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**MCQ**  
**Subject – Current Trends and Cases in HRM**  
**SET No-1**

1. As the director of HR, you are in a meeting with your corporate officers discussing the firm's deliberate use of human resources to gain a competitive edge against your competitors in the marketplace. You are discussing:
  - a) your HR strategy for the company.
  - b) the general business environment in which your company must operate.
  - c) the tactics you plan to use in reaching corporate objectives.
  - d) the individual issues that are involved in creating your HR plan.
  - e) the legal environment in which your company operates.

Answer: b

2. Tony works in the finance department as an accounting clerk. He keeps a time card and receives extra pay for any overtime he works. Tony is:
  - a) an exempt line employee.
  - b) a nonexempt staff employee.
  - c) an exempt staff employee.
  - d) a nonexempt line employee.
  - e) not in any of these categories.

Answer: b

3. An example of an individual challenge that HRM faces is:
  - a) ethical dilemmas and social responsibility.
  - b) competitive position.
  - c) downsizing's impact on employees.
  - d) workforce diversity.
  - e) evolving family and work roles.

Answer: a

4. HRM faces a number of environmental challenges, including:
  - a) increasing organizational labor costs.
  - b) decentralization of decision making.
  - c) marketplace globalization.
  - d) the need to empower company employees.
  - e) self-managed work teams.

Answer: c

5. Due to the increasing work pace and burnout in the United States, more workers are facing higher degrees of stress. According to your text, some companies have chosen to:
- a) provide employees with coaching/stress management courses.
  - b) resort to continual-hiring practices to replace workers.
  - c) encourage employees to take longer breaks during the work day.
  - d) do more work from home, in a family environment.
  - e) inform potential employees of this challenge during the interviewing process.

Answer: a

6. Which of the following is NOT true of the Internet Revolution as it relates to HRM?
- a) U.S. corporate spending on Internet technology is increasing.
  - b) Companies now must pay particular attention to legal issues concerning information passed over the Internet.
  - c) The percentage of firms using the Internet reached 80% in 2000.
  - d) Cross-cultural understanding is not as important, for the Internet is its own community with its own culture.
  - e) It is a major factor in helping employees find employers and vice-versa through job finding sites.

Answer: d

7. RCA is working on a corporate identity that smoothes over cultural differences in order to increase cooperation within the firm. RCA is addressing the HRM challenge of:
- a) globalization.
  - b) rapid change.
  - c) legislation.
  - d) competitive environment.
  - e) matching the individual to the job.

Answer: a

8. Kori and Joe are discussing their firm's HRM strategies for dealing with a sexual harassment suit. Their discussion exemplifies the HRM environmental challenge stemming from:
- a) globalization.
  - b) workforce diversity.
  - c) legislation.
  - d) organizational culture.
  - e) matching people to the organization.

Answer: c

9. A dual-career family is one in which:
- a) the major "bread-winner" works two jobs.
  - b) the wife is a homemaker and the husband works outside of the home.

- c) the major “bread-winner” experiences a career change and takes a new job.
- d) both husband and wife work.
- e) both husband and wife own their own business.

Answer: d

10. In today’s labor market, companies that do not strive to be family-friendly are:
- a) in violation of Federal EEO legislation.
  - b) wasting significant talent by losing women who cannot sacrifice their family lives for a career.
  - c) experiencing increasing nepotism at the top of their organizational structures.
  - d) less likely to suffer from key skill shortages.
  - e) demonstrating significant inflexibility in their staffing practices.

Answer: b

11. Growth in service sector employment is tied to:
- a) advances in technology that eliminate manufacturing jobs.
  - b) the increasing number of women entering the workforce.
  - c) the decrease in immigration into the United States.
  - d) increasing efforts to match individuals to the correct jobs.
  - e) an overabundance of highly educated job candidates.

Answer: a

12. The need for skilled employees in the United States:
- a) has intensified in the service sector, which has produced more jobs than manufacturing.
  - b) has intensified in manufacturing, as the turnaround in the “rust belt” has resulted in a 20% decrease in jobs.
  - c) has decreased as the number of service, technical, and managerial jobs requiring a college education has declined.
  - d) is easing as both private and government training programs’ funding has resulted in a highly trained workforce.
  - e) has decreased due to increased immigration of highly educated information workers.

Answer: a

13. Employment in the service sector is expected to:
- a) decrease 31% between 2008 and 2012.
  - b) increase 32% between 2008 and 2012.
  - c) decrease 52% between 2008 and 2012.
  - d) increase 52% between 2008 and 2012.
  - e) shift only 2-3% in either direction.

Answer: b

13. The fastest growing occupations in the United States:
- a) require a college degree for most entry-level positions.
  - b) typically provide on-the-job training for new employees.
  - c) are in technical fields.
  - d) require two years of college training.
  - e) are related to the federal government.

Answer: d

14. The most important organizational issue that affects an organization's competitive advantage is:
- a) its ability to control costs.
  - b) the expatriation of foreign managers.
  - c) the development of joint ventures and collaborations with foreign firms.
  - d) its use of technology.
  - e) its organizational structure.

Answer: a            M--Recall            Page: 10

15. The Imitation Products is considering how to specialize their product in order to create a niche for themselves and how much they should spend to improve the product while considering the cash flow increase that may come from product specialization. Imitation is discussing their:
- a) decentralization strategies.
  - b) Total Quality Management (TQM).
  - c) competitive position.
  - d) human resource strategy.
  - e) organizational restructuring.

Answer: b            C--ApplicationPage: 10

16. The three elements of a company's competitive position include which of the following?
- a) Its downsizing strategies.
  - b) Its ethical code of conduct and position on social responsibility.
  - c) Its creation of distinctive capabilities.
  - d) Self-managing work teams.
  - e) Coping with its external environment.

