Managing Human Resources (Canadian) 8th edition Belcourt Test Bank

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Chapter 2 Strategy and Human Resources Planning

MULTICHOICE

1. What is the first step in the strategic planning process?

(A) putting together the human resource management team

(B) executing the human resource plan

(C) establishing the mission, vision, and values of the organization

(D) aligning the human resource plan and the strategic plan

Answer : (C)

2. Kramer Athletic Equipment is planning the future of the organization. In this process, the firm is making decisions such as whether to maintain its current path as industry leader in the running shoe business, or branch out to include casual footwear. In addition, the company is also discussing the various needs it will have for new staff if it does choose to go in a new direction. What is Kramer Athletic Equipment doing?

(A) strategic planning

(B) human resources planning

(C) applying principles of strategic human resources management

(D) planning both its business needs and its HR needs

Answer : (C)

3. Organization Z is planning its future. In the process, the firm is making decisions such as what type of market it wants to be the leader in and what path to take to achieve this goal. What is Organization Z doing?

(A) strategic planning

(B) human resources planning

(C) performing a Markov analysis

(D) applying principles of strategic human resources management

Answer : (A)

4. Eldorado Electronics wants to move from the stagnant calculator industry into the smart phone industry. To do so, however, it would have to make significant changes to its approach to product development in order to gain an edge in this competitive industry. What is the smartest next step for Eldorado Electronics?

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(A) It should consider how its strategic plans will affect its HR needs.

(B) It should engage in human resources planning.

(C) It should apply principles of strategic human resources management.

(D) It should consider how its strategic plans will affect HR needs and also how its current HR status will affect its strategic plans.

Answer : (D)

5. HR planning requires HR managers to focus more on an alignment between HR plans and which of the following?

(A) the organization's financial strategy

(B) the organization's marketing position

(C) the organization's strategic plan

(D) the competitive environment

Answer : (C)

6. On the entrance to Mac Pencils' factory are the words "to provide the world with high-quality and dependable pencils." What is this an example of?

(A) strategic vision

(B) mission

(C) core values

(D) core resources

Answer : (B)

7. Which of the following best captures the strategic intent of the organization?

(A) its mission

(B) its vision

(C) its core values

(D) its strategic human resource plan

Answer : (B)

8. Which of the following best describes the core values of a company?

(A) They represent the alignment of the strategic plan with the human resource plan.

(B) They are strong enduring beliefs and principles of the company.

(C) They are the basic purpose of the organization.

(D) They provide a perspective on where the company is headed.

Answer : (B)

9. During its strategic retreat, the top management team at IAMME Gold Corporation pondered on the question "What's the organization reason for being?" What was the team most likely focusing on?

(A) the firm's strategic vision

(B) the firm's core values

(C) the firm's mission

(D) the firm's competitive position

Answer : (C)

10. As part of its strategic planning process, TJX Corporation is involved in a systematic, regular monitoring of major external forces influencing the organization. What is this process called?

(A) external forecasting

(B) human resource planning

(C) Markov analysis

(D) environmental scanning

Answer : (D)

11. Which of the following is NOT generally considered a component of a firm's competitive environment?

(A) rival firms

(B) new entrants

(C) labour laws

(D) suppliers

Answer : (C)

12. Which of the following deliberations on the competitive environment generally involves an active

role by HR managers?

(A) an analysis of new entrants

(B) an analysis of the supply and demand for labour

(C) coordination with suppliers

(D) minimizing the technical advantages of rival firms

Answer : (B)

13. What do we call integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers?

(A) core capabilities

(B) competitive advantage

(C) human capital

(D) organizational competencies

Answer : (A)

14. An organizations' core capabilities consist of three components. Which of the following is NOT one of them?

(A) processes

(B) systems

(C) people

(D) cultural audit

Answer : (D)

15. What do we consider the firm's resources to be when they improve the efficiency or effectiveness of the company?

(A) difficult to imitate

(B) valuable

(C) organized

(D) rare

Answer : (B)

16. Which statement best describes strategic knowledge workers?

(A) They have skills that are valuable but not unique.

