# *Fundamentals of Human Resource Management Functions Applications Skill Development 1st edition Lussier Test Bank*

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# Chapter 2: Strategy-Driven Human Resource Management

# Test Bank

## Multiple Choice

1. Which major external business force requires organizations to continually improve their products to create value?
A. Suppliers
B. Labor force
C. Customers
D. Governments
E. Competition
Ans: C
Learning Objective: 2-1
Cognitive Domain: Knowledge
Answer Location: The External Environment
Question Type: MC

2. What major external business force to a significant extent determines what acceptable business practices are for the organization?
A. Customers
B. Suppliers
C. Governments
D. Shareholders
E. Society
Ans: E
Learning Objective: 2-1
Cognitive Domain: Knowledge
Answer Location: The External Environment
Question Type: MC

3. Firm performance is not just a function of a company's own actions but must also be understood with relation to the actions of what major external business force?
A. Labor force
B. Customers
C. The economy
D. Competition
E. Society
Ans: D
Learning Objective: 2-1
Cognitive Domain: Comprehension
Answer Location: The External Environment
Question Type: MC

4. Inflation, interest rates, and foreign exchange rates all are part of which major external business force?
A. Shareholders
B. Economy
C. Society
D. Customers
E. Technology
Ans: B

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Learning Objective: 2-1
Cognitive Domain: Knowledge
Answer Location: The External Environment
Question Type: MC

5. Which major external business force is not involved with the day-to-day operations of the firm, but does vote for the directors of the company?
A. Customers
B. Suppliers
C. Society
D. Shareholders
E. Government
Ans: D
Learning Objective: 2-1
Cognitive Domain: Knowledge
Answer Location: The External Environment
Question Type: MC

6. The Acme Global Corporation seeks to hire skilled employees who are willing to use their creativity to improve the organization's products and services. Acme Global does this because the organization recognizes the influence of _____ in the external environment on the organization.
A. suppliers
B. shareholders
C. technology
D. customers
E. governments
Ans: D
Learning Objective: 2-1
Cognitive Domain: Application
Answer Location: The External Environment
Question Type: MC

7. The Acme Global Corporation recently won a bid to provide a large number of widgets for a government contract. To complete the order, the organization will need to order more raw materials. This will require that the organization recognize the influence of _____ in the external environment on the organization.
A. suppliers
B. shareholders
C. technology
D. competition
E. governments
Ans: A
Learning Objective: 2-1
Cognitive Domain: Application
Answer Location: The External Environment
Question Type: MC

8. In the past few years, the Acme Global Corporation has been fortunate to have a strong talent pool available from which it can draw employees. This represents the influence of _____ in the external environment on the organization.
A. society
B. shareholders
C. labor force
D. competition
E. governments
Ans: C

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Learning Objective: 2-1
Cognitive Domain: Application
Answer Location: The External Environment
Question Type: MC

9. At the Acme Global Corporation, the top manager reports to the board of directors. The board is not involved in the day-to-day operations of the organization, but it can hire or fire top management. This represents the influence of _____ in the external environment on the organization.
A. shareholders
B. society
C. technology
D. economics
E. governments
Ans: A
Learning Objective: 2-1
Cognitive Domain: Application
Answer Location: The External Environment
Question Type: MC

10. The Acme Global organization tries to be a good neighbor to the people who live and work in the cities where the organization's plants are located. In one neighborhood, citizens asked Acme Global to reveal the location of all its suppliers. When it was discovered that Acme Global used suppliers who were 1,000 miles from the plant, the citizens asked Acme Global to consider using more local suppliers. Acme Global agreed and found similar suppliers closer to its plant. This represents the influence of _____ in the external environment on the organization.
A. suppliers
B. society
C. technology
D. competition
E. governments
Ans: B
Learning Objective: 2-1
Cognitive Domain: Application
Answer Location: The External Environment
Question Type: MC

