Chapter 01

Human Resources in a Globally Competitive Business Environment

**True / False Questions**

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| 1. | The digital form of globalization in the modern era is largely confined to advanced economies with large, multinational corporations.  True    False |

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| 2. | Today, as a result of the global flow of digital information, even the smallest firms can compete with the largest multinational corporations.  True    False |

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| 3. | Today, in the increasingly digital era of globalization, companies can find the best person for a job anywhere in the world.  True    False |

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| 4. | Managing change is an ongoing process whose objective is to enhance the ability of an organization to anticipate and respond to developments in only its external environment.  True    False |

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| 5. | Changes in any single part of a human resource management system have a reverberating effect on all other parts of the system.  True    False |

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| 6. | The functional areas of human resource management, such as staffing and retention, are the sole responsibility of the HR department.  True    False |

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| 7. | Recognizing that you have the right people in critical leadership roles is not an HR responsibility but rather a business imperative that must be truly owned by the leaders of a firm.  True    False |

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| 8. | According to a survey of chief HR officers, one of the greatest challenges for chief HR officers is creating a true sense of ownership among senior leaders regarding their roles as Chief Talent Officers.  True    False |

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| 9. | One study found that a 10 percent increase in a measure of goal-setting activity at firms was associated with a 6 percent increase in industry-adjusted stock returns.  True    False |

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| 10. | There is a growing fear among many people that globalization benefits big companies instead of average citizens.  True    False |

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| 11. | As a result of globalization, one of the expected trends is a decrease in automated and outsourced roles and an increased focus on technical skills for successful managers.  True    False |

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| 12. | Globalization is a fact of organizational life, as countries, companies, and workers are interconnected as never before.  True    False |

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| 13. | Cheap labor and plentiful resources, combined with ease of travel and communication, have created global labor markets.  True    False |

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| 14. | A meta-analysis of the three dimensions of human resource systems revealed that there is an indirect correlation between employee motivation and an organization's financial outcomes.  True    False |

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| 15. | People tend to be more involved and committed to their jobs when they have more control and say in their work.  True    False |

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| 16. | Modular corporations retain all major business functions under one roof.  True    False |

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| 17. | Downsizing is the most common form of restructuring.  True    False |

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| 18. | The best way for a company to prosper is to downsize.  True    False |

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| 19. | One of the new competitive realities faced by organizations in the 21st century is that an employee's pay is tied less to the market value of his or her skills and more to his or her tenure in the organization.  True    False |

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| 20. | A feature of employment in the 21st century is that there are a growing number of workers who operate outside the traditional confines of regular, full-time employment.  True    False |

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| 21. | A disadvantage of growing digital globalization is that technology-driven job destruction decreases overall employment.  True    False |

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| 22. | When generating sustainability strategies, an organization must give primacy to the expectations and requirements of its financial stakeholders.  True    False |

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| 23. | Flexibility is currently viewed by most managers and employees as a new and effective way of working to achieve business results rather than as an exception or employee accommodation.  True    False |

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| 24. | Widespread use of formal and informal flexibility meets business and individual needs.  True    False |

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| 25. | When productivity increases, businesses can pay higher wages without boosting inflation.  True    False |

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| 26. | Company X is increasing production by adding more employees to its workforce and scaling up its existing facilities. Company X is essentially increasing its productivity.  True    False |

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| 27. | Quality of work life is defined in terms of an organization's perception of its employees' physical and mental well-being at work.  True    False |

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| 28. | Over the past decade, organizations have become more complex, dynamic, and fast-paced.  True    False |

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| 29. | How the people are selected, trained, and managed does not determine how successful an organization will be.  True    False |

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| 30. | According to the theory of quality of work life (QWL), the productivity of workers decreases when they are given more control over the design of their jobs and workplaces.  True    False |

**Multiple Choice Questions**

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| 31. | In the context of the features of competitive business environments, the method used by organizations to collect, store, analyze, report, and evaluate information and data on people, jobs, and costs is known as a(n) \_\_\_\_\_.

