Strategic Human Resources Planning (Canadian) 7th edition Belcourt Test Bank

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TRUE/FALSE

1 : Professional certification is NOT a human capital asset.
A : true
B : false

Correct Answer : B

2 : The statistical technique in HR examining, demand forecasting, and resource supply is based on a linear relationship.
A : true
B : false

Correct Answer : A

3 : HR departments may fall somewhere on the continuum of options between doing no workforce planning and hiring as needed to enterprise-level workforce planning and mitigation planning.
A : true
B : false

Correct Answer : A

4 : A clearly written mission statement typically increases turnover.
A : true
B : false

Correct Answer : B

5 : Recently HR departments have been required to move from demonstrating real value to articulating perceived value.
A : true
B : false

Correct Answer : B

6 : Over 70 percent of Canadian executives state that their strategies are supported by a workforce plan.
A : true
B : false

Correct Answer : B

7 : The aggregate of all employees' knowledge is an example of human capital.
A : true
B : false

Correct Answer : A

8 : A possible practical barrier to strategic HR planning is the lack of a holistic approach.
A : true
B : false

Correct Answer : B

9 : Traditionally, the HRM program influenced the creation of the corporate strategy.
A : true
B : false

Correct Answer : B

10 : Human resources management used to be called the personnel department.
A : true
B : false

Correct Answer : B

11 : From the human capital perspective, companies should invest in their employees.
A : true
B : false

Correct Answer : A

12 : Human resources create competitive advantage for organizations, which reflects a resource-based view.
A : true
B : false

Correct Answer : A

13 : According to the resources-based view, the less a resource can be imitated, the more it contributes to competitive advantage.
A : true
B : false

Correct Answer : A

14 : Michael Porter estimates that it takes approximately five years to duplicate a competitive edge in human resources.
A : true
B : false

Correct Answer : B

15 : There is a negative relationship between the amount of money spent on training employees and the perceived value of human capital.
A : true
B : false

Correct Answer : B

16 : Making decisions, such as how to best use human capital, is an example of a transactional activity in HR.
A : true
B : false

Correct Answer : B

17 : The HR senior manager team moves from insider status to outsider status with strategic HRM.
A : true
B : false

Correct Answer : B

18 : Almost 70 percent of Canadian organizations indicated they had difficulty recruiting quality candidates.
A : true
B : false

Correct Answer : B

19 : A resource-based view of HR involves the thinking that different strategies require different behaviours from employees, which in turn are influenced by different HR practices.
A : true
B : false

Correct Answer : B

20 : “Human capital” refers to the collective sum of the attributes, experience, knowledge, and commitment that employees choose to invest in their work.
A : true
B : false

Correct Answer : A

21 : A firm’s human resources are more valuable for sustained competitive advantage than technological and physical resources.
A : true
B : false

Correct Answer : A

22 : A possible perception and attitude barrier to workforce planning is that leaders lack planning and business acumen.
A : true
B : false

Correct Answer : B

23 : Human resource professionals recognize the need to play a more strategic role within the organization, but many executives do not.
A : true
B : false

Correct Answer : A

24 : The advantages of an organization with effective HR practices may come from having

better resources, but it also comes from making better use of these resources
A : true
B : false

Correct Answer : A

25 : The goals of these HRM strategies are to shape employee behaviour so that it is consistent with the direction the organization identifies in its strategic plans.
A : true
B : false

Correct Answer : A

26 : Companies with a differentiation strategy have a strong training focus that includes both skills and attitudes.
A : true
B : false

Correct Answer : A

27 : Efficiency and controlling human resource costs are paramount for organizations adopting a low-cost-provider strategy.
A : true
B : false

Correct Answer : A

28 : Firms providing features that appeal to a particular market segment are said to compete on a differentiation strategy.
A : true
B : false

Correct Answer : A

SHORT RESPONSE

29 : Define “strategic human resources management” and discuss some of the major elements it encompasses.

Correct Answer : Strategic HRM is a set of interrelated practices, policies, and philosophies whose goal is to enable the achievement of organizational strategy. These practices, policies, and philosophies form a system that attracts, selects, develops, trains, and motivates employees to ensure the effective functioning and survival of the organization and its members.