11. Acme Global Corporation created an application that allows customers to send in orders quickly and easily. Since rolling out the new app, orders have increased by 20 percent. This represents the influence of _____ in the external environment on the organization.
A. labor force
B. shareholders
C. technology
D. competition
E. governments
Ans: C
Learning Objective: 2-1
Cognitive Domain: Application
Answer Location: The External Environment
Question Type: MC

12. Acme Global Corporation had to put its plans to build a new plant on hold when interest rates went up and the organization was not able to borrow enough money to build the plant. This represents the influence of _____ in the external environment on the organization.
A. shareholders
B. society
C. the economy

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D. competition
E. suppliers
Ans: C
Learning Objective: 2-1
Cognitive Domain: Application
Answer Location: The External Environment
Question Type: MC

13. Acme Global hired a director of safety to help the organization ensure proper compliance with the Occupational Safety and Health Act. This represents the influence of _____ in the external environment on the organization.
A. the economy
B. customers
C. the government
D. suppliers
E. competition
Ans: C
Learning Objective: 2-1
Cognitive Domain: Application
Answer Location: The External Environment
Question Type: MC

14. _____ is a plan of action to achieve a particular set of objectives.
A. Vision
B. Strategic advantage
C. Strategy
D. “Managing Up”
E. “Vision + Mission = FOCUS”
Ans: C
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: What is Strategy?
Question Type: MC

15. Acme Global is working on a statement about what it expects to become as an organization at a particular point in time in the future. Acme Global is working on its _____.
A. complexity
B. organizational structure
C. mission statement
D. strategy
E. vision
Ans: E
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: Visions, Missions, and Objectives
Question Type: MC

16. _____ is a statement laying out our expectation of what we are going to do in order to become the organization that we have envisioned.
A. Objective statement
B. Formalization
C. Organizational structure
D. Mission statement
E. Complexity
Ans: D
Learning Objective: 2-2

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Cognitive Domain: Knowledge
Answer Location: Visions, Missions, and Objectives
Question Type: MC

17. _____are statements of what is to be accomplished in singular, specific, and measurable terms, with a target date.
A. Mission statements
B. Objectives
C. Centralization
D. Strategy
E. Economic Value Added (EVA)
Ans: B
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: Visions, Missions, and Objectives
Question Type: MC

18. The Acme Global Corporation is asking questions like "Do our products satisfy our customers' current needs?" and "Do we have the right kind of workforce in place at this time?" From these questions, it is clear that Acme Global is trying to answer which of the following major strategic question?
A. What is our present situation?
B. Where do we want to go?
C. How do we plan to get there?
D. What should our strategy be?
E. Where have we been?
Ans: A
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: What is Strategy?
Question Type: MC

19. Two critical components of successful corporate strategy include:
A. vision and mission.
B. profit and loss.
C. customers and suppliers.
D. government regulation and tax obligation.
E. mission and goals
Ans: A
Learning Objective: 2-2
Cognitive Domain: Comprehension
Answer Location: Visions, Missions, and Objectives
Question Type: MC

20. Acme Global has decided on a statement that identifies what they expect their business to become within 6 years. Acme Global is identifying its:
A. Goals
B. Mission
C. Vision
D. Environmental awareness
E. Occupational direction
Ans: C
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Visions, Missions, and Objectives
Question Type: MC

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21. Acme Global is figuring out what they need to do in order to become the company they envisioned. Acme Global is engaged in creating a:
A. Culture
B. Mission
C. Operation
D. Structure
E. Strategy
Ans: B
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Visions, Missions, and Objectives
Question Type: MC

22. Sara and Dan are working on a statement for a start-up organic farm. One statement reads: "To become the southeast region's number one choice for supplying organically-grown fruits and vegetables." Sara and Dan are writing:
A. mission statement.
B. a vision statement.
C. a speech.
D. a business plan.
E. a strategy
Ans: B
Learning Objective: 2-2
Cognitive Domain: Comprehension
Answer Location: Visions, Missions, and Objectives
Question Type: MC

23. On its website, the Acme Global Corporation published a statement of what it expects to become as an organization in 10 years. It does not say how Acme Global will achieve this future state. This is a _____ statement.
A. mission
B. strategy
C. vision
D. culture
E. goals
Ans: C
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Visions, Missions, and Objectives
Question Type: MC