Answer: c

17. Transferring responsibility and decision-making authority from central office staff to the people closest to the situation that demands attention is an example of:
- a) decentralization.
  - b) corporate restructuring.
  - c) the effect of the evolving nature of work roles.
  - d) downsizing.
  - e) outsourcing.

Answer: a

18. One potential pitfall of decentralizing a firm is:
- a) the inflexibility that decentralizing a firm causes.
  - b) the few opportunities it leaves for employees to move up the company hierarchy.
  - c) more layers of management will need to be created, thereby slowing flow of communication between authorities and local managers.
  - d) a decrease in clear communication between the firm authority and local employees may lead to insecurity and a lack of focus within the firm.
  - e) dissatisfaction among employees who want more responsibility and decision-making authority.

Answer: d

19. The current trend to downsize results in:
- a) higher commitment levels among employees as they try to perform in such a way as to prevent being laid off.
  - b) an increased poor performance stigma for those laid off.
  - c) significantly decreased HRM costs due to outplacement and unemployment claims.
  - d) increased social problems for local governments and companies to deal with.
  - e) increased diversity among the workforce and those firms dealing with layoffs.

Answer: d

20. Organizational restructuring over the past two decades has led to:
- a) hybrid organizations with diverse histories and workforces.
  - b) fewer job opportunities for women and minorities.
  - c) more managers and fewer laborers as automation eliminates lower-level jobs.
  - d) more megacorporations with multiple layers of management.
  - e) greater entrepreneurship.

Answer: a

21. Tammy has a small jam-and-jelly business and has joined up with Hillside Farm to produce “Hillside Farm Preserves.” This type of partnership is called:
- a) co-laboring.
  - b) a joint venture.
  - c) cooperative marketing.
  - d) a business cooperative.
  - e) downsizing.

Answer: b

22. In 2000, mergers and acquisitions will have reached a new peak of:
- a) \$100 billion.
  - b) \$150 billion.
  - c) \$1 trillion.
  - d) \$1.5 trillion.
  - e) \$2 trillion.

Answer: d

23. Self-managed work teams are:
- a) an uncommon method of managing a small business.
  - b) a system of management in which employees must report directly to superiors in order to ensure productivity.
  - c) very costly to the companies who must pay benefits to team members.
  - d) groups of peers in a company setting who take responsibility for a particular area or task.
  - e) a positive contribution to large corporations who are worried about being too “top heavy.”

Answer: d

24. The contributions self-managed work teams can offer a large firm are:
- a) often minimal.
  - b) not very well researched.
  - c) generally very positive.
  - d) apt to decline as companies become more decentralized.
  - e) never significant enough to warrant a change in most businesses.

Answer: c

25. Small businesses have grown over the last decade. This growth may be attributed to a number of factors, including:
- a) minorities breaking the glass ceiling.
  - b) the increase in “intrapreneurship” in large corporations.
  - c) large corporations becoming less attractive places to work, due to layoffs and fewer management opportunities.
  - d) the growth and development of organizational cultures because of extensive restructuring in American corporations.
  - e) the globalization of the marketplace.

Answer: c

26. New businesses start every year. These start-ups are risky ventures, as nearly \_\_\_\_\_ fail in their first year of operation.
- a) 10%
  - b) 25%
  - c) 35%
  - d) 40%
  - e) 50%

Answer: d

27. Out of the number of small businesses that start every year, only \_\_\_\_\_ will survive a decade.
- a) 5%
  - b) 10%
  - c) 15%
  - d) 20%
  - e) 25%

Answer: b



28. Organizational culture:

- a) is often shaped by HRM practices.
- b) can be defined in terms of the right or wrong culture.
- c) is made up of a number of elements such as norms, behaviors, values, etc.
- d) refers to basic assumptions and beliefs shared by members of an organization.
- e) is the non-pervasive climate or atmosphere within which people work.

Answer: d

29. An organization's culture consists of a number of separate elements, such as:

- a) technology use.
- b) ethical dilemmas.
- c) labor unions.
- d) employee work habits.
- e) the working environment climate or feel.

Answer: e

30. A company's organization culture does NOT manifest in:

- a) the relationships among the employees.
- b) worker safety.
- c) the employees' uniforms, or lack thereof.
- d) organizational challenges.
- e) pay for performance.

Answer: d

31. The increased use of technology for telecommuting raises a number of issues for human resources, such as:

- a) privacy rights regarding the data used by telecommuters.
- b) more layers of management to watch/monitor telecommuters.
- c) monitoring performance and overtime pay.
- d) outsourcing work rather than using fulltime employees.
- e) labor costs, as telecommuting is quite expensive.

Answer: c

32. A critical ethical issue for HR managers related to technology use in work environments is:
- a) the increase in authoritarian management due to organizational restructuring.
  - b) the improper use of proprietary data.
  - c) self-managed work teams misusing technology to their own personal ends.
  - d) overly close supervision of technology users.
  - e) “window sitting.”

Answer: b

33. The impact of technology on organizational structure can be seen in the:
- a) return of pyramidal structure due to the ease of transferring information between levels.
  - b) increase in authoritarian management in order to control access to technology and information.
  - c) changing nature of labor relations.
  - d) decrease in employees working at home.
  - e) ability of top management to bypass middle managers and deal directly with first-line managers.

Answer: e

34. Since companies can now monitor their employees’ use of the Internet and e-mail, which of the following is a legislative concern?
- a) The decrease in employee productivity.
  - b) Privacy issues regarding individuals.
  - c) The “fuzzy line” between what could be seen as obscene to some people but harmless slang to others.
  - d) The use of this information to plan surprise birthday parties for employees.
  - e) The potential for the information to be used to compile mailing lists for different corporations.

Answer: b

35. Knott’s Construction builds one house every month. Mr. Knotts and Scott perform all the structural work themselves while they subcontract the plumbing and electrical work. This subcontracting is an example of:
- a) organizational restructuring.
  - b) the rise of the service sector.
  - c) the growth of the small business.
  - d) time efficiency.
  - e) outsourcing.

