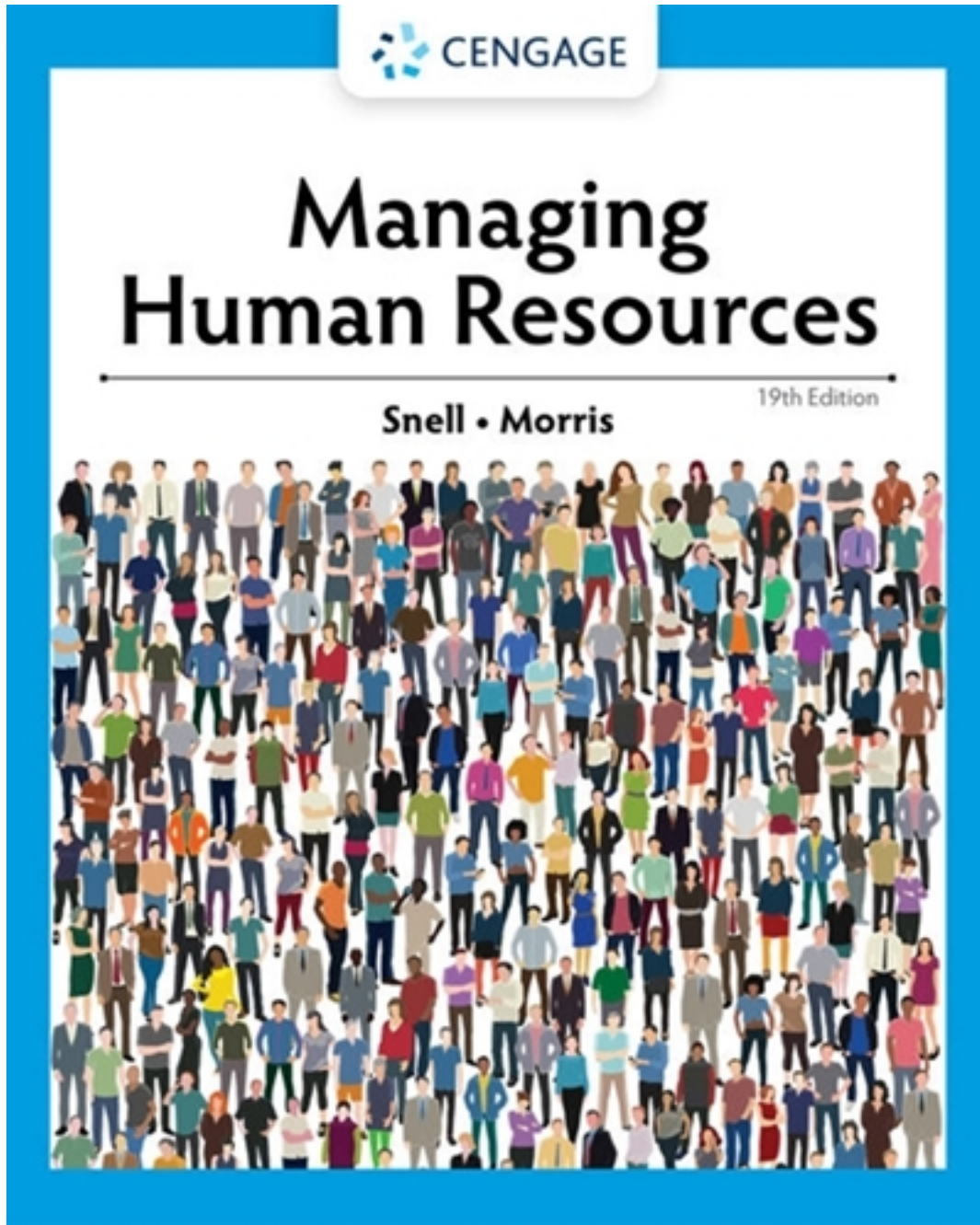


# Test Bank for Managing Human Resources 19th Edition by Snell

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# Test Bank

## Chapter 2 Strategy and Human Resources Planning

1. Strategic planning involves a set of procedures for making decisions about an organization's long-term goals and strategies.

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Strategic Planning and Human Resource Planning

KEYWORDS: Bloom's: Remember

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2. Nuri is in the process of recruiting and selecting new employees in a way that caters to the welfare of the organization's existing employees. Nuri is working on human resource planning (HRP).

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

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3. Strategic human resources management (SHRM) is a combination of strategic planning and HR planning.

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

*STATE STANDARDS:* United States - OH - DISC: HRM  
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*KEYWORDS:* Bloom's: Remember  
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4. Strategy formulation and strategy execution are essentially the same thing.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-1  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step One: Mission, Vision, and Values  
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5. When developing a statement that provides a perspective on where the company is headed and what the organization can become in the future, Elan and Yuri are working on the organization's mission.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-1  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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*TOPICS:* A-Head: Step One: Mission, Vision, and Values  
*KEYWORDS:* Bloom's: Apply  
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6. Strategic vision forms the foundation of a firm's decisions.

- a. True
- b. False

*ANSWER:* False  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* True / False

*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-1  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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*TOPICS:* A-Head: Step One: Mission, Vision, and Values  
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7. Changes in labor supply can place limits on the strategies available to firms.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-2  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step Two: External Analysis  
*KEYWORDS:* Bloom's: Remember  
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8. An internal analysis enables strategic decision makers to assess an organization's workforce—its skills, cultural beliefs, and values.
- a. True
  - b. False

*ANSWER:* True  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* True / False  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-3  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step Three: Internal Analysis  
*KEYWORDS:* Bloom's: Remember  
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9. Internal analysis focuses on culture and conflicts within an organization.
- a. True
  - b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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10. The HR manager at Liftronics has been tasked with performing a cultural audit of the organization. This manager will be looking at the attitudes and expectations of employees of the organization's customers.

- a. True
- b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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11. An HR manager will use strategic planning to anticipate and provide for the movement of people into, within, and out of an organization.

- a. True
- b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-1  
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12. Managers who use trend analysis are most interested in the quantitative approaches to predicting employment needs of the organization.

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

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TOPICS: A-Head: Step Three: Internal Analysis

KEYWORDS: Bloom's: Understand

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13. An organization's core values are the strong, enduring beliefs and principles that serve as a foundation for its corporate culture.

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-1

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14. Stacy's company has made a long-term commitment to Stacy, investing in Stacy's continuous training and development and even giving Stacy an equity stake in the organization. Stacy is most likely a strategic knowledge employee.

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: True / False

HAS VARIABLES: False



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

a. True

b. False

**ANSWER:** True

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3

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16. A primary reason for using qualitative methods in forecasting is that numbers without context are less useful than forecasted numbers set in their contexts.

a. True

b. False

**ANSWER:** True

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** True / False

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3

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

a. True

b. False

**ANSWER:** False

**POINTS:** 1

**DIFFICULTY:** Easy  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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18. In order to be prepared to quickly fill potential job openings with internal candidates, Marin should use skill and management inventories to create an employee replacement chart.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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19. A vision statement clarifies the short-term activities of a company and its strategic intent.

- a. True
- b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-1  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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20. Brett needs data on external labor supply sources. The best tool for Brett to use for this would be a staffing table.