24. On its website, the Acme Global Corporation published a statement of what the various organizational units will do and what each will accomplish to fulfill the organization's vision. This is a _____ statement.
A. strategy
B. mission
C. HR scorecard
D. structure
E. goals
Ans: B
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Visions, Missions, and Objectives
Question Type: MC

25. A powerful vision combined with a well-identified mission work together to create:

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A. focus
B. employability
C. product analysis
D. cultural awareness
E. an operand
Ans: A
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: Visions, Missions, and Objectives
Question Type: MC

26. "We will increase revenues by $1 million in the next fiscal year" is what kind of statement?
A. Mission
B. Vision
C. Clarifiers
D. Objectives
E. Strategy
Ans: D
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: Visions, Missions, and Objectives
Question Type: MC

27. The written objective "to reduce theft of electronic merchandise by 20 percent" is missing which recommended criteria?
A. It does not focus on a single result.
B. It is not specific.
C. It is not measurable.
D. It has no target date.
E. None of the above
Ans: D
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Visions, Missions, and Objectives
Question Type: MC

28. The written objective "to introduce 12 new computers to the market" is missing which recommended criteria?
A. It does not focus on a single result.
B. It is not specific.
C. It is not measurable.
D. It has no target date.
E. None of the above
Ans: D
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Visions, Missions, and Objectives
Question Type: MC

29. Shaun recommends that the organization do everything it can to lower the organizational costs required to produce widgets while still charging customers the same price for the product. Shaun is recommending the _____ strategy.
A. cost cutting
B. cost leadership
C. differentiation
D. niche

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E. None of the above
Ans: B
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Types of Strategies
Question Type: MC

30. Aileen recommends that the organization invest in creating a strong brand image so consumers will be willing to pay more for its product than they are willing to pay for its competitor's product. Aileen is recommending the _____ strategy.
A. branding
B. cost leadership
C. differentiation
D. focus
E. None of the above
Ans: C
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Types of Strategies
Question Type: MC

31. Brian recommends that the organization focus on selling its products to people aged 65 and older. Brian is recommending the _____ strategy.
A. senior
B. cost leadership
C. differentiation
D. niche
E. None of the above
Ans: D
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Types of Strategies
Question Type: MC

32. Acme Global has endeavored to drive out all unnecessary business expenses in their steel industry operations. Acme Global is likely following a _____ strategy.
A. niche
B. cost leader
C. focus leader
D. differentiation
E. price leader
Ans: B
Learning Objective: 2-2
Cognitive Domain: Application
Answer Location: Types of Strategies
Question Type: MC

33. _____ lower organizational costs required to produce their product or service.
A. Differentiators
B. Niche operators
C. Cost leaders
D. Competitors
E. None of the above
Ans: C
Learning Objective: 2-2
Cognitive Domain: Knowledge

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Answer Location: Types of Strategies
Question Type: MC

34. A company using the differentiation strategy relies upon the _____ to maintain an advantage over its competitors.
A. real or perceived difference
B. the real difference
C. the perceived difference
D. the naturally-occurring difference
E. None of the above
Ans: A
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: Types of Strategies
Question Type: MC

35. When a company decides to follow a cost leadership strategy, HRM is mostly concerned with _____.
A. hiring individuals based on individual knowledge and skill sets and not on what jobs need to be filled at that point in time
B. creating cross-functional teams
C. creating broader job descriptions and work planning processes
D. implementing performance appraisals
E. maximum efficiency and effectiveness
Ans: E
Learning Objective: 2-2
Cognitive Domain: Comprehension
Answer Location: How Strategy Affects HRM
Question Type: MC

36. When hiring individuals based on individual knowledge and skills sets and not necessarily for jobs that need to be filled, HRM is probably supporting the company's _____.
A. cost leadership strategy
B. differentiation strategy
C. niche or focus strategy
D. competency-based strategy
E. SWOT analysis objectives
Ans: B
Learning Objective: 2-2
Cognitive Domain: Comprehension
Answer Location: How Strategy Affects HRM
Question Type: MC