Answer: e

36. Outsourcing presents a number of challenges to Human Resources in that:
- a) it raises labor costs while lowering production costs.
  - b) a firm is still accountable for the actions of its subcontractors, but it exercises less control over them.
  - c) employees require close monitoring by HRM, as subcontractors tend to take on less work than they can handle, meaning more subcontractors doing less work.
  - d) it increases customer use of service centers because customers tend to be more satisfied with subcontractors than with regular employee service representatives.
  - e) all of the above

Answer: b

37. Rudy is writing a report about the individual challenges his firm is facing. Which of the following would Rudy NOT include in his report?
- a) use of an employee's credit history in determining her competency.
  - b) whether to increase fit between employees and their jobs.
  - c) whether to discipline an employee for excessive use of the Internet.
  - d) whether to outsource a specific job to a firm with more employees.
  - e) how to determine individuals' performance in their respective jobs.

Answer: d

38. The relationship of the individual challenges HRM faces to the organizational challenges HRM faces:
- a) is one of little, if any, importance.
  - b) is one of reciprocity. Each affects the other.
  - c) is relevant in only a few challenges.
  - d) is similar to the relationship of labor relations to the use of technology.
  - e) poses a significant ethical dilemma to HR managers.

Answer: b

39. The matching of people to the organization, not just to a job, is:
- a) important, but not the critical task it was once thought to be since studies show that personality has little to do with success.
  - b) creating ethical dilemmas for corporations in today's legal environment.
  - c) a significant part of an organization's social responsibility.
  - d) getting easier through the use of technology.
  - e) increasingly important as studies show executive personalities as well as their competencies can affect company performance.

Answer: e

40. A study of small high-technology firms shows that they should hire people who are:
- a) very well organized and structured.
  - b) experienced in administration and organization since the company will probably lack these skills.
  - c) able to handle high uncertainty and rapid change in exchange for the satisfaction of possible future payoffs.
  - d) experienced in working with large corporations, preparing the company for its transition to be a major player in its market.
  - e) technically competent and should disregard personality issues.

Answer: c

41. Creating and implementing ethics codes has generally:
- a) significantly decreased the number of ethical issues being raised in companies.
  - b) made decision making for managers much more clear cut.
  - c) increased employee satisfaction with management.
  - d) caused an actual increase in ethical violations within companies.
  - e) caused employees to see their managers as acting in ways inconsistent with these ethical codes.

Answer: e

42. When it comes to managers dealing with ethical issues, it is safe to say that:
- a) what is ethical or unethical is seldom clear cut.
  - b) issues clearly resolve themselves into right and wrong choices.
  - c) the implementation of ethical codes has significantly helped managers with their ethical struggles.
  - d) employee expectations are on the decline.
  - e) business, unlike other areas of life, generally has clear choices about what to do or not to do in ethical situations.

Answer: a

43. Karl is trying to improve company productivity by focusing on employee competence. Karl is focusing on the \_\_\_\_\_ factor of productivity.
- a) motivation
  - b) ethical
  - c) quality of work life
  - d) empowerment
  - e) ability

Answer: e

44. You are talking with a manager about one of his employees, Tom. The manager describes Tom as a person who has a strong desire to do the best possible job and put in the maximum effort to perform his assigned tasks. The manager is describing Tom's:
- a) abilities.
  - b) capabilities.
  - c) motivation.
  - d) career path.
  - e) productivity level.

Answer: c

45. One goal of empowerment is:
- a) to decrease employee dependence on superiors.
  - b) to let managers create distance from the employees.
  - c) to encourage employees to take more responsibility for their own work.
  - d) to emphasize external control in the function of the company.
  - e) a and c

Answer: e

46. One of your best MIS people left to work for a competitor. When she left, she took with her a partially completed proposal for an enhanced MIS system that would reduce costs and increase the speed of handling information. You've just experienced:
- a) empowerment.
  - b) an organizational restructuring.
  - c) a competitive advantage.
  - d) brain drain.
  - e) the results of the glass ceiling.

Answer: d

47. Many profitable American companies eliminate jobs every year. This trend can be attributed to which of the following factors?
- a) The need for fewer service and production workers in a more technological society.
  - b) The increasing dissatisfaction of firms with long-term employees.
  - c) Increasing competition in industry.
  - d) Companies' need for more diverse work communities.
  - e) Increasing union membership.

Answer: c

48. Strategic Human Resource Planning is:
- a) the process of responding appropriately to HRM problems as they arise.
  - b) the process of winning the commitment of line management to support HRM practices.
  - c) the process of formulating HR strategies and establishing programs to implement them.
  - d) largely the responsibility of HRM professionals with minimal input by line management.
  - e) a dying practice as more companies move to TQM.

Answer: c

49. Strategic Human Resource Planning provides a number of benefits to a company, such as:
- a) providing strategies for responding to problems and crises as they arise.
  - b) relieving middle managers of their HRM responsibilities.
  - c) blurring the difference between line and staff management.
  - d) reducing costs by diversifying the company's goals and objectives.
  - e) helping to identify the gap between a company's current situation and vision.

Answer: e

50. Molly heads a large company that has just experienced a major brain drain. She immediately increases compensation to new employees and gives each employee with over 10 year experience an extra 3 days of paid vacation per year. This is an example of:
- a) strategic HR planning.
  - b) proactive HR strategy.
  - c) reactive HR strategy.
  - d) a knee-jerk reaction.
  - e) downsizing.

Answer: c

51. Managers who often depend on their personal views and experiences to solve problems and make business decisions run the risk of:
- a) alienating employees who want to contribute to the decision-making process.
  - b) undermining the goals of the company by becoming too independent.
  - c) taking on more responsibility than is necessary in a given business venture.
  - d) making assumptions about the business and economic environment that are untrue, thereby threatening the profitability of the company.
  - e) threatening the profitability of the company by encouraging centralized decision-making processes.