- a. True



b. False

ANSWER: False

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

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21. A manager can use a Markov analysis to track the pattern of employee movements through various jobs within the firm.

a. True

b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

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TOPICS: A-Head: Step Three: Internal Analysis

KEYWORDS: Bloom's: Understand

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22. Core values identify the basic purpose of an organization and future direction.

a. True

b. False

ANSWER: False

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

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23. Among Pauly's responsibilities are identifying, developing, and tracking talented individuals so that they may eventually assume top-level positions within the firm. Pauly is responsible for succession planning.

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

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24. A SWOT analysis helps executives summarize the major facts and forecasts derived from external and internal analyses.

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step Four: Formulating a Strategy

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25. Organizations use corporate strategy to select target domains.

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Four: Formulating a Strategy  
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26. In international joint ventures, the issues of national culture are unimportant compared to company culture.

- a. True
- b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-4  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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**TOPICS:** A-Head: Step Four: Formulating a Strategy  
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27. Large companies that compete based on a low-cost strategy are successful because they are able to take advantage of the uniqueness of their product.

- a. True
- b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-4  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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28. A company that utilizes a differentiation strategy is competing on the basis of providing something distinct from other products to its customers.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Moderate

**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-4  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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29. Outsourcing decisions are often linked to low-cost strategies.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
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30. Critical success factors for a low-cost strategy include efficiency, productivity, and minimizing waste.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-4  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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31. Even though unemployment rates vary by sector, the lack of talent in high-skill jobs continues to create a real challenge for firms.

- a. True
- b. False

ANSWER: True  
 POINTS: 1  
 DIFFICULTY: Easy  
 QUESTION TYPE: True / False  
 HAS VARIABLES: False  
 LEARNING OBJECTIVES: MGHR.SNEL.23.2-2  
 NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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32. In order to get a better idea of all the jobs in the organization along with the numbers of employees currently occupying those jobs and future employment requirements, an HR manager's best option would be to create a graphical representation such as a skills inventory.

- a. True
- b. False

ANSWER: False  
 POINTS: 1  
 DIFFICULTY: Moderate  
 QUESTION TYPE: True / False  
 HAS VARIABLES: False  
 LEARNING OBJECTIVES: MGHR.SNEL.23.2-3  
 NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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33. Managers might hold a meeting, or several meetings, called talent reviews to ascertain whether the company has the human resources it needs to be competitive going forward.

- a. True
- b. False

ANSWER: True  
 POINTS: 1  
 DIFFICULTY: Easy  
 QUESTION TYPE: True / False  
 HAS VARIABLES: False  
 LEARNING OBJECTIVES: MGHR.SNEL.23.2-3  
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34. Part of the responsibilities of HR in unionized firms is to make sure layoffs are based on performance.
- a. True
  - b. False

ANSWER: False

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-5

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

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35. If a firm gives as much or more weight to seniority as to ability and productivity when considering layoffs, it is likely that the organization is unionized.

- a. True
- b. False

ANSWER: True

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-5

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

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36. 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: True

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: True / False

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-5

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37. A Markov analysis can list employees' education, skills, and job tenure in order to quickly match them up with job openings.

- a. True
- b. False

**ANSWER:** False  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
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**TOPICS:** A-Head: Step Three: Internal Analysis  
**KEYWORDS:** Bloom's: Remember  
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38. Sage is looking at the company's practices and performance in a specific area and comparing them with other companies. Sage is engaged in the process of benchmarking.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-2  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Two: External Analysis  
**KEYWORDS:** Bloom's: Apply  
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39. The target company for benchmarking does not need to be a competitor.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Moderate

**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-2  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Two: External Analysis  
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40. Tatum needs to map the firm's strategy in order to ensure strategic alignment. One tool that Tatum could use for this task is a balanced scorecard.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-6  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Six: Evaluation  
**KEYWORDS:** Bloom's: Apply  
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41. Reese needs to measure how well the new hires in the organization are performing so that the organization will have enough top performers to propel it towards its strategic objectives. Reese can use a quality-of-fill metric to accomplish this task.

- a. True
- b. False

**ANSWER:** True  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** True / False  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-4  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Four: Formulating a Strategy  
**KEYWORDS:** Bloom's: Apply  
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42. The process of setting procedures for making decisions about an organization's long-term goals is called

- a. strategic planning.
- b. HR planning.
- c. job analysis.
- d. environmental scanning.

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-1  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Strategic Planning and Human Resource Planning  
**KEYWORDS:** Bloom's: Remember  
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43. Human resource planning is

- a. the technique that identifies the critical aspects of a job.
- b. the process of anticipating and providing for the 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.
- d. the process of determining the primary direction of a firm.

**ANSWER:** b  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-1  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Strategic Planning and Human Resource Planning  
**KEYWORDS:** Bloom's: Remember  
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44. An external analysis would look at which of the following aspects of an organization's competitive environment?

- a. Resources
- b. Core capabilities
- c. Employees
- d. Suppliers

**ANSWER:** d  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice

*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-2  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step Two: External Analysis  
*KEYWORDS:* Bloom's: Understand  
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45. Bobbie has skills that are quite valuable to an employer, but those skills are not particularly unique and would not be difficult to replace. Bobbie would be considered a

- core employee.
- strategic knowledge worker.
- supporting worker.
- partner.

*ANSWER:* a  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-3  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step Three: Internal Analysis  
*KEYWORDS:* Bloom's: Apply  
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46. The mission of a company

- is used for the systematic monitoring of its external opportunities.
- is the basic purpose of the company.
- is the strong enduring belief used by the company to make decisions.
- provides a perspective on where the company is headed.

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-1  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step One: Mission, Vision, and Values  
*KEYWORDS:* Bloom's: Remember  
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47. The strategic vision of a company

- a. is used for the systematic monitoring of its external opportunities.
- b. involves a set of procedures for making decisions about long-term organizational goals.
- c. is the strong enduring belief used by the company to make decisions.
- d. provides a perspective on where the company is headed.

ANSWER: d

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step One: Mission, Vision, and Values

KEYWORDS: Bloom's: Understand

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48. The core values of a company

- a. involve the systematic monitoring of its external opportunities.
- b. involve a set of procedures for making decisions about long-term organizational goals.
- c. are the strong enduring beliefs used by the company to make decisions.
- d. are determined by conducting a trend analysis on its employees.

ANSWER: c

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-1

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step One: Mission, Vision, and Values

KEYWORDS: Bloom's: Remember

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49. What part of Emery's job would require performing systematic, regular monitoring of major external forces that influence the organization?

- a. Demand forecasting
- b. Environmental scanning
- c. Exception reporting
- d. Influence analysis

ANSWER: b

POINTS: 1

DIFFICULTY: Easy

**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-2  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Two: External Analysis  
**KEYWORDS:** Bloom's: Apply  
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50. A competitive environment includes which of the following?

- a. Core capabilities
- b. Corporate culture
- c. Competitors
- d. Subordinates

**ANSWER:** c

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-2

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

**STATE STANDARDS:** United States - OH - DISC: HRM

**TOPICS:** A-Head: Step Two: External Analysis

**KEYWORDS:** Bloom's: Remember

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51. The primary goal of an organization's strategy should be to do which of the following?