30 : What is human capital? What comprises human capital?

Correct Answer : Human capital is the sum of employees’ knowledge, skills, experience, and commitment invested in the organization. It is an intangible asset that comprises all the knowledge, education, vocation qualifications, professional certifications, work-related experience, and competence of an organization’s employees.

31 : What employee skills do employers look for if they have a differentiation strategy?

Correct Answer : ? creative behaviour? long-term focus? interdependent activity? risk-taking? ability to work in ambiguous and unpredictable environment? broad skills? highly involved? open communication? ability to communicate? willingness to accept feedback

32 : Identify and describe three ways that HR processes can be linked to business strategy.

Correct Answer : 1. Start with organizational strategy and then create HR strategy.a. Corporate strategy drives HR strategy – personnel needs are based on corporate plans (see McDonald's example in your textbook).b. Resources are made to "fit" the corporate and business strategies. HR follows the corporate strategy.c. Employees are considered a means to an end, not part of the strategy formulation equation.2. Start with HR competencies and then craft corporate strategies based on these competencies.a. This view argues that organizations cannot implement a strategy if they do not have the necessary human resources.b. Tap into employee capabilities to develop new products and services.3. Do a combination of both in a form of a reciprocal relationship.a. HR strategy contributes to business-level strategy and vice versa.b. Senior HR vice-presidents are asked to provide input into strategic plans based on HR strategy and to generate the strengths and weaknesses for each plan.c. HR determines business strategy, and business strategy determines HR strategy (reciprocal interdependence).

33 : What are the three ways in which HR becomes a strategic business partner?

Correct Answer : ? Concurrent strategy formulation – strategy development based on environmental analysis is conducted at the same time as HRM strategy.? The HR senior management team moves from outsider status to insider status in terms of business decision-making.? HR managers must understand the language of business or the outcome expectations of non-profit organizations. This includes analyses presented by marketing, financial, and operational managers.Note to instructors: Stress this very important HR role to the students. HR must be a full partner in the business to have full credibility. HR professionals must develop strong partnerships with line managers in the organization to best achieve business goals.

34 : Identify an organization you are familiar with (such as from your work experience or from your textbook). Describe one reason why strategic planning is important to your chosen organization. Provide an example.

Correct Answer : There are at least two reasons why strategic HR planning is so important: (1) employees help an organization achieve success because they are strategic resources, and (2) the planning process itself results in improved goal attainment.Example: Strategic HRM can improve an organization's performance. The goals of these HRM strategies are to shape employee behaviour so that it is consistent with the direction the organization identifies in its strategic plans. An articulated vision for the future may result in a more effective organization through increased motivation and performance, lowered absenteeism and turnover, and heightened stability, satisfaction, and involvement.

35 : The purpose of HR strategy is to capitalize on the distinctive competencies of the organization and add value through the effective use of human resources. Effective HRM strategies include external and internal fit, and a focus on results. Explain external and internal fit.

Correct Answer : HR programs must align with, or fit, the overall strategy of the organization. If the business strategy is to differentiate from competitors based on superior service, then selection and training programs should be developed to hire and train people in the skills and

behaviours necessary to deliver superior service.We look at two types of internal fit: a fit with other functional areas, such as marketing, and a fit among all HR programs. Fit with other functional areas is important. If the marketing department is developing an advertising plan that promises 24-hour access to customer service representatives, but the HR plan does not include compensation differentials for shift work, the overall marketing strategy might fail. HR programs must also be consistent with each other; that is, training, selection, and appraisal must work together to support a strategy. If the training department decides to teach employees to use the Internet to handle customer service, the staffing department must hire people who either are computer literate or who have the kinds of intelligence that enable them to learn computer skills rapidly.

36 : Describe two reasons why strategic planning is important to organizations.

Correct Answer : There are at least two reasons why strategic HR planning is so important: (1) employees help an organization achieve success because they are strategic resources, and (2) the planning process itself results in improved goal attainment.