(B) They have firm-specific skills directly related to company strategy.

(C) They have unique skills directly linked to the company's strategy.

(D) As consultants, they have strategic skills.

Answer : (C)

17. Which statement best describes the skills of core employees?

(A) Their skills are not directly related to company strategy.

(B) They have firm-specific skills directly related to company strategy.

(C) They have skills that are valuable but not unique.

(D) Their skills are available to all firms.

Answer : (C)

18. From an organization's perspective, what is an important shortcoming of having to rely on part-time employees?

(A) limited benefits

(B) costs of continuous replacement

(C) lack of training

(D) no job security

Answer : (B)

19. As part of the strategic planning process, XYZ Inc. recently examined the attitudes and activities of the company's workforce. What was XYZ doing?

(A) an environmental scan

(B) a cultural audit

(C) a trend analysis

(D) a demand forecast

Answer : (B)

20. Smith Frozen Foods performs a yearly employee survey to assess how its employees feel about

safety on the job, the comfort of the working conditions, and their general level of satisfaction with their work, managers, and coworkers. What is Smith Frozen Foods most likely performing?

(A) a job satisfaction survey

(B) an environmental analysis

(C) a cultural audit

(D) an engagement measure

Answer : (C)

21. What is values-based hiring?

(A) hiring employees whose values correspond to their corporate cultures

(B) hiring employees based on good ethical values

(C) hiring decisions that lead to new values being adopted by the company

(D) hiring executives who then instill their values in the company

Answer : (A)

22. Which of the following best describes forecasting human resources needs?

(A) It is scientific and relatively error-free.

(B) It is difficult and should only be done on rare occasions.

(C) It should rely strictly on quantitative approaches, which utilize sophisticated analytical models.

(D) It estimates the number and type of people that are needed to meet organizational objectives.

Answer : (D)

23. Which of the following should you take into account when forecasting demand?

(A) absenteeism

(B) turnover

(C) business cycles

(D) labour mobility

Answer : (C)

24. Kappa Technology is a firm in the high-technology sector. It needs to hire individuals with very specific knowledge and abilities, and it needs to do so quickly. Which aspect of employee forecasting

will be most important for this company?

(A) skills inventories

(B) staffing tables

(C) Markov analysis

(D) succession planning

Answer : (A)

25. XYZ Corporation wants to track the percentage and actual number of employees who remain in each of the firm's job from one year to the next. Which of the following would XYZ Corporation benefit from?

(A) a replacement chart

(B) a skills inventory

(C) a Markov analysis

(D) a succession plan

Answer : (C)

26. Manning Logistics laid off nine employees from data-entry positions in its finance division. Two weeks later, it hired 15 employees into data-entry positions in the inventory division. What mistake has the company committed?

(A) faulty cultural audit

(B) not forecasting properly

(C) faulty goal alignment

(D) not analyzing the internal labour force

Answer : (B)

27. What is the difference between trend analysis and management forecasts?

(A) Trend analysis is used to analyze the business environment and management forecasts predict labour needs.

(B) Trend analysis uses organizational indexes and management forecasts utilize statistical techniques.

(C) Trend analysis is quantitative and management forecasts are qualitative.

(D) Trend analysis has proven success and management forecasts have major shortcomings.

Answer : (C)

28. Which of the following is a graphical representation of all organizational jobs along with the numbers of employees currently occupying those jobs and future employment requirements?

(A) a Markov analysis

(B) a trend analysis

(C) a skills inventory

(D) a staffing table

Answer : (D)

29. What is the most important information obtained from a Markov analysis?

(A) human capital readiness

(B) what types of attitudes employees have

(C) what positions are going to be coming open and will require a new hire

(D) how many individuals are ready for promotion

Answer : (C)

30. Which of the following is NOT a qualitative approach to demand forecasting?

(A) trend analysis

(B) Delphi technique

(C) soliciting expert opinion

(D) management forecast

Answer : (A)

31. Which of the following is the process of identifying, developing, and tracking key individuals so that they may eventually assume top-level positions?