Answer: d

52. For the Strategic HR Planning Process to stimulate critical thinking:
- a) it needs to create common bonds among the various work units in the organization.
  - b) it should focus on day-to-day management issues.

- c) it cannot include specific operational planning but must remain at the conceptual level.
- d) it should manage work flows at the same time.
- e) it must be a continuing, flexible process rather than a rigid procedure.

Answer: e

53. Creating a sense of community and shared values and goals among employees at a firm can often increase:
- a) innovation and customer focus within the firm.
  - b) decentralization within the firm.
  - c) brain drain.
  - d) gaps between the current situation and the future goals.
  - e) the disinterest of line managers.

Answer: a

54. One challenge of Strategic HR Planning is:
- a) getting employees to accept empowerment strategies.
  - b) decreasing job security while lowering labor costs.
  - c) being appropriately reactive to problems in the firm and external environment.
  - d) building HR strategies independent of the overall business strategy of the company.
  - e) developing strategies that offer a firm a sustained competitive advantage.

Answer: e

55. Ima is focusing on recruiting qualified employees for her growing company, reviewing benefit plans in order to offer competitive compensation packages, and is generally very involved with a number of urgent HR needs and “fire fighting.” Ima is facing the strategic HR planning challenge of:
- a) reinforcing the overall business strategy with her HR strategies.
  - b) excessive concentration on day-to-day problems.
  - c) coping with the external environment.
  - d) securing management commitment to her HR strategies.
  - e) none of the above

Answer: b

56. The challenges inherent in Strategic HR Planning include:
- a) identifying HR constraints and limitations.
  - b) creating common bonds.
  - c) developing HR strategies suited to unique organizational features.
  - d) explicating company goals.
  - e) all of the above

Answer: c

57. Town House Publishing is implementing a new HR strategy, and to give it the best chance of succeeding, the HR department should:
- a) increase diversity in the environment.
  - b) ensure managers' commitment to the strategy.
  - c) create a back-up strategy to implement in case the initial strategy fails.
  - d) centralize management in order to communicate more effectively with employees.
  - e) maximize efforts to control day-to-day problems.

Answer: b

58. The acid test for an HR strategic plan is:
- a) management's commitment to it.
  - b) whether it makes a practical difference for the company.
  - c) how people oriented it is.
  - d) if it provides fast solutions.
  - e) if it is an emergent strategy rather than an intended strategy.

Answer: b

59. Intended strategies are \_\_\_\_\_ as opposed to emergent strategies, which are \_\_\_\_\_.
- a) proactive / reactive
  - b) spontaneous / planned
  - c) fuzzy / detailed
  - d) based on company politics / based on company environment
  - e) necessary in large companies / necessary in smaller companies

Answer: a



60. Emergent strategies generally:
- a) evolve and change as needs arise.
  - b) involve only portions of an organization.
  - c) are proactive and well developed in advance.
  - d) encourage strong leadership within a firm.
  - e) are less beneficial to a small company.

Answer: a

61. Working on his HR strategic plan, Jose is thinking about whether to recommend specific job descriptions or broad job classes, and detailed or loose work planning. Jose is considering the HR strategic choice related to:
- a) performance appraisals.
  - b) training and development.
  - c) staffing.
  - d) work flows.
  - e) employee compensation.

Answer: d

62. If a firm is working on its strategic HR choices in the staffing area, it would be looking at decisions about:
- a) imposing a hiring freeze to avoid laying off workers.
  - b) developing an appraisal system that invites participation by multiple employee groups.
  - c) empowering supervisors to make hiring decisions.
  - d) detailed work planning.
  - e) deciding whether to hire high wage people or train people internally.

Answer: c

63. When considering HR strategies regarding employee separations, managers must consider:
- a) whether to use layoffs or voluntary inducements to downsize a firm.
  - b) whether to empower supervisors to make hiring decisions.
  - c) whether to encourage decentralization or centralization of the firm to better enhance employee relations.
  - d) whether to compensate long-term employees more than recent hires.
  - e) whether to create rigid job descriptions in order to keep the responsibilities of managers and their subordinates from becoming interrelated.

Answer: a

64. When developing performance appraisals, a firm needs to make strategic HR choices concerning:
- a) how data will be used in job descriptions.
  - b) training and career development for those whose job performance is substandard.
  - c) the quality of work that an employee must exhibit in order to maintain his or her employment.
  - d) which kind of appraisal system (customized or general) will work best for the organization.
  - e) how to maintain the privacy of managers and employees while collecting data regarding their job performance.

Answer: d

65. If an HR department is reviewing whether to use discipline as a control mechanism or as a proactive way to encourage appropriate behavior, it is considering its strategic choices within the HR function of:
- a) work flows.
  - b) performance appraisal.
  - c) employee rights.
  - d) employee and/or labor relations.
  - e) employee separations.

Answer: c

66. Candles, Inc. is currently evaluating the \_\_\_\_\_ they give their employees, including stock options, benefit packages, and raises based on performance.
- a) employee rights
  - b) compensation
  - c) worker awards
  - d) salary
  - e) kudos

Answer: b

67. Timberlake Corporation is reconsidering recent choices regarding employee and labor relations, including:
- a) the strong “top-down” communication from managers to subordinates.
  - b) the discipline policy regarding Internet use at work.
  - c) a policy that tends to protect employees’ interests over those of the employer.
  - d) the new on-the-job training for incoming employees.
  - e) compensation of managers versus compensation of lower-level employees.