37 : There are various approaches to linking HRM strategies to organizational strategies. Describe one approach. Provide an example.

Correct Answer : We can start with the corporate strategy that leads to the HR strategy, or start with the HR competencies that lead to the business strategy, or use a blend of the interrelationship of the HR strategy and the corporate strategy. Aligning HR strategy with the corporate strategy and with other functional strategies is important.

38 : Only one third of Canadian executives state that their strategies are supported by a workforce plan. Discuss what makes HR planning so difficult. List three practical and three perceptual and attitude barriers to workforce planningor,The 2017 Conference Board of Canada survey, Workforce Planning Practices in Canada: Human Resources Trends and Metrics, provides some insights into why the majority of organizational strategies are not supported by a workforce plan. Describe one practical and one perceptual and attitude barrier to workforce planning. Describe how an organization can overcome these barriers?

Correct Answer : Practical and perception barriers to workforce planningPractical BarriersPerception and Attitude Barriers• Leaders lack planning and business acumen• Multiple planning horizons• Organizational silos• Moving targets—business goals are not clear• Union restrictions, and barriers to internalemployee mobility• No budget, or not enough budget• No data available• Not enough time, too busy, competing priorities, “daily bombs,” and “fighting fires”• Seen as important, but not urgent• Resistance to change: “We always got byin the past”• Lack of a holistic approach• It is Hard to measure success• Seen as too daunting to change• Considered to lack credibilitySource: Courtesy of The Conference Board of Canada, 2017, Workforce Planning Practices in Canada: Human Resources Trends and Metrics, Fourth Edition, p. 13.

39 : From a human capital perspective, even within the same positions, some individuals may deserve differential HR strategy than others for two reasons—because their human capital is (1) valuable to the business strategy and (2) unique (Difficult to replace). Describe three ways Canadian companies are differentiating talent.

Correct Answer : The Conference Board of Canada found that employers are differentiating workers by these categories.? Hot skills: skills that are in short supply and high demand in the labour market? Mission critical skills: capabilities needed within an occupation (leadership skills)? Mission critical roles: these are highly skilled, highly trained individuals who bring drive

organizational value? Key job family positions: these workers are well trained on core organizational processes, but are more easily replaced? Contingent labour: temporary, demand-based and project-based workers

40 : The 2017 Conference Board of Canada article, HR Talent Management Benchmarking, found that employers are segmenting workers by categories. Describe one of these categories. Provide one example.

Correct Answer : From a human capital perspective, even within the same positions, some individuals may deserve differential HR strategy than others for two reasons—because their human capital is (1) valuable to the business strategy and (2) unique (Difficult to replace).The Conference Board of Canada found that employers are segmenting workers by these categories.? Hot skills: skills that are in short supply and high demand in the labour market? Mission critical skills: capabilities needed within an occupation (leadership skills)? Mission critical roles: these are highly skilled, highly trained individuals who bring drive organizational value? Key job family positions: these workers are well trained on core organizational processes, but are more easily replaced? Contingent labour: temporary, demand-based and project-based workersFor example, R&D scientists who have desirable skills in new product development in a particular domain, or founding members who have extensive experience within the company, may deserve differential HR management.

41 : Many HR programs are described as solutions looking for problems. Discuss using an example. List the chain of events that needs to take place before any HR programs are introduced.

Correct Answer : HR managers must demonstrate the link between HR practices and organization results. Before any HR programs are introduced, the following chain needs to be developed.HR program ? employee human capital and behaviours ? organizational strategy ? organizational outcome

42 : How can employees provide a firm with competitive advantage?

Correct Answer : If an organization manages its resources and capabilities, these advantages will result in competitive advantage.? Typical resources might include human resources, proprietary knowledge, and reputation.? Typical capabilities might include organizational adaptability, flexibility, and the speed of bringing new products to market.

43 : Discuss the quote “an organization that fails to plan for its human resources, plans to fail.”

Correct Answer : There are at least two reasons why strategic HR planning is so important: (1) employees help an organization achieve success because they are strategic resources, and (2) the planning process itself results in improved goal attainment.