- a. Work toward a "one size fits all" goal
- b. Eliminate possibilities for rival firms
- c. Create value for customers
- d. Form strategic partnerships with suppliers

**ANSWER:** c

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-2

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

**STATE STANDARDS:** United States - OH - DISC: HRM

**TOPICS:** A-Head: Step Two: External Analysis

**KEYWORDS:** Bloom's: Analyze

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52. Realizing that the firm's employees are critical to its success, Kerry wants to examine their values, attitudes, beliefs, and expectations. Kerry can do this by conducting a(n)
- environmental scan.
  - trend analysis.
  - cultural audit.
  - behavioral forecast.

ANSWER: c

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step Three: Internal Analysis

KEYWORDS: Bloom's: Apply

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53. Integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers are known as
- individual competencies.
  - core capabilities.
  - human capital.
  - organizational competencies.

ANSWER: b

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step Three: Internal Analysis

KEYWORDS: Bloom's: Remember

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54. In order to be considered valuable, a firm's resources would need to have which of the following characteristics?
- Are used in the process of benchmarking
  - Improve the efficiency and effectiveness of the company
  - Contribute to the core capabilities of a company
  - Provide sustainability

ANSWER: b

POINTS: 1

**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis  
**KEYWORDS:** Bloom's: Understand  
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55. When the knowledge, skills, and abilities of a firm's human resources are not equally available to its competitors, these resources are considered to be which of the following?

- a. Impossible to imitate
- b. Devalued
- c. Common
- d. Rare

**ANSWER:** d  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis  
**KEYWORDS:** Bloom's: Understand  
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56. As an employee, Zeren would be considered a strategic knowledge worker if Zeren possessed which of the following?

- a. Unique skills not directly related to company strategy
- b. Unique skills directly related to company strategy
- c. Skills that are valuable but not unique
- d. Skills that are generally available in the labor market

**ANSWER:** b  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis  
**KEYWORDS:** Bloom's: Apply

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57. What are the components of SWOT analysis?

- a. Strategy, wealth, opportunity, technology
- b. Strategy, workers, outsourcing, target markets
- c. Strengths, weaknesses, opportunities, threats
- d. Stakeholders, working capital, other resources, tactics

ANSWER: c

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-4

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step Four: Formulating a Strategy

KEYWORDS: Bloom's: Remember

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58. Value creation can best be described by which of the following equations?

- a. Value = Profit/System costs
- b. Value = Benefits – Costs
- c. Value = Outputs – Inputs
- d. Value = Demand/Supply

ANSWER: b

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-3

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step Three: Internal Analysis

KEYWORDS: Bloom's: Analyze

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59. Which of the following techniques would an HR manager most likely use in forecasting the organization's demand for labor?

- a. Markov analysis
- b. Skills inventories
- c. Management inventories
- d. Delphi technique

ANSWER: a

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-4  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Four: Formulating a Strategy  
**KEYWORDS:** Bloom's: Understand  
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60. Addison wants to use a quantitative approach to forecast demand. Which of the following methods would best meet this goal?

- a. Trend analysis
- b. Delphi technique
- c. Soliciting expert opinion
- d. Management forecasts

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis  
**KEYWORDS:** Bloom's: Apply  
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61. Which of the following statements about trend analysis is accurate?

- a. When performing a trend analysis, the first step is to select a business factor.
- b. The fundamental basis of trend analysis begins with soliciting expert opinions.
- c. The sole purpose of trend analysis for an organization is to predict employment needs.
- d. Plotting historical trends and the analysis of them should not be performed by the same person.

**ANSWER:** d  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis

**KEYWORDS:** Bloom's: Analyze  
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62. A clerical worker at XLT Corp., Shea has fairly limited and clearly defined duties, and the employment relationship with XLT is transaction based. Shea would be considered a

- a. core employee.
- b. strategic knowledge worker.
- c. supporting worker.
- d. partner.

**ANSWER:** c  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis  
**KEYWORDS:** Bloom's: Apply  
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63. A graphical representation of all organizational jobs along with the numbers of employees currently occupying those jobs and future employment requirements is called

- a. a staffing table.
- b. an organization chart.
- c. a skills inventory.
- d. career planning.

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis  
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64. The corporate culture at Federal Financial Services is highly competitive and encourages result-oriented behaviors. What type of culture is this?

- a. Clan
- b. Adhocracy

- c. Market
- d. Hierarchical

**ANSWER:** c  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis  
**KEYWORDS:** Bloom's: Apply  
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65. Talent inventories that list current jobholders can be used to develop
- a. core values.
  - b. replacement charts.
  - c. trend models.
  - d. management forecasts.

**ANSWER:** b  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
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66. The employees at Happy Table are a close-knit group. They show a great deal of concern for each other and for their customers. This typifies what type of corporate culture?
- a. Clan
  - b. Adhocracy
  - c. Market
  - d. Hierarchical

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3



**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis  
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67. If Cameron bought shares of stock in a given company, Cameron would be considered one of the company's
- a. customers.
  - b. suppliers.
  - c. stakeholders.
  - d. employees.

**ANSWER:** c  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-2

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Two: External Analysis  
**KEYWORDS:** Bloom's: Apply  
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68. XLT Corp. is pursuing a cooperative strategy as a way to drive growth. XLT might be considering a(n)
- a. joint venture.
  - b. trend analysis.
  - c. merger.
  - d. acquisition.

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-4

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Four: Formulating a Strategy  
**KEYWORDS:** Bloom's: Apply  
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69. Clare's firm has been unable to execute effectively. Clare found that the primary reason is that the firm lacks streamlined processes. Clare has identified a flaw in which section of the "4As" framework?
- a. Alignment

- b. Agility
- c. Ability
- d. Architecture

ANSWER: d  
 POINTS: 1  
 DIFFICULTY: Moderate  
 QUESTION TYPE: Multiple Choice  
 HAS VARIABLES: False  
 LEARNING OBJECTIVES: MGHR.SNEL.23.2-5  
 NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
 STATE STANDARDS: United States - OH - DISC: HRM  
 TOPICS: A-Head: Step Five: Executing a Firm's Strategy  
 KEYWORDS: Bloom's: Apply  
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70. Drew's firm has been unable to execute effectively. Drew feels that the main source of this problem is that no one is held accountable for results. Drew has identified a flaw in which section of the "4As" framework?

- a. Alignment
- b. Agility
- c. Ability
- d. Architecture

ANSWER: a  
 POINTS: 1  
 DIFFICULTY: Moderate  
 QUESTION TYPE: Multiple Choice  
 HAS VARIABLES: False  
 LEARNING OBJECTIVES: MGHR.SNEL.23.2-5  
 NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
 STATE STANDARDS: United States - OH - DISC: HRM  
 TOPICS: A-Head: Step Five: Executing a Firm's Strategy  
 KEYWORDS: Bloom's: Apply  
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71. Finley's firm has been unable to execute effectively. Finley feels that this can be corrected through educational learning. Finley wants to address which section of the "4As" framework?

- a. Alignment
- b. Agility
- c. Ability
- d. Architecture

ANSWER: b  
 POINTS: 1  
 DIFFICULTY: Easy  
 QUESTION TYPE: Multiple Choice

*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-5  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step Five: Executing a Firm's Strategy  
*KEYWORDS:* Bloom's: Apply  
*DATE CREATED:* 6/23/2021 11:15 AM  
*DATE MODIFIED:* 4/1/2022 12:57 PM

72. In a unionized organization, layoff decisions are usually based on
- a. union membership.
  - b. department ranking.
  - c. seniority.
  - d. favoritism.