Answer: a

68. Which of the following is NOT a key strategic HR choice when working with international management in a business?
- a) Establishing a repatriation agreement with each employee going abroad versus avoiding any commitment to expatriates.
  - b) Sending expatriates abroad to manage foreign subsidiaries versus hiring local people to manage them.
  - c) Establishing travel packages and benefits to those who will be expatriated versus making other compensation changes.
  - d) Creating a common company culture to reduce inter-country cultural differences versus allowing foreign subsidiaries to adapt to local cultures.
  - e) Establishing company policies that must be followed in all subsidiaries versus decentralizing policy formulation so that each local office can develop its own.

Answer: c

69. The relative contribution of an HR strategy to an organization's performance increases:
- a) the less it fits the external environment.
  - b) to the degree that it increases bottom-line profitability, regardless of the cost to labor.
  - c) if the HR strategy is distinct from the firm's business strategies.
  - d) the more HR strategies are independent of each other.
  - e) the more HR strategy fits the uniqueness of the organization.

Answer: e

70. Which of the following is NOT critically important when determining which HR strategies will positively impact a firm's performance?
- a) organizational capabilities.
  - b) organizational strategies.
  - c) organizational characteristics.
  - d) environment.
  - e) overall cost leadership strategy.

Answer: e

71. For an HR strategic plan to fit with organizational strategies, it needs to align with:
- a) individual employees' personal goals.
  - b) its use of technology.
  - c) work flows used by the organization.
  - d) the firm's corporate and business unit strategies.
  - e) the company's international management plans.

Answer: d

72. An evolutionary corporation would most likely display which of the following characteristics?

- a) It would be a mixture of several different industrial firms.
- b) It would exhibit strong managerial control over employees.
- c) It would be very decentralized and flexible.
- d) It would emphasize long-term career development among employees.
- e) It would emphasize moral commitment.

Answer: c

73. Which of the following HR strategies best fits a firm with an overall cost leadership business strategy?
- a) emphasis on innovation and flexibility.
  - b) external recruitment.
  - c) performance appraisal as a control device.
  - d) broad job classifications.
  - e) all of the above

Answer: c

74. A firm's differentiation business strategy refers to:
- a) employee satisfaction.
  - b) the defender's strategy.
  - c) cost effectiveness of production.
  - d) the creation of a unique product or service.
  - e) the emphasis of the focus strategy.

Answer: d

75. An HR strategy that fits a company's differentiation strategy would be:
- a) one emphasizing innovation and flexibility.
  - b) managerial control reliability.
  - c) HR employee selection.
  - d) standardized appraisals, internal recruiting.
  - e) detailed work planning and a narrow focus in performance appraisal.

Answer: a

76. HR strategies that fit a company's focus strategy would be:
- a) similar to those of a Miles and Snow defender strategy.
  - b) the same as those of a Miles and Snow prospector strategy.
  - c) identical to those of a company using a differentiation strategy.
  - d) identical to those of a company using a low-cost strategy.
  - e) between those of a differentiation and a low-cost strategy.

Answer: e

77. Firms that display a defender strategy generally:
- a) encourage risk-taking behaviors.
  - b) rank very low in job security.
  - c) encourage reliability over innovation.
  - d) recruit externally.
  - e) do not provide much upward mobility for employees.

Answer: c

78. Firms that are high on uncertainty or that operate in volatile environments would benefit most from HR strategies that involve:
- a) variable pay and flexibility.
  - b) control emphasis and fixed pay.
  - c) centralized pay decisions and explicit job descriptions.
  - d) internal recruitment and a formal hiring process.
  - e) high dependency on superiors and uniform appraisal procedures.

Answer: a

79. Firms that are low on uncertainty and change and that operate in stable environments would benefit most from HR strategies that involve:
- a) variable pay and flexibility.
  - b) control emphasis and fixed pay.
  - c) loose work planning and flexibility.
  - d) external recruitment and an informal hiring process.
  - e) low dependency on superiors and tailored appraisal procedures.

Answer: b

80. A firm considering the volatility of its product market, the degree of change that its product is experiencing over the passing of time, and the number of competitors with which it is competing is probably examining its HR strategy's:
- a) fit with organizational characteristics.
  - b) fit with organizational capabilities.
  - c) customized appraisals within the market.
  - d) fit with the environment.
  - e) defender capabilities.

Answer: d

81. An organization's "personality" consists of five characteristics, which include:
- a) empowerment strategies.
  - b) its ability to outsource its work processes.
  - c) strategies for managing the work and family roles of its employees.
  - d) its response to legislation.
  - e) the firm's market posture.

Answer: e

82. Thurmont's steel mill is considering a new HR strategy. Which of the following could be considered an important element of the basic strategy?
- a) Fostering moral commitment among the employees.
  - b) Discouraging informal socializing.
  - c) Implementing job-specific training.
  - d) Implementing generic job training.
  - e) Instituting more flexible HR strategies.

Answer: c

83. Stacey notes that her firm is risk averse, operates with a flexible, delegating management style, and is outwardly focused. Stacey's observations describe which organizational characteristic of a company?
- a) Its production process for converting inputs into outputs.
  - b) The firm's market posture.
  - c) Its organizational structure.
  - d) The firm's management philosophy.
  - e) The organization's overall personality.

Answer: d

84. A firm that encourages an entrepreneurial climate may do which of the following:
- a) display informal hiring strategies.
  - b) display a strong top-down managerial preference.
  - c) discourage innovation and risk taking.
  - d) ignore HR strategies.
  - e) rely on employees' moral commitment to the firm.

Answer: a

85. Mona is interested in buying a new computer. She has heard that Shell processors are on the low end of the cost spectrum and that the company offers an excellent warranty. Mona is focused on the firm's:
- a) fit with the market.
  - b) distinctive competencies.
  - c) consumer appreciation.
  - d) fit with organizational capabilities.
  - e) consumer enjoyment.