MULTIPLE CHOICE

44 : What is the primary reason that strategic HRM aligns HR policies, practices, and philosophies with organizational strategy?
A : to develop new methods to deliver training and orientation
B : to constrain undesirable behaviours within an organization
C : to ensure that the institutional memory remains current
D : to facilitate the attainment of organizational strategy

Correct Answer : D

45 : What is the purpose of strategic HRM?
A : to ensure the effective functioning and survival of the organization and its members
B : to implement the planning, timing, and delivery of an effective organizational strategy
C : to motivate and attract employees who will internalize the organization's culture
D : to emerge as an industry leader with numerous distinct competencies and a competitive advantage

Correct Answer : A

46 : To the HR practitioner, what does human capital incorporate?
A : knowledge, commitment, values, culture
B : commitment, experience, culture, abilities
C : experience, knowledge, skills, commitment
D : skills, values, culture, experience

Correct Answer : C

47 : What does it mean if an organization's human capital return on investment is $3?
A : For every dollar an organization invests in human capital, the employees will generate $3 in return.
B : For every dollar an organization invests in human capital, the employees will generate $3 in revenue.
C : For every dollar an organization invests in human capital, the employees will generate $3 in capital assets.
D : For every dollar an organization invests in human capital, the employees will generate $3 in productivity.

Correct Answer : A

48 : Selective hiring, extensive training, and competitive pay are HR practices that could make an organization more successful. What term best describes this type of activity?
A : transitional
B : transactional
C : high-performance
D : transformational

Correct Answer : C

49 : According to concurrent strategy formulation, when does strategy development occur?
A : prior to when HRM issues are considered
B : simultaneously when HRM issues are considered
C : subsequent to when HRM issues are considered
D : mutually exclusive of when HR issues are considered

Correct Answer : B

50 : According to Google Inc., which of the following does NOT produce innovative behaviours from employees?
A : selecting people with high creativity
B : providing employees with time and freedom to innovate
C : motivating innovation through incentive programs
D : stimulating opportunities for job enlargement

Correct Answer : D

51 : When the HR training department teaches individuals a new customer service computer program, the HR recruiting department must work together with the HR training department to hire individuals with comparable computer skills. What is this collaborative approach called?
A : cross-functional HR practices
B : industry-consistent HR practices
C : exemplary HR practices
D : bundling HR practices

Correct Answer : D

52 : What two items does an organization match together in the human capital perspective of HRM?
A : values of employees and the organization's budget
B : capacity of employees and the organization's motivation
C : capabilities of employees and the organization's strategy
D : creativity of the employees and the organization's goals

Correct Answer : C

53 : Johnson and Johnson outsourced its administration work to locations such as Prague and Manila, but kept its HR talent management practices internally managed through its corporate centre, adopting HR practices that are linked to organizational success. What term best describes Johnson and Johnson's talent management focus?
A : transitional
B : transactional
C : strategic
D : transformational

Correct Answer : B

54 : Which of the following is a practical barrier associated with workforce planning?
A : It is Hard to measure success.
B : No data are available.
C : It is seen as too daunting to change.
D : It is considered to lack credibility.

Correct Answer : B

55 : Costs incurred in training, motivating, compensating, and monitoring employees can be viewed as investments in human capital that result in gains to productivity per worker. How does this type of investment yield such gains?
A : by matching the business strategy to the external environment
B : by matching the capabilities of employees with the corporate strategy
C : by matching the needs of the employees to their desires for empowerment
D : by matching the HR strategy to the potential employee competencies

Correct Answer : B

56 : Which of the following is a perception and attitude barrier associated with workforce planning?
A : multiple planning horizons

B : organizational silos
C : lack of a holistic approach
D : moving targets—business goals are not clear

Correct Answer : C

57 : Payroll represents a routine activity that must be done for the organization to operate on a daily basis. What term best describes this type of activity?
A : transitional
B : transactional
C : temporal
D : transformational

