentially, the role of the HRM function becomes one of (1) ensuring that the company has the proper number of employees with the levels and types of skills required by the strategic plan and (2) developing "control" systems that ensure that those employees are performing in ways that promote the achievement of the goals specified in the strategic plan.

BT: Comprehension

Difficulty: Medium

Gradable: manual

Learning Objective: 02-04

Noe - Chapter 02 #96

Topic: Strategy Implementation

97. Compare and contrast Porter's generic strategies of cost leadership and differentiation.
(p. 53-54)

Answers may vary

Feedback: Cost leadership—Emphasizes lowest cost leadership in the industry. The strategy is achieved by constructing efficient, large-scale facilities; capitalizing on the experience curve; and by controlling overhead expenses and costs in such areas as research and development, service, sales force, and advertising.

Differentiation—Creates the impression that firm's products or services are different from others in the industry. Offers unique features; creates brand image or offers unique customer services. If a company is successful in differentiating its product, it will achieve above-average returns, and the differentiation may protect it from price sensitivity.

*BT: Comprehension
Difficulty: Medium
Gradable: manual
Learning Objective: 02-04
Noe - Chapter 02 #97
Topic: Strategic Types*

98. Describe two of the four directional strategies that firms have used to meet objectives.
(p. 55)

Answers may vary

Feedback:

1. Concentration strategy focuses on what is done the best.
2. Internal growth strategies involve channeling company's resources toward building upon existing strengths. Options generally include market development, product development, innovation, and joint venture.
3. External growth strategies include integrating horizontally or vertically or diversifying.
4. Divestment strategy is one made of retrenchment, divestitures, or liquidation.

*BT: Comprehension
Difficulty: Easy
Gradable: manual
Learning Objective: 02-05
Noe - Chapter 02 #98
Topic: Directional Strategies*

99. Discuss the different challenges faced by HR in firms emphasizing internal vs. external growth.
(p. 55)

Answers may vary

Feedback: Internal growth—Requires a firm to constantly train and promote individuals and to hire their replacements. Appraisals need to be based on knowledge of the new skills needed. Compensation packages must focus on achieving growth targets. If involved with joint ventures, resolving conflicts between different organizational cultures becomes important.

External growth—Consists of conflict resolution also, but the major problem is the integration and standardization of HR programs from acquired organizations.

*BT: Comprehension
Difficulty: Medium
Gradable: manual
Learning Objective: 02-05
Noe - Chapter 02 #99
Topic: Directional Strategies*

100. Discuss the differences between the audit and analytic approaches for evaluating the effectiveness of the practices.
(p. 63)

Answers may vary

Feedback: The audit approach focuses on reviewing various outcomes of the HR functional areas. The analytic approach focuses on determining (1) whether the introduction of a program or practice has the intended effect or (2) estimating the financial costs and benefits resulting from an HR practice. The analytic approach is more demanding than the audit approach since it requires the detailed use of statistics and finance.

*BT: Analysis
Difficulty: Medium
Gradable: manual
Learning Objective: 02-06
Noe - Chapter 02 #100*

Topic: Evaluating HRM Effectiveness

101. Discuss how outsourcing is being used to increase the effectiveness of HR.
(p. 65-66)

Answers may vary

Feedback: Often the outsourcing partner can improve the delivery of various HR activities, especially in the transactional area. Usually, this partner can perform activities more efficiently and or more effectively. This would be especially true for smaller firms to attain the expertise of an outsourcing partner's experience with many firms. The trend is marketed as a cost-and time-saving approach that will provide best people-practices, improve the quality of HR services to employees, and enable one to concentrate on its core activities.

*BT: Analysis
Difficulty: Medium
Gradable: manual
Learning Objective: 02-06
Noe - Chapter 02 #101*

Topic: Outsourcing to Improve HRM Effectiveness

102. Discuss what occurs at each of the four steps in the reengineering process.
(p. 66-67)

Answers may vary

Feedback: The steps include:

1. Identifying the process—Have managers who control process and employees involved in process participate on the reengineering team.
2. Understanding the process—Determine a number of different things, such as whether jobs can be combined? can satisfaction be improved? how many special situations must be dealt with? are steps arranged in natural order? and what is the outcome?
3. Redesigning the process—The team develops models, tests them, and chooses how to integrate prototype into organization.
4. Implementing the process—The company tries out the process in a controlled, limited setting before expanding companywide.

*BT: Analysis
Difficulty: Medium
Gradable: manual
Learning Objective: 02-06
Noe - Chapter 02 #102*

Topic: Process Redesign and New Technologies

103. List the roles of a chief human resource officer (CHRO).

(p. 67-69)

Answers may vary

Feedback: The following are the roles of a chief human resource officer:

1. Strategic advisor to the executive team—activities focused specifically on the formulation and implementation of the firm's strategy.
2. Counsellor confidante coach to the executive team—activities focused on counseling or coaching team members or resolving interpersonal or political conflicts among team members.
3. Liaison to the board of directors—preparation for board meetings, phone calls with board members, attendance at board meetings.
4. Talent architect—activities focused on building and identifying the human capital critical to the present and future of the firm.
5. Leader of the HR function—working with HR team members regarding the development, design, and delivery of HR services.
6. Workforce sensor—activities focused on identifying workforce morale issues or concerns.
7. Representative of the firm—activities with external stakeholders, such as lobbying, speaking to outside groups, etc.

BT: Analysis

Difficulty: Medium

Gradable: manual

Learning Objective: 02-07

Noe - Chapter 02 #103

Topic: The Role of the Chief Human Resource Officer

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