*ANSWER:* c  
*POINTS:* 1  
*DIFFICULTY:* Easy  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-5  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step Five: Executing a Firm's Strategy  
*KEYWORDS:* Bloom's: Remember  
*DATE CREATED:* 6/23/2021 11:15 AM  
*DATE MODIFIED:* 4/1/2022 12:57 PM

73. According to the "4As" framework of execution capability, which of the following would be human capital in the area of ability?
- a. Clear strategic intent
  - b. Leadership bench
  - c. External connection
  - d. Accountability for results

*ANSWER:* b  
*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Multiple Choice  
*HAS VARIABLES:* False  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-5  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step Five: Executing a Firm's Strategy  
*KEYWORDS:* Bloom's: Understand  
*DATE CREATED:* 6/23/2021 11:15 AM  
*DATE MODIFIED:* 4/1/2022 12:57 PM

74. One of Taylor's responsibilities is to regularly review HR initiatives to make sure they are in line with the company's strategy of being first to market. In other words, Taylor needs to ensure

- a. horizontal alignment.
- b. vertical alignment.
- c. lateral alignment.
- d. measurement alignment.

ANSWER: b

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step Six: Evaluation

KEYWORDS: Bloom's: Apply

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75. What type of measurement framework helps managers translate strategic goals into operational objectives?

- a. Benchmark
- b. Trend analysis
- c. Balanced scorecard
- d. Cultural audit

ANSWER: c

POINTS: 1

DIFFICULTY: Easy

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step Six: Evaluation

KEYWORDS: Bloom's: Remember

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76. One of Whitney's responsibilities is to regularly review HR practices to make sure they all focus on the same objectives. In other words, Whitney needs to ensure which type of alignment?

- a. Measurement
- b. Capacity
- c. Horizontal
- d. Vertical

ANSWER: c

POINTS: 1

DIFFICULTY: Moderate

**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-6  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Six: Evaluation  
**KEYWORDS:** Bloom's: Apply  
**DATE CREATED:** 6/23/2021 11:15 AM  
**DATE MODIFIED:** 4/1/2022 12:57 PM

77. The ability of an organization to rapidly reallocate resources to new or changing needs is known as
- coordination agility.
  - predicted flexibility.
  - organizational capability.
  - turnover capability.

**ANSWER:** a  
**POINTS:** 1  
**DIFFICULTY:** Easy  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-5  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Five: Executing a Firm's Strategy  
**KEYWORDS:** Bloom's: Remember  
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78. Cross-training and job rotations are intended to improve an organization's
- coordination flexibility.
  - turnover capability.
  - organizational capability.
  - resource flexibility.

**ANSWER:** d  
**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-5  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Five: Executing a Firm's Strategy  
**KEYWORDS:** Bloom's: Understand  
**DATE CREATED:** 6/23/2021 11:15 AM  
**DATE MODIFIED:** 4/1/2022 12:57 PM

79. What are the four cells of the balanced scorecard model?
- Externalities, internal talent, leadership, and strategic intent
  - Financial, customer, processes, and learning
  - Customers, suppliers, employees, and other stakeholders
  - Processes, strategies, training, and technologies

ANSWER: b

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-6

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step Six: Evaluation

KEYWORDS: Bloom's: Understand

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80. The Smith family lives in the same community where Topico has its corporate offices; therefore, their relationship to Topico is considered to be as
- creditors.
  - customers.
  - primary stakeholders.
  - secondary stakeholders.

ANSWER: d

POINTS: 1

DIFFICULTY: Moderate

QUESTION TYPE: Multiple Choice

HAS VARIABLES: False

LEARNING OBJECTIVES: MGHR.SNEL.23.2-2

NATIONAL STANDARDS: United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

STATE STANDARDS: United States - OH - DISC: HRM

TOPICS: A-Head: Step Two: External Analysis

KEYWORDS: Bloom's: Apply

DATE CREATED: 6/23/2021 11:15 AM

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81. Analysis of external opportunities and threats is which step of the strategic management process?
- The second step
  - The last step
  - An optional step
  - The penultimate step

ANSWER: a

POINTS: 1

DIFFICULTY: Easy



**QUESTION TYPE:** Multiple Choice  
**HAS VARIABLES:** False  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-2  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Two: External Analysis  
**KEYWORDS:** Bloom's: Remember  
**DATE CREATED:** 6/23/2021 11:15 AM  
**DATE MODIFIED:** 4/1/2022 12:57 PM

82. In the telephone industry, traditional firms would consider mobile phones and VOIP (Voice-over-Internet Protocol) to be examples of

- a. companions.
- b. rivals.
- c. substitutes.
- d. supplements.

**ANSWER:** c

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-2

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

**STATE STANDARDS:** United States - OH - DISC: HRM

**TOPICS:** A-Head: Step Two: External Analysis

**KEYWORDS:** Bloom's: Understand

**DATE CREATED:** 6/23/2021 11:15 AM

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83. As companies diversify into new businesses, managers are inevitably faced with a make or \_\_\_\_\_ decision.

- a. buy
- b. lease
- c. forego
- d. substitute

**ANSWER:** a

**POINTS:** 1

**DIFFICULTY:** Easy

**QUESTION TYPE:** Multiple Choice

**HAS VARIABLES:** False

**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-4

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

**STATE STANDARDS:** United States - OH - DISC: HRM

**TOPICS:** A-Head: Step Four: Formulating a Strategy

**KEYWORDS:** Bloom's: Remember

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84. Describe the basics of SWOT analysis as it relates to strategy formulation.

**ANSWER:** A comparison of strengths, weaknesses, opportunities, and threats is referred to as a SWOT analysis. A SWOT analysis helps executives summarize the major facts and forecasts derived from external and internal analyses. Strategy formulation builds on SWOT analysis to use the strengths of an organization to capitalize on opportunities, counteract threats, and alleviate internal weaknesses. In short, strategy formulation moves from simple analysis to devising a coherent course of action.

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**STUDENT ENTRY MODE:** Basic

**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-5

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

**STATE STANDARDS:** United States - OH - DISC: HRM

**TOPICS:** A-Head: Step Five: Executing a Firm's Strategy

**KEYWORDS:** Bloom's: Understand

**DATE CREATED:** 6/23/2021 11:15 AM

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

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

1. 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 organization. This value is increased when employees find ways to decrease costs, provide something unique to customers, or some combination of the two.
2. The resources must be rare. People are a source of competitive advantage when their skills, knowledge, and abilities are not equally available to competitors.
3. 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.
4. People are a source of competitive advantage when the resources are organized in such a way that their talents can be combined and deployed to work on new assignments at a moment's notice.

**POINTS:** 1

**DIFFICULTY:** Moderate

**QUESTION TYPE:** Essay

**HAS VARIABLES:** False

**STUDENT ENTRY MODE:** Basic

**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3

**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

**STATE STANDARDS:** United States - OH - DISC: HRM

**TOPICS:** A-Head: Step Three: Internal Analysis

**KEYWORDS:** Bloom's: Understand  
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86. Describe the three key elements of the HR forecasting model.

**ANSWER:** The three key elements in the HR forecasting process are: (1) forecasting the demand for labor, (2) forecasting the supply of labor, 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.