Correct Answer : B

58 : Johnson and Johnson outsourced its administration work to locations such as Prague and Manila, but kept its HR talent management practices internally managed through its corporate centre, adopting HR practices that are linked to the organizations success. What emerging trend best describes the structure of the HR functions at Johnson and Johnson?
A : to focus on transformational practices
B : to adopt a transactional and transitional focus
C : to integrate HR and organizational strategies
D : to separate transactional work and focus on strategic HR

Correct Answer : D

59 : Which of the following does NOT align human resources strategy with business strategy?
A : starting with organizational strategy and then creating HR strategy
B : starting with HR competencies and then creating corporate strategy
C : starting with HR strategy and then creating HR competencies
D : starting with business strategy and then creating HR strategy

Correct Answer : C

60 : If IBM introduces a new software package in January, Microsoft can probably imitate or duplicate this package by February of the same year. However, if IBM technical support people are trained and motivated to provide “knock your socks off service,” Microsoft will have a difficult time imitating this service within a month. This is an example of how employees can provide a competitive advantage. What theory is being applied here?
A : behavioural perspective
B : resource-based view
C : human capital
D : strategic management

Correct Answer : B

61 : In many ways, HR strategy generates the business strategy, and business strategy determines the HR strategy. What is the concept that describes this relationship?
A : reciprocal strategy
B : reciprocal partnerships
C : reciprocal dependence
D : reciprocal interdependence

Correct Answer : D

62 : What does McDonald's "no unique response" system mean?
A : that employees are not expected to contribute ideas
B : that employees are not expected to communicate formally
C : that employees are not expected to accommodate customer inquiries
D : that employees are not expected to respond beyond a basic standard

Correct Answer : A

63 : Fit is an important consideration when designing HR programs. What is it called when an organization fits its HR strategy to its organizational strategy?
A : internal fit
B : best fit
C : external fit
D : organizational fit

Correct Answer : C

64 : What kind of strategy is an organization using if it attempts to pay wages slightly below industry norms?
A : outsourcing
B : compensation
C : differentiation
D : lag

Correct Answer : D

65 : What percentage of payroll do Canadian organizations typically pay for fringe benefits for their employees?
A : 20 percent
B : 25 percent
C : 30 percent
D : 35 percent

Correct Answer : C

66 : According to your textbook, what is the annual turnover rate for organizations using a low-cost provider strategy?
A : 100 percent
B : 200 percent
C : 300 percent
D : 400 percent

Correct Answer : C

67 : According to your textbook, which of the following does NOT use a differentiation strategy?
A : BMW
B : Polo Ralph Lauren
C : Rolex
D : IBM

Correct Answer : D

68 : If a company uses a differentiation strategy, what is it more concerned with relative to equity with the external market?
A : pay structures
B : compensation strategy
C : pay for performance
D : internal equity

Correct Answer : D

69 : According to classical economics, what are the three most important resources or inputs?
A : labour, capital, land
B : capital, knowledge, land
C : knowledge, economics, land
D : economics, assets, land

Correct Answer : A

70 : Four Seasons Hotels competes on service excellence. It invests in HR systems for service quality, such as selecting, training, and rewarding employees' service-related skills. What theory is being applied by Four Seasons Hotels.
A : service quality
B : resource-based view
C : human capital
D : behavioural

Correct Answer : C

71 : Fit is an important consideration when designing HR programs. What is it called when an organization fits its HR strategy to other functional areas?
A : internal fit
B : best fit
C : external fit
D : organizational fit

Correct Answer : A

72 : Human resources management (HRM) can be viewed as an umbrella term that encompasses three elements. What are these three elements?
A : philosophies, policies, and practices
B : emergent, intended, realized
C : transactional, transformational, temporal
D : internal, external, results

Correct Answer : A

73 : Refer to Scenario: Swimco. What is the primary reason that Swimco's HRM leadership team aligns their HR policies, practices, and philosophies with their organizational strategy?
A : to facilitate the attainment of top talent
B : to ensure that the HR system remains current with the internal environment
C : to ensure that the HR system remains current with the external environment
D : to facilitate the attainment of organizational strategy through their HR systems

Correct Answer : D

74 : Refer to Scenario: Swimco. Why might Swimco's current focus on quality online customer service be an effective strategy for the retailer?
A : Swimco's online quality customer service is variable and substitutable like the strategies it applies.
B : Swimco's online quality customer service is inspirational to both its customers and its employees.
C : Swimco's online quality customer service is unique, and strategic mimicry by other swim wear retailors is difficult to achieve.
D : Swimco's online quality customer service is a low-cost, low-price, basic design strategy.