(A) target forecasting

(B) predicted change

(C) succession planning

(D) replacement selection

Answer : (C)

32. As part of the SWOT analysis, the internal analyses of the firm would include an analysis of which of the following?

(A) opportunities

(B) strategy

(C) threats

(D) weaknesses

Answer : (D)

33. Vindal Fabrics has determined that its organizational strength is being an industry leader in producing upholstery fabrics for automobiles. The company believes its weakness is its performance in Southeast Asia. It has also determined that it is missing an opportunity by not yet branching into upholstery for public transit seats. In order to complete a SWOT analysis, does Vindal Fabrics need to do next?

(A) It needs to see that its major threat is the economic downturn of the auto industry.

(B) Its HR department needs to address the company's major weakness.

(C) It needs to perform a revenue analysis in order to see what chances it can take.

(D) Its HR department needs to address the company's missed opportunity.

Answer : (A)

34. Which of the following is a cooperative strategy pursued by firms?

(A) joint ventures

(B) mergers

(C) acquisitions

(D) diversification

Answer : (A)

35. In what way can HR best help ensure that a strategic alliance or joint venture goes smoothly in the beginning?

(A) plan labour supply needs for both organizations

(B) systematically monitor employee morale for both organizations

(C) teach employees about the other organization

(D) assess the compatibility of the two organizational cultures

Answer : (D)

36. What do we call the internal alignment of HR practices to establish a configuration that is mutually enforcing?

(A) vertical fit

(B) horizontal fit

(C) HR alignment

(D) enforcing fit

Answer : (B)

37. What do we call reducing the workforce through the departure of employees who resign or retire?

(A) attrition

(B) contraction

(C) contracting out

(D) termination

Answer : (A)

38. Organization Y is a unionized textiles manufacturing company that is downsizing. What will Organization Y most likely use when deciding whom to lay off first?

(A) seniority

(B) the payroll

(C) what skills and abilities the company needs to thrive

(D) talent

Answer : (A)

39. Severance pay is usually calculated based on which of the following?

(A) the employee's years of service and salary

(B) complex formulas administered by the federal government

(C) the employee's skills and abilities

(D) the employee's education and performance

Answer : (A)

40. ATM Company has experienced a recent growth in its business. Which of the following is NOT a likely response to its new HR demands?

(A) Hire full-time employees

(B) Ask employees to work over-time

(C) Allow for attrition

(D) Use contract workers

Answer : (C)

41. What is an HR "dashboard"?

(A) a strategic tool developed by the Boston Consulting Group

(B) a SWOT analysis at the HR level

(C) a balanced scorecard

(D) a software that tracks and graphically displays HR statistics so they can be viewed by managers at a glance

Answer : (D)

42. Which of the following is a method for measuring a firm's strategic alignment?

(A) Markov analysis

(B) a balanced scorecard

(C) benchmarking

(D) an HR "dashboard"

Answer : (B)

43. Which term refers to an enthusiastically adopted tool for mapping a firm's strategy in order to ensure strategic alignment?

(A) target forecasting

(B) predicted focus

(C) balanced scorecard

(D) replacement selection

Answer : (C)

44. Which of the following is an important use of the balanced scorecard?

(A) to help balance internal and external fit

(B) to help managers translate their firms' strategic goals into operational objectives

(C) to help managers balance the costs and benefits of HR strategies

(D) to help with the SWOY analysis

Answer : (B)

45. An organization states that teamwork and working together are important in its strategy but gives bonuses to individuals who excel independently. What is this an example of?

(A) a misalignment of internal fit

(B) a misalignment of external fit

(C) a misalignment of internal and external strategy

(D) a misalignment of strategy and HR

Answer : (A)

46. Scenario 2.1

Blockbuster Canada was the first of its kind in Canada in the movie and games rental business and operated for more than 21 years. However, with the advent of more modern technology accessible mainly through Netflix and Rogers On Demand, Blockbuster struggled to stay relevant in a tech-savvy environment where videos and games could now be rented conveniently from the comfort of one's couch via computer or TV. Despite efforts to try to stay relevant, Blockbuster did not leverage technology that had become an important part of their consumer base's daily lives. As a result, Blockbuster was not able to fight off the competition.

