

CHAPTER 2--STRATEGY AND HUMAN RESOURCES PLANNING

Student: _____

1. Organizations set major objectives and develop comprehensive plans to achieve those objectives through strategic planning.

True False

2. Human Resource Planning (HRP) is the conducting of recruitment and selection methods according to a strategic plan.

True False

3. Strategic HRM is a combination of strategic planning and HR planning.

True False

4. The reciprocal relationship between strategic planning and human resource planning means that strategic planning affects, and is affected by, HR planning.

True False

5. The vision is the basic purpose of the organization.

True False

6. Organizational core values form the foundation of a firm's decisions.

True False

7. Changes in labor supply can place limits on the strategies available to firms.

True False

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

True False

9. Internal analysis focuses on culture and conflicts with an organization.

True False

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

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

True False

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

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13. Managers must gain a clear understanding of how employees view their organization before conducting HR planning.

True False

14. Core knowledge workers usually earn long-term commitments and investments in their knowledge and skill development from their employers.

True False

15. Forecasting is frequently more an art than a science, providing inexact approximations rather than absolute results.

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

True False

17. Qualitative HR forecasting techniques generally employ sophisticated analytical models.

True False

18. Trend analysis is a qualitative approach to labor demand forecasting.

True False

19. Trend analysis relies on a single business factor.

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

True False

21. Staffing tables provide data on external labor supply sources.

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22. Markov analysis is used to track an organization's internal supply of labor.

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

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24. Succession planning is the process of identifying, developing, and tracking key individuals so that they may eventually assume top-level positions.

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31. Differentiation strategy is based on efficiency and productivity.

True False

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True False

33. Organizational structure is the framework in which activities of the organization members are coordinated.

True False

34. Shared values act as a guiding parameter for strategic planning.

True False

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

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36. The order of employee layoffs is usually based on seniority and/or ability.

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37. A disadvantage of overemphasizing seniority is that less competent employees receive the same rewards and security as more competent employees.
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True False
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True False
41. Calculating separation costs and training investment factors are components measures of human capital.
True False
42. The Balanced Scorecard is a tool for mapping a firm's strategy in order to ensure strategic alignment.
True False
43. Internal fit is a necessary and sufficient cause of strategic alignment.
True False
44. Coordinational flexibility occurs through rapid allocation of resources to new or changing needs.
True False
45. The process of setting major organization objectives and developing plans to achieve them is called:
A. strategic planning.
B. HR planning.
C. job analysis.
D. environmental scanning.

46. Human resources planning is:

- A. a technique that identifies the critical aspects of a job.
- B. the process of anticipating and making provision for movement of people into, within, and out of an organization.
- C. the process of setting major organizational objectives and developing comprehensive plans to achieve these objectives.
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- B. organization's marketing position.
- C. organization's return on its human assets.
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- A. Anticipation of labor shortages and surpluses
- B. Providing more employment opportunities for women, minorities and the disabled
- C. Calculating the estimated cost of human capital for the fiscal year
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50. One way human resource planning links to strategic planning is by providing a set of inputs into the:

- A. strategy formulation process
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- C. human capital.
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64. When a firm's resources improve the efficiency or effectiveness of the company, these are known as:

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87. Layoff decisions are frequently based on:

- A. union membership.
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88. It is common for labor agreements to preserve the reemployment rights of employees laid off for up to ____ year(s).
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89. Benchmarking refers to:
- A. identifying employees with promotion potential
 - B. identifying performance differences with competing firms
 - C. the process of identifying the best practice of a firm in a given area and comparing your practices to theirs
 - D. the process of establishing performance standards through HRP
90. Measures of human capital include:
- A. separation costs
 - B. return on assets
 - C. earnings per share
 - D. training program costs
91. An enthusiastically adopted tool for mapping a firm's strategy in order to ensure strategic alignment is:
- A. target forecasting.
 - B. predicted focus.
 - C. balanced scorecard
 - D. replacement selection.
92. The capacity of an organization to continuously act and change in pursuit of competitive advantage is:
- A. coordination flexibility.
 - B. predicted focus.
 - C. organizational capability.
 - D. replacement selection.
93. ____ occurs through rapid reallocation of resources to new or changing needs.
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94. Cross-training, job rotations, and the like results in _____ within the organization.

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- B. predicted focus.
- C. organizational capability.
- D. resource flexibility

95. Globalization is:

- A. simplifying HR planning.
- B. making HR planning more critical and complex.
- C. making HR planning increasingly a government responsibility.
- D. having an imponderable impact on ahr planning.

96. The first step in strategic planning is:

- A. analyze the competition.
- B. interview potential employees.
- C. review failed plans from the past.
- D. establish a mission, vision, and values for the organization.

97. Analysis of external opportunities and threats is the _____ component of the strategic management process.

- A. the second
- B. the last
- C. an optional
- D. the most difficult

98. In the telephone industry cellular technology and VOIP (Voice-over-the Internet Protocol) are examples of _____ for traditional firms.