Correct Answer : C

75 : Refer to Scenario: Swimco. It is particularly important for Swimco to define and develop the behaviours necessary to achieve their organizational capabilities of innovation and customer care. What theory is Swimco applying to its strategic management?
A : behavioural perspective
B : resource-based view
C : human capital
D : strategic management

Correct Answer : A

76 : Refer to Scenario: Swimco. Which of Porter's competitive business strategies is Swimco applying?
A : low-cost provider
B : broad differentiation
C : market niche with lower cost
D : market niche with differentiation

Correct Answer : B

77 : Refer to Scenario: Swimco. "Our company is committed to making our customers feel confident in swimwear so they can be free to enjoy some of the best experiences of their lives." What type of statement is this quote an example of?
A : attitude
B : policy
C : strategic
D : value

Correct Answer : D

78 : Refer to Scenario: Swimco. Through its e-commerce initiative, Swimco is transitioning from local to national in its market position. What type of strategy is Swimco adopting?
A : restructuring
B : divestiture
C : business
D : growth

Correct Answer : D

79 : Refer to Scenario: Swimco. When planning, Swimco's corporate leadership team reviewed the company's business plans not only to ensure consistency with their HR strategy but also to provide input to their strategy, based on HR strengths and weaknesses. What approach is

Swimco using to link its HR processes to their strategy?
A : It is starting with organizational strategy and then creating HR strategy.
B : It is starting with HR competencies and then creating corporate strategy.
C : It is starting with HR strategy and then creating HR competencies.
D : It is doing a combination of both business strategy and HR strategy in a form of reciprocal relationship.

Correct Answer : D

80 : Refer to Scenario: Swimco. Fit is an important consideration in Swimco's HR strategic planning. What is it called when Swimco fits its HR strategy between its HR functions (i.e., training) and across its other business functions (i.e., accounting)?
A : external fit
B : best fit
C : internal fit
D : organizational fit

Correct Answer : C

81 : Refer to Scenario: "Tentree Apparel." Tentree Apparel is most likely to gain a sustained competitive advantage through its people by using which of the following programs?
A : one in which employees are motivated through training and reward initiatives
B : one in which employee talent is organized, difficult to imitate, rare, and valuable
C : one in which employees are empowered and engaged in their work
D : one in which employees have skills and knowledge that are transferable to many positions.

Correct Answer : B

82 : Refer to Scenario: "Tentree Apparel." Why is strategic HR planning important to Tentree Apparel?
A : The planning process itself results in improved goal attainment.
B : The implementation results in an effective organizational strategy.
C : It motivates and attracts high-performing employees.
D : It helps achieve competitive advantage through distinct employee competencies.

Correct Answer : A

83 : Refer to Scenario: "Tentree Apparel." Which of Porter's competitive business strategies is Tentree Apparel applying?
A : market niche with lower cost
B : broad differentiation
C : low-cost provider
D : market niche with differentiation

Correct Answer : B

84 : Refer to Scenario: "Tentree Apparel." How can Tentree Apparel's strategic HR planning deliver the behaviours needed to enable its organizational strategy?
A : The HR planning process itself results in improved employee satisfaction.
B : The implementation of HR planning practices results in an effective organizational strategy.
C : The HR planning process motivates and attracts high-performing employees.
D : Employees help the organization achieve success because they are placed within a strategic framework.

Correct Answer : D

85 : Refer to Scenario: “Tentree Apparel.” Tentree Apparel’s strategic approach, which ensures the company maintains its social responsibility aims, shields the organization from what type of competitors?
A : labour market strategy providers
B : broad differentiation strategy providers
C : low-cost strategy providers
D : emergent strategy providers

Correct Answer : C