37. A company following the _____ strategy approach might focus on hiring flexible and adaptable employees.
A. differentiation
B. cost leader
C. niche
D. customer-driven
E. None of the above
Ans: A
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: How Strategy Affects HRM
Question Type: MC

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38. _____is the way in which an organization groups its resources to accomplish its mission.
A. Organizational structure
B. Vision
C. Organizational culture
D. Centralization
E. Formalization
Ans: A
Learning Objective: 2-3
Cognitive Domain: Knowledge
Answer Location: Structure
Question Type: MC

39. _____ is the degree to which different parts of the organization are segregated from one another.
A. Formalization
B. Data analytics
C. Centralization
D. Economic Value Added (EVA)
E. Complexity
Ans: E
Learning Objective: 2-3
Cognitive Domain: Knowledge
Answer Location: Basics of Organizational Structure
Question Type: MC

40. _____ is the degree to which jobs are standardized within an organization, meaning the degree to which we have created policies, procedures, and rules that "program" the jobs of the employees.
A. Strategy
B. Centralization
C. Organizational culture
D. Formalization
E. Complexity
Ans: D
Learning Objective: 2-3
Cognitive Domain: Knowledge
Answer Location: Basics of Organizational Structure
Question Type: MC

41. _____ is the degree to which decision making is concentrated within the organization.
A. Organizational culture
B. Centralization
C. Complexity
D. Formalization
E. Data analytics
Ans: B
Learning Objective: 2-3
Cognitive Domain: Knowledge
Answer Location: Basics of Organizational Structure
Question Type: MC

42. The jobs in the Acme Global Corporation are very standardized. Each job has a clear job description, and there are many policies, procedures, and rules for employees to follow. This creation of a routine way of doing jobs suggests that Acme Global has a high degree of _____ in its structure.
A. centralization
B. spatial differentiation
C. formalization

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D. horizontal differentiation
E. None of the above
Ans: C
Learning Objective: 2-3
Cognitive Domain: Application
Answer Location: Basics of Organizational Structure
Question Type: MC

43. The Acme Global Corporation prefers to concentrate decision making at the top of the organizational chart. This allows the company to focus on hiring good decision makers in only a few jobs. This would indicate that Acme Global has a high degree of _____ in its structure.
A. centralization
B. vertical differentiation
C. horizontal differentiation
D. formalization
E. None of the above
Ans: A
Learning Objective: 2-3
Cognitive Domain: Application
Answer Location: Basics of Organizational Structure
Question Type: MC

44. What three components make up organizational structure?
A. Vertical differentiation, horizontal differentiation, and spatial differentiation
B. Centralization, formalization, and complexity
C. Managers, supervisors, and employees
D. Complexity, differentiation, and the mission statement
E. Differentiation, HRM, and centralization
Ans: B
Learning Objective: 2-3
Cognitive Domain: Knowledge
Answer Location: Basics of Organizational Structure
Question Type: MC

45. The degree to which jobs within a company are standardized is referred to as _____.
A. centralization of jobs
B. job complexity
C. formalization
D. spatial differentiation
E. job differentiation
Ans: C
Learning Objective: 2-3
Cognitive Domain: Knowledge
Answer Location: Basics of Organizational Structure
Question Type: MC

46. _____is the values, beliefs, and assumptions about appropriate behavior that members of an organization share.
A. Organizational culture
B. Data analytics
C. Organizational structure
D. Vision
E. Complexity
Ans: A
Learning Objective: 2-4
Cognitive Domain: Knowledge

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Answer Location: What is Organizational Culture?
Question Type: MC

47. Holding award dinners for top employees is an example of which artifact of organizational culture?
A. Ceremonies
B. Symbols
C. Stories
D. Slogans
E. Heroes
Ans: A
Learning Objective: 2-4
Cognitive Domain: Comprehension
Answer Location: What is Organizational Culture?
Question Type: MC