Refer to Scenario 2.1. To remain competitive, Blockbuster Canada needed to systematically monitor the major external forces influencing the movie/game rental business. Which of the following would be important to its success?

(A) analysis of the internal environment

(B) environmental scanning

(C) changes in demographics

(D) changes in its mission, vision, and values

Answer : (B)

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Refer to Scenario 2.1. Blockbuster Canada managers could have successfully advanced the company and remained relevant by focusing on which of the following?

(A) an environmental analysis

(B) what they do best, traditional rentals

(C) technological changes including information technology and innovations

(D) incentives to keep consumers coming back

Answer : (C)

48. Scenario 2.1

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Refer to Scenario 2.1. What is one of the most important assessments a firm like Blockbuster could have made in order to stay relevant?

(A) identifying the needs of its customers

(B) identifying the needs of its producers

(C) identifying the needs of its employees

(D) teaming up with the competition

Answer : (A)

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savvy environment where videos and games could now be rented conveniently from the comfort of one's couch via computer or TV. Despite efforts to try to stay relevant, Blockbuster did not leverage technology that had become an important part of their consumer base's daily lives. As a result, Blockbuster was not able to fight off the competition.

Refer to Scenario 2.1. Blockbuster's competitive environment includes which of the following?

(A) its customers, HR strategy, new entrants, core capabilities

(B) its environmental scanning and analysis

(C) its environmental analysis, strategic planning, and HR strategy

(D) its customers, rival firms, new entrants, substitutes, and suppliers

Answer : (D)

50. Scenario 2.1

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Refer to Scenario 2.1. For years, Blockbuster survived as a successful entity with various competitors until Netflix and Rogers On Demand began making movies and games available online. Which of the following most likely contributed to Blockbuster going out of business?

(A) economic, global, political, and environmental factors

(B) technological, psychological, and physical factors

(C) technological changes, social concerns, and demographic and labour market trends

(D) the lack of knowledge workers

Answer : (C)

51. Scenario 2.2

Avie Products Inc. is planning to add a third shift to its production schedule. It currently has 450 workers involved in all aspects of its fertilizer business, best done in Canada. A recent surge in demand from its global customers is driving the need for more workers; however, Simi Meher, the CEO, is concerned that the surge may be temporary, especially in light of the recent economic downturns in the global environment where Avie does business.

Refer to Scenario 2.2. Which approach could Avie use to forecast demand for its products?

(A) staffing tables

(B) Markov analysis

(C) skill inventories

(D) trend analysis

Answer : (D)

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Refer to Scenario 2.2. What would assist Avie in determining how many additional workers it would need for the third shift?

(A) reconciling supply and demand

(B) Markov analysis

(C) replacement charting

(D) trend analysis

Answer : (A)

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Refer to Scenario 2.2. What is the best strategy for Avie to follow with respect to workers on the third shift?

(A) hire full-time employees to get their commitment

(B) hire part-time staff

(C) get management to do the extra work

(D) outsource the work to India

Answer : (B)

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Refer to Scenario 2.2. Assume that Avie goes ahead with the third shift. What can the company use to evaluate the effectiveness of this strategy in a year's time?

(A) Markov analysis

(B) trend analysis

(C) skill inventories

(D) benchmarking

Answer : (D)

TRUEFALSE

55. HR planning is the process of setting major organizational objectives and developing comprehensive plans to achieve those objectives.

(A) True

(B) False

Answer : (B)

56. Increased emphasis on HR issues becomes especially critical when organizations consider global strategies, relocation of plants, product innovation plans, and so forth.

(A) True

(B) False

Answer : (A)

57. Human resources planning plays a key role in organizational strategy implementation because organizational leaders must make decisions regarding resource allocations to human capital, among other things.

(A) True

(B) False

Answer : (A)

58. Strategic plans have a strong external orientation that covers major portions of the organization, focusing mainly on how the organization will position itself globally.