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Essay  
**HAS VARIABLES:** False  
**STUDENT ENTRY MODE:** Basic  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-3  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
**STATE STANDARDS:** United States - OH - DISC: HRM  
**TOPICS:** A-Head: Step Three: Internal Analysis  
**KEYWORDS:** Bloom's: Understand  
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87. What is the balanced scorecard?

**ANSWER:** 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. 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 an organization's internal business processes (e.g., product development, service, etc.) and provide excellent customer service. Internal processes are critical for creating customer satisfaction, customer loyalty, cost containment, and improved productivity. Customer value creation then can lead to higher profitability and market value.

**POINTS:** 1  
**DIFFICULTY:** Moderate  
**QUESTION TYPE:** Essay  
**HAS VARIABLES:** False  
**STUDENT ENTRY MODE:** Basic  
**LEARNING OBJECTIVES:** MGHR.SNEL.23.2-6  
**NATIONAL STANDARDS:** United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic

*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step Six: Evaluation  
*KEYWORDS:* Bloom's: Understand  
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88. Briefly describe the "4As" framework of execution capability.

*ANSWER:* The "4As" required to successfully execute a strategy are as follows:  
*Alignment.* Alignment occurs in an organization when it has a clear strategic intent, its staff has shared performance expectations, and they are accountable for the results.  
*Agility.* Execution is about competing today and tomorrow. The key to execution increasingly depends on being agile, nimble, and proactive in the face of change.  
*Architecture.* A firm's architecture consists of its structures, processes, and systems. Ideally, they should be simple and streamlined so as to propel the firm to success. But too often a firm's architecture can end up being complicated and entangle a firm like a straitjacket.  
*Ability.* Products and processes are easy to duplicate. Talent is not. Strategy execution (and ultimately growth and profitability) depend on a firm's talent capacity—a talented group of leaders, managers, and employees working together in an engaged and collaborative way.

*POINTS:* 1  
*DIFFICULTY:* Moderate  
*QUESTION TYPE:* Essay  
*HAS VARIABLES:* False  
*STUDENT ENTRY MODE:* Basic  
*LEARNING OBJECTIVES:* MGHR.SNEL.23.2-5  
*NATIONAL STANDARDS:* United States - BUSPROG: Analytic | Technology - BUSPROG: Analytic  
*STATE STANDARDS:* United States - OH - DISC: HRM  
*TOPICS:* A-Head: Step Five: Executing a Firm's Strategy  
*KEYWORDS:* Bloom's: Understand  
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Instructor's Manual: Snell/Morris; Managing HumanResources\_19e, c23, ISBN: 9780357716519; Chapter #2: Strategy and Human Resource Planning

# Chapter 02: Strategy and Human Resource Planning

## Instructor Manual

Snell/Morris, Managing Human Resources 19e, c23, ISBN: 9780357716519; Chapter #2: Strategy and Human Resource Planning

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## Purpose and Perspective of the Chapter

Strategic human resources management (SHRM) integrates strategic planning and HR planning. It can be thought of as the pattern of human resource deployments and activities that enable an organization to achieve its strategic goals. The firm's mission, vision, and values provide a perspective on where the company is headed and what the organization can become in the future. They clarify the long-term direction of the company and its strategic intent.

Analyzing the firm's external environment is central to strategic planning. Benchmarking is the process of looking at your practices and performance and then comparing them to those of your competitors. Environmental scanning is the systematic monitoring of major external forces influencing the organization, including forces in the business environment and the competitive environment. Conducting an internal analysis to gauge the firm's strengths and weaknesses involves looking at a firm's core capabilities, its talent and composition in the firm, and the firm's corporate culture. After managers have analyzed the internal strengths and weaknesses of the firm, as well as external opportunities and threats, they have the information to formulate corporate, business, and HR strategies which must be executed. To evaluate their performance, firms need to establish a set of "desired" objectives as well as the metrics to monitor how well their organizations delivered against those objectives.

## Chapter Objectives

The following objectives are addressed in this chapter:

1. Explain how human resource planning and a firm's mission, vision, and values are integrally linked to its strategy.
2. Describe how an organization's external environment influences its strategic planning.
3. Summarize why it is important for an organization to do an internal resource analysis.
4. Explain the linkages between competitive strategies and HR.
5. Classify what is required for a firm to successfully execute a strategy and assess its effectiveness.
6. Describe how firms evaluate their strategies and HR execution.

## Key Terms

**Balanced scorecard (BSC):** a framework that helps managers translate their firms' strategic goals into operational objectives.

**Benchmarking:** the process of looking at your practices and performance in a given area and then comparing them with those of other companies

**Business environment:** all of the external factors in the general environment—factors a firm cannot directly control but that can affect its strategy

**Competitive environment:** a firm's specific industry, including the industry's customers, rival firms, new entrants, substitutes, and suppliers

**Core capabilities:** abilities that distinguish an organization from its competitors and create value to customers

**Core values:** the strong enduring beliefs and principles that guide a firm's decisions and are the foundation of its corporate culture

**Cultural audits:** to examine values, attitudes, beliefs, and expectations.

**Environmental scanning:** the systematic monitoring of major external forces influencing the organization, including forces in the business environment—which is sometimes called the remote environment—and the competitive environment

**Human capital readiness:** any difference between the quantity and quality of employees required versus the quantity and quality of employees available represents a gap that needs to be fixed.

**Human resources planning (HRP):** the process of anticipating and providing for the movement of people into, within, and out of an organization.

**Management forecasts:** based on the judgments of experts, supervisors, department managers, or others knowledgeable about the organization's future employment needs.

**Markov analysis:** shows the percentage and actual number of employees who remain in each of a firm's jobs from year to year and the proportions of those promoted, demoted, transferred, or who have quit.

**Mission:** the basic purpose of the organization, as well as its scope of operations.

**Quality of fill:** developed because managers understand that simply having "bodies" in place is not enough.

**Replacement charts:** list current jobholders and identify possible replacements should openings occur

**Skill inventories:** prepared either manually or using a human resources information system that lists each employee's education, past work experience, vocational interests, specific abilities and skills, compensation history, and job tenure.

**Staffing tables:** show firm's jobs, along with the numbers of employees currently occupying those jobs (and perhaps future employment requirements derived from demand forecasts).

**Stakeholders strategic:** key people and groups that have an interest in a firm's activities and can either affect them or be affected by them.

**Strategic Human resources management:** combines strategic planning and HR planning.

**Strategic planning:** a set of procedures for making decisions about the organization's long-term goals and ways to achieve those goals..

**Strategic vision:** moves beyond the mission statement to provide a perspective on where the company is headed and what the organization can become in the future.