48. The Apple logo is an example of which artifact of organizational culture?
A. Ceremonies
B. Symbols
C. Stories
D. Slogans
E. Heroes
Ans: B
Learning Objective: 2-4
Cognitive Domain: Comprehension
Answer Location: What is Organizational Culture?
Question Type: MC

49. At McDonald's, employees are told to focus on Q, S, C, V, which stands for quality, service, cleanliness, and value. This is an example of which artifact of organizational culture?
A. Ceremonies
B. Symbols
C. Stories
D. Slogans
E. Heroes
Ans: D
Learning Objective: 2-4
Cognitive Domain: Comprehension
Answer Location: What is Organizational Culture?
Question Type: MC

50. In the early days of Apple, managers would constantly relate to employees how the company was formed in a garage in Cupertino, California, to instill a sense of being different from large competitor corporations. This is an example of how culture is transferred through:
A. Stories
B. Symbols
C. Slogans
D. Ceremonies
E. Heroes
Ans: A
Learning Objective: 2-4
Cognitive Domain: Application
Answer Location: What is Organizational Culture?
Question Type: MC

51. Founders of the organization and others who have made outstanding contributions to the company are considered to be a part of which artifact?

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A. Stories
B. Symbols
C. Slogans
D. Ceremonies
E. Heroes
Ans: E
Learning Objective: 2-4
Cognitive Domain: Comprehension
Answer Location: What is Organizational Culture?
Question Type: MC

52. _____ includes shared values and beliefs, and describes how and why employees do what they do.
A. Organizational culture
B. Organizational structure
C. Organizational design
D. Organizational behavior
E. HRM performance measures
Ans: A
Learning Objective: 2-4
Cognitive Domain: Knowledge
Answer Location: What is Organizational Culture?
Question Type: MC

53. Organizational culture is primarily learned through _____.
A. observing people and events in the organization
B. reading the company's website
C. doing research in business journals
D. submitting questionnaires
E. none of the above
Ans: A
Learning Objective: 2-4
Cognitive Domain: Comprehension
Answer Location: What is Organizational Culture?
Question Type: MC

54. Jane took a job at the local factory as an assembler. Jane is a real go-getter by nature, but the company culture was to work at a slow, steady pace. Soon Jane started to get subtle hints from her coworkers that she needed to slow down her work. Jane is getting _____ to modify her performance.
A. compliance boundaries
B. group obstinacy
C. peer pressure
D. organizational inference
E. forced mediation
Ans: C
Learning Objective: 2-4
Cognitive Domain: Application
Answer Location: How Culture Controls Employee Behavior in Organizations
Question Type: MC

55. _____is a powerful force in controlling how people behave within its boundaries.
A. Strict policies
B. Volunteerism
C. Reporting
D. Organizational culture
E. None of the above

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Ans: D
Learning Objective: 2-4
Cognitive Domain: Comprehension
Answer Location: How Culture Controls Employee Behavior in Organizations
Question Type: MC

56. _____is the process of accessing large amounts of data in order to analyze those data and gain insight into significant trends or patterns within organizations or industries.
A. Formalization
B. Centralization
C. Data Analytics
D. Complexity
E. Strategy
Ans: C
Learning Objective: 2-5
Cognitive Domain: Knowledge
Answer Location: Introduction to Data Analytics for HRM
Question Type: MC

57. _____ can be used for HRM in functions such as talent acquisition, training and development, retention, and job analysis.
A. Data analytics
B. Record keeping
C. System design
D. Social media
E. None of the above
Ans: A
Learning Objective: 2-5
Cognitive Domain: Knowledge
Answer Location: HR Analytics
Question Type: MC

58. The convergence of HRM and big data is sometimes referred to as _____.
A. system design
B. record keeping
C. data analytics
D. workforce science
E. strategy
Ans: D
Learning Objective: 2-5
Cognitive Domain: Knowledge
Answer Location: HR Analytics
Question Type: MC