(A) True

(B) False

Answer : (B)

59. Human resources planning (HRP) is the conducting of recruitment and selection methods according to a strategic plan.

(A) True

(B) False

Answer : (B)

60. The mission statement of an organization is a description of the organization's vision and values.

(A) True

(B) False

Answer : (B)

61. Organizational core values are the strong enduring beliefs and principles that a company uses as a foundation for its decisions.

(A) True

(B) False

Answer : (A)

62. Environmental scanning involves the systematic monitoring of internal factors influencing the organization.

(A) True

(B) False

Answer : (B)

63. Economic factors in environmental scanning include general and global conditions.

(A) True

(B) False

Answer : (A)

64. The number of hours that Canadians work per week has been trending downward and now hovers around 33 hours a week.

(A) True

(B) False

Answer : (A)

65. Nearly one-fifth of the workforce is made up of part-time, temporary, and self-employed workers.

(A) True

(B) False

Answer : (A)

66. National and regional unemployment rates are often considered a general barometer of labour supply.

(A) True

(B) False

Answer : (A)

67. Human Resources and Skills Development Canada (HRSDC) analyzes labour markets to determine the supply and demand for labour.

(A) True

(B) False

Answer : (A)

68. External supply of labour is central to strategic planning.

(A) True

(B) False

Answer : (B)

69. Internal analysis provides strategic decision makers with an inventory of organizational skills and resources.

(A) True

(B) False

Answer : (A)

70. A cultural audit asks questions such as "How do employees spend their time?"

(A) True

(B) False

Answer : (A)

71. Core capabilities are integrated skills and knowledge sets within an organization that distinguish it from its competitors and deliver value to customers.

(A) True

(B) False

Answer : (A)

72. Core capabilities provide a long-term basis for technological innovation, product development, and service delivery.

(A) True

(B) False

Answer : (A)

73. In general, contract labour possesses skills and knowledge of less strategic value to the organization than core knowledge workers.

(A) True

(B) False

Answer : (A)

74. Organizations such as Canadian Tire and CIBC conduct cultural audits to examine the attitudes and activities of the external workforce.

(A) True

(B) False

Answer : (B)

75. A cultural audit may examine how people are empowered.

(A) True

(B) False

Answer : (A)

76. A cultural audit asks questions such as "What is the ethnic make-up of my workforce?"

(A) True

(B) False

Answer : (B)

77. There are two approaches to HR forecasting: quantitative and qualitative.

(A) True

(B) False

Answer : (A)

78. Trend analysis is a qualitative approach to labour demand forecasting.

(A) True

(B) False

Answer : (B)

79. Trend analysis relies on a single business factor.

(A) True

(B) False

Answer : (A)

80. Forecasting may be as informal as having one person familiar with the organization anticipate HR needs.

(A) True

(B) False

Answer : (A)

81. Management forecasts are quantitative measurements of future employment needs.

(A) True

(B) False

Answer : (B)

82. The Delphi technique works best in organizations where dynamic technological changes affect staffing levels.

(A) True

(B) False

Answer : (A)

83. Staffing tables provide data on external labour supply sources.

(A) True

(B) False

Answer : (B)

84. Markov analysis is a systematic monitoring of the major external forces influencing an organization.

(A) True

(B) False

Answer : (B)

85. Markov analysis focuses on the number of employees in particular jobs and their skill levels, compensation, and job tenure.

(A) True

(B) False

Answer : (B)

86. Succession planning is the process of identifying, developing, and tracking key individuals so

that they may eventually assume top-level positions.

(A) True

(B) False

Answer : (A)

87. Replacement charts are listings of current jobholders who are potential replacements if an opening occurs.

(A) True

(B) False

Answer : (A)

88. SWOT analysis includes the strengths only for strategy formulation purposes.

(A) True

(B) False

Answer : (B)

89. The stages of HR activity associated with a merger are (1) precombination, (2) combination, and (3) solidification and assessment.

(A) True

(B) False

Answer : (A)

90. Value creation is what the firm adds to a product or service by virtue of making it; it's the amount of benefits provided by the product or service once the costs of making it are subtracted.

(A) True

(B) False

Answer : (A)

91. Through human resources planning, organizations strive for a proper balance between demand considerations and supply considerations.