**Succession planning:** the process of identifying, developing, and tracking talented individuals so that they can eventually assume top-level positions

**SWOT analysis:** a simple way to summarize the major facts and forecasts derived from external and internal analyses

**Talent reviews:** strategic meetings to determine if a company has the human resources it needs to compete in the future



**Trend analysis:** plots a historical trend of a business factor, such as sales, in relation to the number of employees

**Value creation:** a cost-benefit scenario: value = benefits – costs.

## What's New in This Chapter

The following elements are improvements in this chapter from the previous edition:

Chapter #	New component(s)
Chapter 2	<ul style="list-style-type: none"> <li>How companies like Marriott are changing their HR strategy for a changed global environment.</li> </ul>
Chapter 2	<ul style="list-style-type: none"> <li>New examples from new industries.</li> </ul>
Chapter 2	<ul style="list-style-type: none"> <li>How companies have changed the people management strategies due to the global Covid-19 pandemic.</li> </ul>
Chapter 2	<ul style="list-style-type: none"> <li>How strategy is no longer about competition but about collaboration.</li> </ul>

## Chapter Outline

The following outline organizes activities (including any existing discussion questions in PowerPoints or other supplements) and assessments by chapter (and therefore by topic), so that you can see how all the content relates to the topics covered in the text.

**CO 2.1: Explain how human resource planning and a firm's mission, vision, and values are integrally linked to its strategy.**

### 2.1. Strategic Planning and Human Resource Planning

- I. "Competing through people" is a theme for this book. But the idea remains only a premise for action until put it into practice.
- II. **Strategic planning** focuses on how the organization will position itself relative to its competitors, to ensure its long-term survival, create value, and grow.
- III. **Human resource planning (HRP)** helps managers deploy human resources effectively, where and when they are needed, to accomplish the organization's goals.
- IV. **Strategic human resource management** is the pattern of human resource activities and investments that enable an organization to achieve its strategic goals.

**EOC (Optional) Discussion Question #1: 5 minutes total.**

#### Discussion Activity 1

*Identify the three key elements of the human resources planning model and discuss the relationships among them.*

### 2.1A: Strategic Planning and HR Planning: Linking the Processes

Figure. 2.1

- I. HR managers consider human resources planning and strategic planning together.

- Human resources planning provides a set of inputs into the strategic *formulation* process by determining whether a firm has the types and numbers of people available to pursue a given strategy.
- In strategy *implementation*, the company's executives must make resource allocation decisions to implement strategy, including decisions related to the firm's structure, processes, and human capital.

**(Optional) Knowledge Check: <5 minutes total**

Use Figure 2.1 to discuss the connection between strategic planning and HR planning. Discuss other activities that require planning such as going on vacation, making a major purchase, and earning a college degree. This figure also serves as a map of this chapter.

## 2.2. Step One: Mission, Vision, and Values

- The first step in strategic planning in a firm is establishing a **mission, vision, and values** for the organization.
- Although the terms *mission* and *vision* often are used interchangeably, the vision statement clarifies the long-term direction of the company and its strategic intent.

### 2-2A. Developing a Mission Statement

- A manager or business owner can craft a mission statement by asking basic questions about the firm, its purpose, its customers, and its value.

### 2.2B. HR's Role in Establishing and Reinforcing a Firm's Mission, Vision, and Values

- HR managers help embody the firm's mission, vision, and values within the organization by what they say and what they do.
  - Communicating them frequently, both informally and formally,
  - Recruiting and hiring employees whose values are consistent with the organization.
  - Translating the mission, vision, and values into job descriptions and specific behaviors

## CO 2.2: Describe how an organization's external environment influences its strategic planning.

## 2-3. Step Two: External Analysis

- A **SWOT** analysis (*strengths, weaknesses, opportunities, and threats*) is a way to summarize the major facts and forecasts derived from external and internal analyses.
- Environmental scanning** monitors major external forces influencing the organization, forces in both the business and competitive environments
- By continuously scanning the environment for changes, managers can anticipate their impact

## 2-3A. The Business Environment

I. A firm's **business environment** includes factors in the external environment that affect strategy and performance:

- economic changes (booms and recessions)
- ecological changes (climate change)
- technological changes (automation and Internet)
- demographic and social changes
- legal and regulatory changes (laws and administrative rulings)

### 2.3B. The Competitive Environment

Figure 2.2

- I. The **competitive environment** consists of a firm's specific industry
- II. The following factors affect the competitive environment:
  - customers (create value customers want)
  - rival firms (know the competition)
  - new entrants (establish entry barriers)
  - substitutes (adjust employee skill bases)
  - suppliers (key inputs are raw materials, money, information, and people)
- III. The more power each factor has, the less profitable the industry will be.

**EOC (Optional) Discussion Question #2: 5 minutes total.**

#### Discussion Activity 1

*What external forces influence a firm's strategy?*

**(Optional) Knowledge Check: <5 minutes total.**

Use Figure 2.2 to discuss the five forces framework. Ask students to identify a local business and identify how the five forces affect it.

- IV. **Stakeholders** are people and groups with either a direct stake in the firm or those who affect or are affected by the company.

Figure 2.3.

**(Optional) Knowledge Check: <5 minutes total.**

Use Figure 2.3 to discuss the difference between primary and secondary stakeholders. What happens if primary stakeholders don't want to be involved or secondary stakeholders want to be too involved?

### 2-3C. HR's External Analysis

Figure 2-4

- I. Firms evaluate themselves against other firms.
- II. **Benchmarking** is a look at other companies using:
  - unemployment rates
  - labor force projection figures
  - population characteristics (U.S. Department of Labor)
  - hiring and recruiting metrics
  - informal media (blogs, press releases, etc.)

**(Optional) Knowledge Check: <5 minutes total.**

Use Figure 2.4 to discuss the information that can be collected and how it is used.

## CO 2.3: Summarize why it is important for an organization to do an internal resource analysis.

### 2.4. Step Three: Internal Analysis

- I. Organizations analyze their strengths and weaknesses.
- II. They compare these with external opportunities and threats.

#### 2.4A. Core Capabilities

- I. Many experts argue that the key to a firm's success is based on **core capabilities**—abilities that distinguish an organization.
- II. **Value creation** is a cost-benefit scenario. value = benefits – costs.  
Why does a customer buy from you?
- III. Core capabilities consist of:
  - processes (standard routines for how work will be done),
  - systems (technologies)
  - people

#### 2.4B. Sustaining a Competitive Advantage Through People

- I. Organizations achieve a sustained competitive advantage through resources if they are:
  - valuable
  - rare
  - difficult to imitate
  - organized

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**EOC (Optional) Discussion Question #3: 5 minutes total.**

#### Discussion Activity 2

*What criteria must be met if firms are to achieve a competitive advantage through their employees?*

#### 2.4C. Types of Talent and Their Composition in the Workforce

Figure 2.5

- I. Skill groups classified according to strategic value creation and uniqueness.
  - Strategic knowledge workers (unique skills linked to strategy that are difficult to replace—sales and finance)
  - Core employees (valuable skills that are not unique—customer service and quality control)
  - Supporting workers (less central skills that are generally available—distribution and manufacturing)
  - Complementary (external) partners (external workers with unique skills not related to the company's core strategy—management, R&D partners, and legal)

**(Optional) Knowledge Check: <5 minutes total.**

Use Figure 2.5 to discuss the types of workers and examples of each type.

Ask students which job tasks that might be unique and valuable but not unique, and generally available.

## 2.4D. Corporate Culture

Figure 2.6

- I. **Cultural audits** of the culture and quality of work life in an organization help firms decide upon strategic investments and maneuvers.
- II. A firm asks its employees their opinions about several issues.
  - a. **Conducting a Cultural Audit**-employees can be surveyed about:
    - company's norms
    - values, relationships
    - leadership style
    - communication practices
    - recruitment and evaluation practices
    - measurements
    - pay and benefit programs
- III. Cultural audits determine whether there are subcultures that have different views about the work and how it should be done.