Answer: b

86. The role of HR is to:
- a) alleviate the personnel management responsibility from managers.
  - b) develop technical expertise to win more management battles than it loses.
  - c) mind its own business and leave the understanding and running of the business to the line managers.
  - d) support and help managers perform their jobs.
  - e) all of the above

Answer: d

87. A company can take a number of steps to foster an effective relationship between managers and HR, such as:
- a) focusing on the technical side of productivity and teaching it to HR.
  - b) hiring outside consultants to assist HR in implementing its programs.
  - c) requiring some management experience as part of HR professionals' training.
  - d) developing a tough minded, win/lose mentality among HR professionals.
  - e) mandating after-work socializing among HR professionals and line managers.

Answer: c

88. An HR department needs to develop several competencies in order to become a full strategic partner, such as:
- a) followership: the ability to do what line managers want and need.
  - b) a fully developed set of qualitative skills to offset the quantitative focus of line management.
  - c) the ability to think tactically.
  - d) content skills.
  - e) knowledge of the business.

Answer: e

89. Carson is gathering information for an HR audit. Which of the following areas should he be concerned with?
- a) HR strategies' fit with the environment.
  - b) potential for brain drain and discontent among employees.
  - c) the technology available to the employees.
  - d) increasing employee interdependence.
  - e) the risk-taking tendencies of the managers.

Answer: b

90. The Society for Human Resource Management (SHRM) offers which of the following to the HR field?
- a) An honorary doctorate in Human Resources to HR professionals who have been in the business for over 30 years.
  - b) Special benefit packages to all members.
  - c) The opportunity for HR professionals to be certified at the Professional Human Resources (PHR) or the Senior Professional Human Resources (SPHR) level.
  - d) Subsidized HR audits to members' firms.
  - e) Specialized managerial training to Fortune 500 companies' HR professionals.

Answer: c



## CASE QUESTIONS

### Case 1.1

Caplin Company is having a strategic planning session with the director of HR. They are discussing the fit between the company's overall management philosophy, organizational structure, organizational culture, and their current HR strategies. During the meeting, the management team asks the HR Director to profile the current workforce. The HR Director reports that the workforce used to be 85% white, 50% male. Now it is 50% white, 50% minority with twice as many women as men, but supervisors still tend to be white males.

The management team begins to discuss how to control costs, improve quality, and create distinctive capabilities. Several ideas are raised, discussed, and either tabled or assigned to an individual for further exploration. Some managers noted that people tend to come in at start time and take 30 minutes to get down to work and that they begin to pack up for the day 30 minutes before quitting time. People don't seem all that concerned about working hard and producing quality products.

As the team wraps up the day's meeting, they briefly discuss their commitment to the surrounding community. As a cost-cutting measure, they had eliminated their support of an Adult Literacy program, in which volunteers used company facilities to conduct reading classes. The management team decides that they should reinstate the program and appoints the Director of HR to notify the local literacy council.

91. Refer to Case 1.1. The change in the workforce at Caplin is an example of the environmental challenge of:
- decentralization.
  - skill shortages.
  - globalization.
  - workforce diversity.
  - rapid change.

Answer: d

92. Refer to Case 1.1. Caplin's discussion of costs, quality, and capabilities shows that they are trying to address:
- the organizational challenge of competitive position.
  - the environmental challenge of rapid change.
  - the individual challenge of matching the individual and the organization/job.
  - the benefits of strategic HR planning.
  - their strategic HR choices.

Answer: a

93. Refer to Case 1.1. The discussion about people's work habits represents the organizational challenge for HR of:
- a) the problems with empowerment.
  - b) outsourcing.
  - c) organizational culture.
  - d) the use of technology.
  - e) the ethics and social responsibility of employers.

Answer: c

94. Refer to Case 1.1. The closing discussion about supporting the literacy program is an example of a company grappling with:
- a) the individual challenge of empowerment.
  - b) the organizational challenge of workforce diversity.
  - c) the environmental challenge of rapid change.
  - d) the individual challenge of social responsibility.
  - e) none of the above

Answer: d

#### Case 1.2

As the manager of HR, you are leading the management team of an old established company in a strategic planning session. During the planning session, managers are being forced to think about the future, see the likely changes in the marketplace, and commit to plans to use company resources to enhance their competitive edge.

The company decides that as part of its business strategy, it wants to attract and retain the best possible employees. You suggest that the company pay a hiring bonus, use a pay scale about 10% above industry average, and provide an extra week of vacation after only one year instead of the standard three.

95. Refer to Case 1.2. One clear benefit of this strategic planning session is:
- a) the explicit communication of company goals.
  - b) identification of HR constraints and capabilities.
  - c) an exploitation of the company's distinctive capabilities.
  - d) identification of the gap between the current situation and a future vision.
  - e) the development of a reactive mindset.

Answer: d

96. Refer to Case 1.2. The HR strategies suggested are examples of one way to address the strategic HR planning challenge of:
- a) creating a common bond among the management team.
  - b) coping with the environment.
  - c) avoiding excessive concentration on day-to-day problems.
  - d) combining intended and emergent strategies.
  - e) reinforcing overall business strategy.

Answer: e

97. Refer to Case 1.2. If this firm chooses to also address its employee relations, it should:
- a) look at its policy on union avoidance or support.
  - b) develop policies to protect employee interests.
  - c) decentralize policy formation.
  - d) provide continuing support to employees who left the company involuntarily.
  - e) promote from within.

Answer: a

98. Refer to Case 1.2. The HR strategies suggested are examples of:
- a) intended strategies.
  - b) emergent strategies.
  - c) business environment-oriented strategies.
  - d) quality of work life strategy.
  - e) business unit strategy.

Answer: a

99. Refer to Case 1.2. The HR strategies suggested are examples of the strategic HR choice in the area of:
- a) work flows.
  - b) staffing.
  - c) compensation.
  - d) employee relations.
  - e) performance appraisal.