(A) True

(B) False

Answer : (A)

92. Decisions about employee layoffs are usually based on seniority and/or performance.

(A) True

(B) False

Answer : (A)

93. A disadvantage of overemphasizing seniority is that less competent employees receive the same rewards and security as more competent employees.

(A) True

(B) False

Answer : (A)

94. Attrition is the fastest way to achieve workforce reduction.

(A) True

(B) False

Answer : (B)

95. In unionized firms, layoffs are typically based on performance.

(A) True

(B) False

Answer : (B)

96. Attrition and early retirement are means for organizations to reduce excess labour.

(A) True

(B) False

Answer : (A)

97. Under the umbrella of layoff strategies are several work reduction options: reduced workweek, reduced shifts, transfers to related companies, and so on.

(A) True

(B) False

Answer : (A)

98. The use of part-time employees creates a problem of labour costs at fast-food restaurants.

(A) True

(B) False

Answer : (B)

99. Over time, organizations may try to reduce their workforce by relying on attrition.

(A) True

(B) False

Answer : (B)

100. Severance pay is a lump-sum payment given to terminated employees.

(A) True

(B) False

Answer : (A)

101. Benchmarking is the process of comparing the organization's processes and practices with those of other companies.

(A) True

(B) False

Answer : (A)

102. Internal fit (or alignment) means that HR practices are aligned with one another in a mutually reinforcing configuration.

(A) True

(B) False

Answer : (A)

ESSAY

103. Describe how human resources planning is integrated with strategic planning.

Graders Info :

Through strategic planning, organizations set major objectives and develop plans to achieve those objectives. HRP provides a set of inputs that determine what is or is likely to be possible, given the number of available people, training needs, and other people-related issues. HR strategies and action plans are developed according to the overall strategic goals that evolve from the strategy formulation process. During the strategy implementation phase, HRP must make resource allocation decisions, and implement policy, practices, and training that support the decisions and outcomes of the strategic planning process.

104. Describe the three key elements of the HRP model.

Graders Info :

The three key elements in the HR planning process are (1) forecasting demand, (2) forecasting supply, and (3) balancing supply and demand considerations.

Forecasting demand involves estimating in advance the number and type of people needed to meet organizational objectives. It may involve a quantitative approach using statistical analysis and mathematical models or a qualitative approach focusing on employee performance and promotability.

Forecasting supply determines if there are sufficient numbers and types of employees available to staff anticipated openings. Sources of supply can be external or internal.

HR planning should strive for a proper balance between the emphasis placed on demand considerations and that placed on supply considerations. Demand considerations are based on the forecast of trends in business activity. Supply considerations involve the determination of where and how candidates with the required qualifications are to be found to fill vacancies.

105. Identify and briefly describe three strategies that managers frequently use to cope with a labour shortage.

Graders Info :

(1) Overtime (i.e., asking employees to work extra hours) is a strategy used by most firms during peak periods. (2) Increasingly, organizations are using part-time employees to increase flexibility in scheduling and reducing payroll costs. Many organizations use part-time or contract employees to cover the absences of regular, full-time employees. (3) In addition, nine out of ten Canadian companies-both large and small-make some use of temporary employees. "Temps" are typically used for short-term assignments, vacation fill-ins, for peak work periods, or to cover for employees taking sick leave, pregnancy leave, and so forth.

106. What are the advantages and disadvantages of using attrition as a downsizing strategy?

Graders Info :

The primary advantage of using attrition (combined with a hiring freeze) is the ability to control and predict compensation expenses that go beyond the salaries and benefits redeemed from departing employees. When the organization does not replace departing employees, the reduction in recruitment, orientation and training, office space costs, and so forth, can result in substantial savings.

However, the disadvantages of attrition are significant. Current employees may be overburdened with the work of departing employees; their skills may not match the skill sets of the departed workers; and no new skills or ideas are infiltrating the organization. In addition, the organization is unable to control who leaves and who stays, which may result in valuable employees leaving, while less needed ones remain. Attrition also poses the disadvantage of taking a long time, compared to processes that can be accomplished rapidly, such as layoffs.

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