## 2.4E. Forecasting

Figure 2.6

- I. Managers focus on forecasting at least three key elements:
  - the demand for labor
  - the supply of labor [TBEXAM.COM](https://www.tbexam.com)
  - balancing supply and demand considerations.

### (Optional) Knowledge Check: <5 minutes total.

Figure 2.6 will be useful to initiate a classroom discussion on forecasting. What techniques and considerations are involved when forecasting supply and demand? Ask students to evaluate supply and demand for different jobs.

- a. **Forecasting a Firm's Demand for Employees**-two approaches Figure 2.7

The two approaches to HR forecasting are quantitative and qualitative.

- **Quantitative approaches:** statistical or mathematical techniques. **Trend analysis** forecasts demand based on a factor such as sales.
- **Qualitative approaches:** less statistical. **Management forecasts:** opinions about the future employment needs.

- b. **Staffing Tables and Markov Analyses.**

- A **Staffing table** shows a firm's jobs, and the numbers of employees occupying them
- **Markov analysis** shows the percentage and actual number of employees remaining in each job and the proportions of those promoted, demoted, transferred, or who have quit.
- Markov analysis tracks employee movements through various jobs to develop a matrix for forecasting labor supply.

- **Quality-of-fill** metric measures how well new hires perform have enough top performers to reach strategic objectives.

**(Optional) Knowledge Check: <5 minutes total.**

Use Figure 2.7 to discuss the Markov analysis method. Ask students to suggest the advantages and disadvantages of using only Markov analysis. It is based on actual data, but it doesn't consider management's experience to evaluate the data.

c. **Skill Inventories and Management Inventories.**

- **Skill inventories** match job openings with employee backgrounds.
- When data are gathered on managers, inventories are called *management inventories*.

d. **Replacement Charts and Succession Planning.**

Figure 2.8

- **Replacement charts** provide information on the current performance and promotability of possible replacements.
- **Succession planning:** identifies, develops, and tracks talented individuals to assume top-level positions

**2.4F. Assessing a Firm's Human Capital Readiness: Gap Analysis**

Figure 2.9

- When a company assesses supply and demand for employee talent, it understands **human capital readiness**.
- A difference between the quantity and quality of employees required versus the quantity and quality of employees available equals a gap.

**(Optional) Knowledge Check: <5 minutes total.**

Use Figure 2.9 to discuss the assessment of human capital readiness and how it is used. The example demonstrates the information considered when assessing readiness.

**CO 2.4: Explain the linkages between competitive strategies and HR**

**2.5. Step Four: Formulating a Strategy**

Figure 2.10

- A **SWOT** analysis helps a company move from formulating a strategy to:
  - devising a plan
  - capitalizing on opportunities
  - counteracting on threats
  - alleviating internal weaknesses.

**(Optional) Knowledge Check: <5 minutes total.**

Figure 2.10 is an example of a SWOT analysis done for the women's clothing brand Liz Claiborne. Use the information to discuss the process of creating a corporate strategy from a SWOT analysis

**2.5A. Corporate Strategy**

- A firm's corporate strategy addresses the following questions
  - "where" we should compete

Figure 2.10

- the markets and business segments
- customers, partners and competitors
- a. **Growth and Diversification**
  - Companies formulate geographic, volume, and product-expansion strategies.
  - HR planning is vital because growth requires:
    - increased employee productivity
    - a greater number of employees
    - employees developing or acquiring new skills.
- b. **Mergers and Acquisitions**
  - Merging companies streamline r costs by eliminating duplicate functions
  - Failures result from cultural inconsistencies and conflicts
- c. **Strategic Alliances and Joint Ventures**
  - In a strategic alliance or joint venture. HR:
    - assesses culture compatibility
    - identifies potential problems
    - selects key executives
    - develops teamwork
    - designs performance assessment and mutual incentives

## 2.5B. Business Strategy

- I. Business strategy is focused on how the company will compete to create value for customers.
  - a. **Low-Cost Strategy: Compete on Productivity and Efficiency**
    - Keeps costs low enough to offer an attractive price relative to competitors
    - Focus: efficiency, productivity, and minimizing waste.
    - HR planning:
      - Increases productivity.
      - Outsources to companies that perform activities or services at a lower cost.
  - b. **Differentiation Strategy: Compete on Unique Value Added**
    - Compete by providing something unique and distinctive to customers.
    - Based on delivering:
      - high-quality products
      - innovative features
      - speed to market
      - superior service

## 2.5C. HR Strategy

- I. HR strategy must focus on all its workers and how they mesh.
- II. HR managers should analyze subcultures to ensure that they work together.
- III. HR and line managers must plan to facilitate the firm's competencies and drive strategies forward.

**(Optional) Knowledge Check: <5 minutes total.**

Explain the difference between a firm's corporate strategy and business strategy.



Why do firms need to look at both aspects?

**CO 2.5: Classify what is required for a firm to successfully execute a strategy and assess its effectiveness.**

**2.6. Step Five: Executing a Firm's Strategy**

Figure 2.11

- I. Strategy execution, not the strategy itself, determines a firm's success.
- II. The "4As" are required for successful strategy execution:
  - Alignment (shared performance expectations and accountability)
  - Agility (proactive in the face of change)
  - Architecture (structures, processes, and systems)
  - Ability (talent capacity)

**(Optional) Knowledge Check: <5 minutes total.**

*Use Figure 2.11 to discuss the 4As framework of execution capability. Ask students what happens if one of these requirements is missing*

**2.6A. HR's Role in Strategy Execution**

- I. Managers translate strategic priorities into functional areas of the organization.
- II. Human resources management is instrumental to almost every aspect of strategy execution.
  - a. **Remaining Agile**-- achieved in two ways:
    - Coordination agility (ability to rapidly reallocate resources to new or changing needs)
    - Resource agility (resources used in different ways and people who perform different functions in different ways)
  - b. **Reconciling Supply and Demand**
    - Demand for a firm's products is based on business forecasts.
    - Supply considerations involve filling vacancies to meet the demand for products.
    - Organizations can hire, outsource, and lay off employees or adjust hours.

**EOC (Optional) Discussion Question #5: 5 minutes total.**

**Discussion Activity 4**

*Why is it often difficult for a firm to match its strategy to HR deliverables?*

**CO 2.6: Describe how firms evaluate their strategies and HR execution**

**2.7. Step Six: Evaluation**

- I. Reevaluation and assessment are important for business.
- II. To evaluate their performance, firms need objectives and metrics.

**EOC (Optional) Discussion Question #6: 5 minutes total.**

**Discussion Activity 5**

*What steps does the firm need to take to execute its strategy and measure the results?*

## 2.7A. Evaluating a Firm's Strategic Alignment

- I. HR and the organization's strategy must be aligned.
- II. Fit can be vertical or horizontal.

### a. Vertical Fit/Alignment

- Vertical fit (or *vertical alignment*) focuses on the alignment of business objectives with the major initiatives undertaken by HR.
- Capabilities must be aligned with its value proposition.

### b. Horizontal Fit/Alignment

Figure 2.12

- HR practices should be aligned internally to be mutually reinforcing.
- All HR's practices must focus on the same objectives.