59. _____ are/is interacting database systems that aim at generating and delivering HR information and allow us to automate some human resource management functions.
A. Complexity
B. Human Resource Information Systems (HRIS)
C. Data analytics
D. Centralization
E. Organizational culture
Ans: B
Learning Objective: 2-6
Cognitive Domain: Knowledge
Answer Location: Human Resource Information Systems (HRIS)
Question Type: MC

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60. The human resources director is entering employee skills and performance appraisal data into a computer. The data will be used in the strategic planning process to determine training needs. The director is using a _____.
A. human resource information system
B. organizational chart
C. balanced scorecard
D. social media
E. strategy
Ans: A
Learning Objective: 2-6
Cognitive Domain: Application
Answer Location: What are HRIS?
Question Type: MC

61. How do Human Resource Information Systems (HRIS) assist HRM and operational management in making decisions?
A. Allows HR deliverables to be defined more easily
B. Allows HR to select individuals that align with the organizational culture
C. Allows the company to track the amount of time employees spend working on their computers
D. Allows the company to maintain control of HR information and make it available and easy to access for everyday use
E. Allows executives to create a “dashboard” for production/operations milestones
Ans: D
Learning Objective: 2-6
Cognitive Domain: Comprehension
Answer Location: How do HRIS Assist in Making HR Decisions?
Question Type: MC

62. Two of the most common strategic HRM measurement tools include:
A. Economic Value Added and Return on Investment
B. Employee Turnover Rate and Recruiting Yield Ratio
C. Economic Value Added and Employee Turnover Rate
D. Return on Investment and Employee Turnover Rate
E. Employee Turnover Rate and Current Ratio
Ans: A
Learning Objective: 2-7
Cognitive Domain: Knowledge
Answer Location: Measurement Tools for Strategic HRM
Question Type: MC

63. Kristin is examining a measure of the financial return the human resources department received for its investment in a new performance appraisal system. The new system cost $3,500 and saved more than $5,000 in payroll expenses. Kristin is examining the _____.
A. economic value added
B. return on investment
C. gain from investment
D. balanced scorecard
E. strategy
Ans: B
Learning Objective: 2-7
Cognitive Domain: Application
Answer Location: Return on Investment (ROI)
Question Type: MC

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64. What measurement tool determines the profits that remain after the cost of capital has been deducted from operating profits?
A. Return on Investment
B. Balanced Scorecard
C. Economic Value Added
D. HRIS
E. HR Scorecard
Ans: C
Learning Objective: 2-7
Cognitive Domain: Knowledge
Answer Location: Economic Value Added (EVA)
Question Type: MC

65. _____ is the measure of profits that remain after the cost of capital has been deducted from operating profits.
A. Return on Investment (ROI)
B. Complexity
C. Economic Value Added (EVA)
D. Centralization
E. Formalization
Ans: C
Learning Objective: 2-7
Cognitive Domain: Knowledge
Answer Location: Economic Value Added (EVA)
Question Type: MC

66. _____ is the measure of the financial return we receive because of something that we do to invest in our organization or its people.
A. Data Analytics
B. Economic Value Added (EVA)
C. Formalization
D. Complexity
E. Return on Investment (ROI)
Ans: E
Learning Objective: 2-7
Cognitive Domain: Knowledge
Answer Location: Return On Investment (ROI)
Question Type: MC

## True/False

67. Only factors in the external environment determine what actions we must take to make strategic choices for our organization.
Ans: False
Learning Objective: 2-1
Cognitive Domain: Knowledge
Answer Location: Strategy and Strategic Planning in the 21st century
Question Type: TF

68. Influences from outside the organization may cause the company to adapt to change.
Ans: True
Learning Objective: 2-1
Cognitive Domain: Knowledge
Answer Location: The External Environment

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Question Type: TF

69. Resources or products from suppliers can be affected by external forces, such as natural disasters.
Ans: True
Learning Objective: 2-1
Cognitive Domain: Knowledge
Answer Location: The External Environment
Question Type: TF

70. The availability of recruits and employees for an organization has an effect on its performance.
Ans: True
Learning Objective: 2-1
Cognitive Domain: Comprehension
Answer Location: The External Environment
Question Type: TF