Answer: c

### Case 1.3

Your company sells high-tech products throughout the world and is focusing on a differentiation strategy. The business environment for the company is volatile, rapidly changing, and highly complex. The company is highly entrepreneurial and has a strong moral commitment to quality products, employee job satisfaction, and contributing to the surrounding community. Finally, the management team has decided to create a common company culture among the various national and international subsidiaries to reduce cultural differences and tensions.

100. Refer to Case 1.3. Which of the following HR strategies would support the company's business strategy?
- a) Explicit job descriptions.
  - b) Self-managing work teams.
  - c) Intense supervision of labor.
  - d) Emphasis on technical qualifications and skills.
  - e) Job-based pay.

Answer: c

101. Refer to Case 1.3. The entrepreneurial climate and moral commitment are elements of this firm's:
- a) organizational culture.
  - b) market posture.
  - c) organizational structure.
  - d) overall management philosophy.
  - e) globalization strategy.

Answer: a

102. Refer to Case 1.3. The company's efforts at building a common culture relate to the strategic HR choice regarding:
- a) employee relations.
  - b) training and development.
  - c) staffing.
  - d) work flows.
  - e) international management.

Answer: e

103. Refer to Case 1.3. The company's differentiation strategy is an example of a(n):
- a) HR tactical plan.
  - b) corporate strategy.
  - c) emergent strategy.
  - d) business unit strategy.
  - e) organizational personality characteristic.

Answer: d

#### Case 1.4

Crowe, Inc. has been a powerful steel producer for the last 15 years and sees only positive prospects in the future. The company provides employees with long-lasting careers and has only recently seen the potential to lose a significant number of workers. The company is very stable and has an elaborate system for providing employees with promotions and transfers to higher levels within the company. Crowe has a very secure position within its industry and has no need to extend its production and services into different industries.

However, some discontent has arisen among lower-level employees. Several employees were fired for on-the-job ethical violations. Those employees let go, in turn, convinced nearly 100 other employees to threaten to leave unless the policies regarding ethical violations are revised. In light of this event, Crowe's HR department has decided to implement some strategies to curb former employees from causing others to leave, one of these being that in the instance that any exiting employee convinces another to leave the company, the company will take back the small stock option given to him/her.

Prior to this, the company's atmosphere was very congenial and featured camaraderie between employees at all levels. Now, there has been a noticeable negative shift in the attitude of the workers toward Crowe authority. Many employees are now filing more grievances against the management. Some noticeable hostility has also arisen from employees toward upper-level management.

104. Refer to Case 1.4. When Crowe's employees were fired, this was an example of:
- a) unfair disciplinary practices.
  - b) organizational strategies.
  - c) the creation of common bonds.
  - d) employee separations.
  - e) outsourcing.

Answer: d

105. Refer to Case 1.4. Crowe's strategy to handle exiting employees who incite others to quit is what type of strategy?
- a) An emergent strategy.
  - b) An intended strategy.
  - c) A staffing strategy.
  - d) An employee separation strategy.
  - e) An organizational strategy.

Answer: b

106. Refer to Case 1.4. Crowe could be best described as a:
- a) defender.
  - b) evolutionary business.
  - c) prospector.
  - d) reactive corporation.
  - e) company with distinctive competencies.

Answer: a

107. Refer to Case 1.4. The corporate strategy that Crowe would most likely espouse is:
- a) an evolutionary strategy.
  - b) a business unit strategy.
  - c) a decentralizing strategy.
  - d) a cost-cutting strategy.
  - e) a steady state strategy.

Answer: e

108. Refer to Case 1.4. The reactions of employees at Crowe show a change in the company's:
- a) centralization efforts.
  - b) organizational challenges.
  - c) staffing practices.
  - d) environment.
  - e) organizational culture.

Answer: d

## TRUE/FALSE QUESTIONS

109. A human resource tactic refers to a firm's deliberate use of human resources to gain and maintain a competitive edge in the marketplace.

Answer: False

110. The American workforce is getting younger as more and more Generation Xers enter the marketplace.

Answer: False More and more U.S. companies are forming global alliances and trying to develop worldwide cultures in order to smooth over differences among employees.

Answer: True

111. The manufacturing sector is now growing more rapidly than the service sector in the U.S. economy.

Answer: False

112. Providing job training to employees is one way to improve a firm's competitiveness by controlling costs.

Answer: True

113. TQY programs are designed to improve the quality of the processes used to produce products and services, and that leads to improved products and services.

Answer: False

114. Downsizing is simply one form of organizational restructuring.

Answer: False

115. Companies always retain more employees during robust economic times than during times of economic challenge.

Answer: False

116. The SBA's definition of a small business varies depending on the business. For example, both a wholesale company with less than 100 employees and a manufacturing firm with a maximum of 1,500 employees are considered small businesses.

Answer: True

117. 99.8% of small businesses in the U.S. have less than 100 employees.

Answer: True

118. 90% of all small businesses fail within their first three years.

Answer: False

119. Norms, rules of the game, organizational climate, etc., are elements of an organization's structure.

Answer: False

120. A company's managerial control is a key element of organizational culture.

Answer: False

121. A significant technology issue for HR is the proper use of the data that its information systems generate.

Answer: True

122. Companies are allowed to monitor their employees' use of the Internet for when, how, and why the workers are using it.

Answer: True

123. When managers seek to increase employee productivity, they need to look at employees' abilities and their motivation to work, as well as technical processes.

Answer: True

124. Job security is becoming stronger with the rise in technology and very positive HR practices.

Answer: False



125. An important benefit of HR strategic planning is the encouragement of line managers' participation, since they are ultimately responsible for implementing HR strategies.

Answer: True

126. HR strategies that work for one company in an industry will work just as well for another company in the same industry as business environments tend to be similar among the firms within industries.