**(Optional) Knowledge Check: <5 minutes total.**

Use Figure 1.12 to discuss horizontal alignment. Ask students which elements might need to be adjusted

### c. Strategic Alignment and the Balanced Scorecard

Figure 2.13

- A **balanced scorecard ((BSC))** helps managers translate strategic goals into operational objectives.
- The model uses four related fields:
  - Financial
  - Customer
  - Processes
  - Learning

**(Optional) Knowledge Check: <5 minutes total.**

Use Figure 2.13 to discuss balance scorecards. Ask students how the fields are related.

## Discussion Questions

You can assign these questions several ways: in a discussion forum in your LMS; as whole-class or break out discussions in person or synchronously via a virtual meeting tool like Zoom; or as a partner or group activity in class. For more best practices around the facilitation of discussion question in online courses, as well as other online teaching and learning tips, check out the Guide to Teaching Online, which can be found on the Instructor Companion Site.

1. **Question:** Identify the three key elements of the human resources planning model and discuss the relationships among them.

**Suggested answer:** Managers focus on (at least) three key elements: (1) forecasting the demand for labor, (2) forecasting the supply of labor, and (3) balancing supply and demand considerations. Employment forecasting estimates the numbers and types of people needed to meet organizational objectives. Supply analysis then determines if the numbers and types of people needed are available either externally or internally. The final step in HRP is to balance the required number of

employees with those available. If inconsistencies exist, changes in the staffing requirements or firm's strategy may be needed.

2. **Question:** What external forces influence a firm's strategy?

**Suggested answer:** The external forces that influence a firm's strategy are customers, rival firms, new entrants, substitutes, and suppliers, as outlined in Figure 2.2.

3. **Question:** What criteria must be met if firms are to achieve a competitive advantage through their employees?

**Suggested answer:** The human capital must be valuable, rare, difficult to imitate, and organized in a way that enables their talents to be combined and deployed to work on new assignments at a moment's notice.

4. **Question:** Explain the difference between a firm's corporate strategy and business strategy. Why do firms need to look at both aspects?

**Suggested answer:** While we think about corporate strategy as domain selection, business strategy is viewed in terms of domain navigation. It is more focused on how the company will compete against rival firms to create value for customers. A firm's HR strategy must work in tandem with its corporate and business strategies. Getting the right number and kinds of people in the right places at the right times doing things that benefit them and the firm is no small task. Therefore, both strategic focuses need to be honed.

5. **Question:** Why is it often difficult for a firm to match its strategy to HR deliverables?

**Suggested answer:** Strategy alone does not differentiate high- from low-performing firms. The true differentiator between winners and losers turns out to be, not what their strategies were, but how well the strategy was executed. The 4As—alignment, agility, architecture, and ability—are required to successfully execute a strategy.

6. **Question:** What steps does the firm need to take to execute its strategy and measure the results?

**Suggested answer:** HR managers first gauge demand based on forecasted trends in business activity using both quantitative and qualitative methods. The *Monthly Labor Review* and *Occupational Outlook Handbook*, published by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor, as well as local chambers of commerce and individual state development and planning agencies compile labor market analyses (quantitative). The firm's functional managers should also provide a

qualitative assessment of the labor supply the firm will need. This involves both tracking current staffing levels and making projections about the levels the firm will have to compete strategically in the future. Tools like staffing tables, Markov analysis, skills inventories, replacement charts, and succession planning charts can help managers with this process. Balancing the two—labor supply and demand—then requires HR managers to take action—either by actively recruiting full- or part-time employees with the skills the firm believes it will need, hiring temporary employees, trimming back employees via attrition or downsizing, or outsourcing and offshoring employees.

## Additional Discussion Questions

The following are discussion questions that do not appear in the text, PPTs, or courseware (if courseware exists) – they are for you to use as you wish. You can assign these questions several ways: in a discussion forum in your LMS; as whole-class discussions in person; or as a partner or group activity in class.

### **EOC (Optional) Additional Discussion Question #1: 5 minutes total.**

7. **Question:** How does human resources planning assist a firm like Walmart in its domestic and global operations?

**Suggested answer:** Human resource planning provides inputs into the strategic *formulation* process in terms of what is possible—that is, whether a firm has the types and numbers of people available to pursue a given strategy. When Walmart executives contemplated the move into web-based commerce to compete with Amazon, one of the issues they had to address was whether they had the talent needed to succeed in that arena. Walmart had to go through the same exercise again prior to launching its business in India. Walmart is committed to a future where retail in India is a mix of shopping experiences that best serve Indian consumers, suppliers, producers, and retailers. Walmart is building out a holistic ecosystem that includes a wholesale cash-and-carry business, eCommerce platforms, a payments and financial services platform, as well as logistics and supply chain capabilities—strong local businesses that are powered by Walmart. Walmart invests in programs and initiatives that help local sellers and suppliers—farmers, artisans, and women-owned businesses (Retrieved on Sept. 20, 2021 from:

<https://corporate.walmart.com/our-story/our-business/international/walmart-india>)

## Additional Activity

### **The Balanced Scorecard**

The BSC, Figure 2.12, is a framework that translates strategic goals into operational objectives. The model has four related cells: (1) financial, (2) customer, (3) processes, and (4) learning. BSC is rooted in human resources management. People management and

learning help organizations improve their internal capabilities in product development and service which lead to customer satisfaction and loyalty. They ensure productivity and contain costs for better financial performance. Customer value creation, in turn, drives up revenues, which enhances profitability.

Figure 2.13 shows a BSC at Starbucks. In each cell, Starbucks would identify the key metrics that help translate strategic goals to operational imperatives. Students, individually or in small groups will develop a BSC for a real or fictitious company. They will share their results with the class.

## Case Study 1: How a Strategy Change Led to Nike's Formation

1. **Question:** Who is ultimately responsible for formulating a firm's strategy—its managers, employees, or both?

**Suggested answer:** Management is ultimately responsible for formulating strategy, but they use input from employees. Therefore, students could argue that both are responsible.

2. **Question:** What strategy execution problems do you think Knight and Bowerman might have faced in their effort to make Nike successful?

**Suggested answer:** Students could suggest a variety of problems, such as the lack of financial resources, finding a manufacturer, and making Onitsuka into a rival.

## Case Study 2: Domino's Tries to Get Its Strategic Recipe Right

1. **Question:** Explain how Domino's strategy differed from its competitors.

**Suggested answer:** Domino's was able to offer a different value proposition than anyone else was offering as well as align its people, processes, and systems to "deliver" against that promise. This is unlike anything else offered by any other company. For this reason, Domino's was able to set itself apart from its competition.

2. **Question:** Has the firm been able to achieve a long-term strategic fit between its strategy and HR practices in your opinion? Why or why not?

**Suggested answer:** Yes, Domino's approach is working as the turnover has dropped and customer satisfaction has increased. This is because Domino's invested in training and retaining good store managers who were able to motivate their team and produce good results. Additionally, Domino's was able to create a new value proposition for its food, for example, introducing a wide variety of new products.

Instructor's Manual: Snell/Morris; Managing HumanResources\_19e, c23, ISBN: 9780357716519; Chapter #2: Strategy and Human Resource Planning

## Additional Resources

### Cengage Video Resources

- MindTap Videos:
  - Chapter 02: On The Job: Ocean House- HR Business Strategy

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