71. The Board of Directors, voted into office by the shareholders, is involved in the day-to-day operations of the firm.
Ans: False
Learning Objective: 2-1
Cognitive Domain: Knowledge
Answer Location: The External Environment
Question Type: TF

72. No organization has control over economic growth, inflation, interest rates, or foreign exchange rates.
Ans: True
Learning Objective: 2-1
Cognitive Domain: Comprehension
Answer Location: The External Environment
Question Type: TF

73. Strategic management's success requires a commitment to a defined set of objectives by managers.
Ans: True
Learning Objective: 2-2
Cognitive Domain: Visions, Missions, and Objectives
Answer Location: Designing a Strategy
Question Type: TF

74. The vision statement of an organization provides a focus point for the future.
Ans: True
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: Visions, Missions, and Objectives
Question Type: TF

75. Cost leaders may offer their product or service to customers at the same cost as their competitors.
Ans: True
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: Types of Strategies
Question Type: TF

76. The focus or niche strategy focuses on a specific portion of the larger market.
Ans: True
Learning Objective: 2-2
Cognitive Domain: Knowledge

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Answer Location: Types of Strategies
Question Type: TF

77. A company following the differentiator strategy will affect HRM because of the need to keep employee costs down.
Ans: False
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: How Strategy Affects HRM
Question Type: TF

78. There is only one "best" structure.
Ans: False
Learning Objective: 2-3
Cognitive Domain: Comprehension
Answer Location: Basics of Organizational Structure
Question Type: TF

79. Centralization of decision making tends to create greater control within an organization because the few decision makers become very skilled at determining the best course of action in a particular situation.
Ans: True
Learning Objective: 2-3
Cognitive Domain: Comprehension
Answer Location: Basics of Organizational Structure
Question Type: TF

80. Complexity refers to the degree of three types of differentiation within the organization.
Ans: True
Learning Objective: 2-3
Cognitive Domain: Comprehension
Answer Location: Basics of Organizational Structure
Question Type: TF

81. Organizational structure does not affect employee behavior.
Ans: False
Learning Objective: 2-3
Cognitive Domain: Knowledge
Answer Location: How Does Organizational Structure Affect Employee Behavior
Question Type: TF

82. Social media cannot be used to monitor both the internal and external environment of an organization.
Ans: False
Learning Objective: 2-4
Cognitive Domain: Application
Answer Location: Social Media and Culture Management
Question Type: TF

83. Human Resource Information Systems (HRIS) are a process of accessing large amounts of data in order to analyze those data and gain insight into significant trends or patterns within organizations or industries.
Ans: False
Learning Objective: 2-5
Cognitive Domain: Knowledge
Answer Location: An Introduction to Data Analytics for HRM
Question Type: TF

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84. Data analytics are database systems that aim at generating and delivering HR information and allow us to automate some human resource management functions.
Ans: False
Learning Objective: 2-6
Cognitive Domain: Knowledge
Answer Location: What are HRIS?
Question Type: MC

85. Return on Investment (ROI) is the measure of the financial return we receive because of something that we do to invest in our organization or its people.
Ans: True
Learning Objective: 2-7
Cognitive Domain:
Answer Location: Return on Investment (ROI)
Question Type: TF

## Short Answer

86. List six of the nine major forces in the external environment of a business organization.
Ans: Customers, competition, suppliers, labor force, shareholders, society, technology, economic, and government
Learning Objective: 2-1
Cognitive Domain: Knowledge
Answer Location: The External Environment
Question Type: SA

87. What are the three generic strategies?
Ans: Cost leadership, differentiation, and focus or niche
Learning Objective: 2-2
Cognitive Domain: Knowledge
Answer Location: Types of Strategies
Question Type: SA

88. Define vision and mission statement and explain what happens when they are combined.
Ans: Vision Statement: What the company expects to become as an organization at a particular point in the future. Mission Statement: The company's expectations of what they're going to do to become the organization that it envisions. Vision + Mission = FOCUS. By combining the vision and the mission statement, the people in the organization can focus on a particular direction because they receive a complete picture of what direction they are supposed to go in. By getting everyone on the same page, it is more likely that the organization will achieve the desired end result.
Learning Objective: 2-2
Cognitive Domain: Analysis
Answer Location: Visions, Missions, and Objectives
Question Type: SA