Answer: False

127. Emergent strategies provide organizations with a sense of purpose and a guide for allocating resources.

Answer: False

128. Work flow refers to how a specific task is organized to meet the production of service goals of a firm.

Answer: True

129. The Cola Corporation controls a bottle factory, a root beer brewery, and a bottling plant. This mix of businesses on the part of Cola Corp. is referred to as the business unit strategy.

Answer: False

130. A corporation that values centralization, long-term career development, and internal grooming of employees has probably adopted a steady state strategy.

Answer: True

131. HR strategies need to fit a firm's overall management philosophy but may largely ignore the company's market posture and production processes, since those are line management responsibilities and HR has little impact on them.

Answer: False

132. When discussing the relationship of the HR department with management, one should remember that the role of the HR department is to assume full responsibility for HR policies and practices in order to empower managers to better do their jobs.

Answer: False

### **SHORT ANSWER QUESTIONS**

133. People who work in an organization are called\_\_\_\_\_.

Answer: human resources (HR)

Easy Page: 2

134. A particular HR policy or program that helps to advance a firm's strategic goal is referred to as a\_\_\_\_\_.

Answer: human resource tactic

Easy Page: 2

135. A(n)\_\_\_\_\_ is an employee involved directly in producing the company's good(s) or delivering the service(s).

Answer: line employee Moderate Page: 3

136. Forces external to a firm that affect the firm's performance but are beyond the control of management are called\_\_\_\_\_.

Answer: environmental challenges

Moderate Page: 3

137. \_\_\_\_\_ is an organization-wide approach to improving the quality of all the processes that lead to a final product or service.

Answer: TQM Moderate Page: 10

138. \_\_\_\_\_ is the transferring of responsibility and decision-making authority from a central office to people and locations closer to the situation that demands attention.

Answer: Decentralization

Moderate Page: 11

139. A reduction in a company's workforce to improve its bottom line is referred to as\_\_\_\_\_.

Answer: downsizing Easy Page: 11

140. Beliefs that operate unconsciously and define in a basic taken-for-granted fashion an organization's view of itself and its environment refer to\_\_\_\_\_.

Answer: organizational culture

Moderate Page: 13

141. \_\_\_\_\_ is subcontracting work to an outside company that specializes in and is more efficient at doing that kind of work.

Answer: Outsourcing    Moderate    Page: 16

142. A measure of how safe and satisfied employees feel with their jobs is referred to as \_\_\_\_\_.

Answer: quality of work life

Moderate    Page: 19

143. \_\_\_\_\_ provides workers with the skills and authority to make decisions that would traditionally be made by managers.

Answer: Empowerment

Moderate    Page: 19

144. The process of formulating HR strategies and establishing programs or tactics to implement them is called \_\_\_\_\_.

Answer: strategic human resource planning

Moderate    Page: 20

145. A(n) \_\_\_\_\_ is the formulation and implementation of strategies by a firm that is relatively autonomous, even if it is part of a larger corporation.

Answer: business unit strategy

Moderate    Page: 28

146. \_\_\_\_\_ are the characteristics that give a firm a competitive edge.

Answer: Distinctive competencies

Easy    Page: 36

147. A periodic review of the effectiveness with which a company uses its human resources is called a(n) \_\_\_\_\_.

Answer: HR audit    Moderate    Page: 39

## ESSAY QUESTIONS

148. Discuss the role and importance of technology in HRM.

Answer:

Summary of suggested answer- rise of telecommuting, change in labor market-the need for more computer literate employees, job redefinition, greater communication skills needed for employees, breaking down of labor market, online learning--training for employees, worker retention, enabling general managerial focus to HR, an increase in egalitarianism due to the speed of communication, job/employee searches on the Internet, increase in decentralization due to rapidity of communication.

149. Discuss how human resource management can assist an organization in dealing with the challenges of workforce diversity and marketplace globalization.

Answer:

Summary of suggested answer –

\*workforce diversity - increase cultural sensitivity, raise awareness of growing diversity in the workforce, implement policies to help break the glass ceiling, raise awareness of generation gap issues, etc.

\* globalization - design and conduct training, study global workforce, create and guide expatriate assignments, etc.

150. Review the major challenges at the individual level and offer ways HRM can assist organizations in meeting these challenges.

Answer:

Summary of suggested answer - Matching people, co-developing ethical codes, training, implementing better HRM decision processes. Productivity - improving hiring, placing, training. Recognizing motivational issues, developing strategies to enhance motivation. Developing strategies to empower employees. Identifying key employees and developing retention strategies to prevent brain drain.

151. Strategic HR planning has numerous benefits for a company. Discuss.

Answer:

Summary of suggested answer - Several direct and indirect benefits accrue. It helps a company be proactive. It permits explicit communication of company goals. It stimulates critical thinking and examination of corporate assumptions. It identifies “gaps” between the current situation and the future vision of the company, it encourages line management participation in HR functions. It enhances the identification of HR constraints and opportunities, and it helps create common bonds across the organization.

152. A firm’s strategic HR choices cover the entire range of HR functions. Explain the strategic choices a company has regarding work flows, staffing, performance appraisal, and training and development.

Answer:

Summary of suggested answer –

- \* Work flows -- efficiency vs. innovation, control vs. flexibility, specific job descriptions vs. broad job descriptions.
- \* Staffing --internal vs. external recruitment, empowerment vs. centralization of decision making, informal vs. formal employee socialization.
- \* Performance appraisal --standard or customized, development tool or control mechanism.
- \* Training and development --teams or individual training, require skills or train skills, hire talent or invest in developing talent.

154. Employment in the service sector is expected to:

- a) decrease 31% between 2008 and 2012.
- b) increase 32% between 2008 and 2012.
- c) decrease 52% between 2008 and 2012.
- d) increase 52% between 2008 and 2012.
- e) shift only 2-3% in either direction.

Answer: b