- A. companions
- B. rivals
- C. substitutes
- D. supplements

99. All the following statements are true except:

- A. the civilian labor force will decline by 2016
- B. employment growth will continue to be concentrated in some jobs
- C. construction is projected to grow
- D. professional and service jobs will grow the fastest

100. As companies diversify into new businesses, managers are inevitably faced with a “make or _____” decision.

- A. buy
- B. lease
- C. forego
- D. substitute

101. Describe how human resource planning is integrated with strategic planning.

102. Describe the criteria necessary for firms to achieve sustained competitive advantage through people.

103. Describe the three key elements of the HR Forecasting model.

104. What is the Balanced Scorecard?

105. How would you define “organizational capability”?

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91. An enthusiastically adopted tool for mapping a firm's strategy in order to ensure strategic alignment is:
- A. target forecasting.
 - B. predicted focus.
 - C. balanced scorecard**
 - D. replacement selection.
92. The capacity of an organization to continuously act and change in pursuit of competitive advantage is:
- A. coordination flexibility.
 - B. predicted focus.
 - C. organizational capability.**
 - D. replacement selection.
93. ____ occurs through rapid reallocation of resources to new or changing needs.
- A. coordination flexibility.**
 - B. predicted focus.
 - C. organizational capability.
 - D. replacement selection.

94. Cross-training, job rotations, and the like results in _____ within the organization.

- A. coordination flexibility.
- B. predicted focus.
- C. organizational capability.
- D. resource flexibility**

95. Globalization is:

- A. simplifying HR planning.
- B. making HR planning more critical and complex.**
- C. making HR planning increasingly a government responsibility.
- D. having an imponderable impact on ahr planning.

96. The first step in strategic planning is:

- A. analyze the competition.
- B. interview potential employees.
- C. review failed plans from the past.
- D. establish a mission, vision, and values for the organization.**

97. Analysis of external opportunities and threats is the _____ component of the strategic management process.

- A. the second**
- B. the last
- C. an optional
- D. the most difficult

98. In the telephone industry cellular technology and VOIP (Voice-over-the Internet Protocol) are examples of _____ for traditional firms.

- A. companions
- B. rivals
- C. substitutes**
- D. supplements

99. All the following statements are true except:

- A. the civilian labor force will decline by 2016**
- B. employment growth will continue to be concentrated in some jobs
- C. construction is projected to grow
- D. professional and service jobs will grow the fastest

100. As companies diversify into new businesses, managers are inevitably faced with a “make or ____” decision.

- A. buy
- B. lease
- C. forego
- D. substitute

101. Describe how human resource planning is integrated with strategic planning.

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.

102. Describe the criteria necessary for firms to achieve sustained competitive advantage through people.

For an organization to achieve sustained competitive advantage through people, four criteria must be met.

- a. First, the resources that are developed must be of value to the organization. People are a source of competitive advantage when they improve the efficiency or effectiveness of the company. This value is increased when employees find ways to decrease costs, provide something unique to customers, or some combination of the two.
- b. Second, the resources must be rare. People are a source of competitive advantage when their skills, knowledge, and abilities are not equally available to competitors.
- c. Third, people are a source of competitive advantage when employee capabilities and contributions are inimitable, or cannot be copied by other firms. For example, companies such as Disney, Southwest Airlines, and Starbucks are known for creating unique cultures that get the most from employees and are difficult to imitate.
- d. Finally, people are a source of competitive advantage when their talents can be combined and deployed to work on new assignments at a moment's notice when they are organized. For example, information technology, teamwork, and cooperation are methods for ensuring an organized workforce.

103. Describe the three key elements of the HR Forecasting model.

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

Employment forecasting 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.

Supply analysis 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.

104. What is the Balanced Scorecard?

The Balanced Scorecard is a tool developed by Drs. Robert Kaplan and David Norton that helps organizations clarify their vision and strategy and translates them into operational objectives. This tool builds on some existing key management concepts like customer-defined quality, continuous improvement, employee empowerment, and measurement-based management and feedback.

The model has four related cells: (1) financial, (2) customer, (3) processes, and (4) learning. The logic of this tool is firmly rooted in HRM. People management and learning helps management improve their internal business processes (e.g., product development, service, etc.) and provide excellent customer service. Internal processes are critical for creating customer satisfaction, customer loyalty, contain costs, and improve productivity. Customer value creation then can lead to higher profitability and market value.

105. How would you define “organizational capability”?

Organizational capability refers to the capacity of the organization to continuously act and change in pursuit of sustainable competitive advantage.

Flexibility and agility when the environment changes can be enhanced by HR planning. Coordination flexibility refers to rapid reallocation of resources to new or changing needs, and resource flexibility results from having people who can do many different things in many different ways