89. What are the three fundamental components of organizational culture?
Ans: Complexity, formalization, and centralization
Learning Objective: 2-3
Cognitive Domain: Knowledge
Answer Location: Basics of Organizational Structure
Question Type: SA

90. What is organizational culture?

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Ans: Organizational culture is the values, beliefs, and assumptions about appropriate behavior that members of an organization share.
Learning Objective: 2-4
Cognitive Domain: Knowledge
Answer Location: What is Organizational Culture?
Question Type: SA

91. What are data analytics?
Ans: Data analytics is the process of accessing large amounts of data to analyze those data and gain insight into significant trends or patterns within organizations or industries.
Learning Objective: 2-5
Cognitive Domain: Knowledge
Answer Location: Introduction to Data Analytics for HRM
Question Type: SA

92. Acme Global sent 100 workers to training to decrease defects on the assembly line. In the past year, there have been 2,000 defective products created at a cost of $100 each. In the year following training, only 1,000 defective products were created. Training cost $100 per worker. What is the ROI on the training?
Ans:
Cost of investment = $10,000
Gain from investment = $100,000
ROI = ($100,000 - $10,000)/$10,000 = 9 or 900 percent
Learning Objective: 2-7
Cognitive Domain: Knowledge
Answer Location: Return on Investment (ROI)
Question Type: SA

## Essay

93. There are three big questions related to strategy. What are they and what does each one represent?
Ans: 1) What is our present situation? A comprehensive snapshot of the organization at a particular point in time, allowing the managers to know the good and the bad within the organization in significant detail. 2) Where do we want to go? What does the organization plan to look like in the future? What is the vision and the mission of the organization? 3) How do we plan to get there? The creation of a plan that will allow the organization to reach the goals that it set in question 2 in order to become the organization that it envisions and to create a sustainable competitive advantage.
Learning Objective: 2-2
Cognitive Domain: Analysis
Answer Location: Strategy
Question Type: ESS

94. Provide a detailed summary of the purpose of visions and mission statements in organizations. How do they work, and what is the outcome of successfully crafting visions and missions?
Ans: Varies
Learning Objective: 2-2
Cognitive Domain: Analysis
Answer Location: Visions, Missions, and Objectives
Question Type: ESS

95. What are the basic steps in designing an organizational strategy? Describe each of the steps in some detail.
Ans: Varies
Learning Objective: 2-2

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Cognitive Domain: Analysis
Answer Location: What is Strategy?
Question Type: ESS

96. Summarize the major components of organizational structure.
Ans: Varies
Learning Objective: 2-3
Cognitive Domain: Analysis
Answer Location: Basics of Organizational Structure
Question Type: ESS

97. According to the textbook, there are three general strategy types for businesses. Identify each strategy and explain the distinction of each strategy.
Ans: Varies
Learning Objective: 2-4
Cognitive Domain: Analysis
Answer Location: Types of Strategies
Question Type: ESS

98. Describe organizational culture and tell how it affects the members of the organization.
Ans: Varies
Learning Objective: 2-4
Cognitive Domain: Analysis
Answer Location: What is Organizational Culture?
Question Type: ESS

99. Define data analytics and explain how it helps organizations make important decisions.
Ans: Varies
Learning Objective: 2-5
Cognitive Domain: Analysis
Answer Location: Introduction to Data Analytics for HRM
Question Type: ESS

100. Describe an HRIS and identify how it can help HR make decisions.
Ans: Varies
Learning Objective: 2-6
Cognitive Domain: Analysis
Answer Location: Human Resource Information Systems (HRIS)
Question Type: ESS

101. Identify the common measurement tools for strategic HRM. Describe how each is calculated.
Ans: Varies
Learning Objective: 2-7
Cognitive Domain: Analysis
Answer Location: Measurement Tools for Strategic HRM
Question Type: ESS

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