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| A.  | human resources information system |

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| --- | --- |
| B.  | electronic learning system |

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| --- | --- |
| C.  | information restructuring system |

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| D.  | work strategy management system |

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| 32. | The ability of any individual or company to compete, connect, exchange, or collaborate with other individuals or companies around the world is known as \_\_\_\_\_.

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| A.  | productivity |

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| B.  | human resource management |

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| C.  | globalization |

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| D.  | virtual workforce forecasting |

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| 33. | In the context of globalization, conventional economics in the United States has long held that:

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| A.  | free trade and globalization are not good for national labor markets and should be discouraged. |

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| B.  | free trade and globalization tend to cause low-skill workers to suffer long periods of unemployment. |

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| C.  | workers adjust to the rapidly evolving job market very slowly and tend not to have the skills to successfully adapt. |

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| D.  | workers adapt to the loss of jobs in their communities by moving into new, enriching areas of the labor market. |

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| 34. | The challenge, opportunity, and frustration of creating and managing organizations frequently stem from the \_\_\_\_\_ problems that arise within them.

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| A.  | people-related |

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| B.  | union |

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| C.  | legal |

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| D.  | upper management |

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| 35. | \_\_\_\_\_ are the most vital assets in work settings.

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| A.  | People |

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| B.  | Technologies |

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| --- | --- |
| C.  | Cultures |

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| --- | --- |
| D.  | Finances |

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| 36. | All of the following are general categories of human resource management activities EXCEPT:

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| A.  | managing change. |

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| --- | --- |
| B.  | development. |

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| C.  | outplacement. |

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| D.  | adjustment. |

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| 37. | Staffing comprises all of the following activities EXCEPT:

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| A.  | identifying work requirements within an organization. |

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| B.  | involving employees in business strategy. |

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| C.  | recruiting, selecting, and promoting qualified candidates. |

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| D.  | determining the numbers of people and the skills necessary to do the work. |

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| 38. | Retention comprises all of the following activities EXCEPT:

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| A.  | rewarding employees for performing their jobs effectively. |

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| B.  | ensuring harmonious working relations between employees and managers. |

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| C.  | maintaining a safe, healthy work environment. |

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| D.  | identifying work requirements within an organization. |

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| 39. | The category of human resource management responsibilities aimed at preserving and enhancing employee job competence is:

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| A.  | development. |

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| --- | --- |
| B.  | staffing. |

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| --- | --- |
| C.  | retention. |

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| --- | --- |
| D.  | managing change. |

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| 40. | \_\_\_\_\_ comprises activities intended to maintain compliance with an organization's human resource policies and business strategies.

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| A.  | Staffing |

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| --- | --- |
| B.  | Retention |

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| --- | --- |
| C.  | Development |

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| --- | --- |
| D.  | Adjustment |

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| 41. | A broad objective of human resource management is to \_\_\_\_\_ of all workers in an organization.

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| A.  | minimize the downtime |

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| --- | --- |
| B.  | optimize the usefulness |

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| --- | --- |
| C.  | scrutinize the personnel file |

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| D.  | standardize the benefits |

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| 42. | Which of the following is a retention responsibility of line management?

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| A.  | Compensation and benefits |

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| B.  | Performance feedback to subordinates |

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| C.  | Management and organizational development |

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| D.  | Face-to-face resolution of conflict |

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| 43. | In terms of staffing, the responsibility of line management is:

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| A.  | to make final decisions on entry-level hires and promotions. |

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| B.  | to perform a job or competency analysis. |

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| C.  | to develop legally sound performance management systems. |

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| D.  | to investigate employee complaints. |

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| 44. | When senior managers take true ownership of their responsibility to have the right people in critical leadership roles, they are embracing their roles as \_\_\_\_\_.

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| A.  | Morale Supervisors |

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| --- | --- |
| B.  | Technical Training Specialists |

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| --- | --- |
| C.  | Chief Talent Officers |

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| D.  | Applied Motivational Strategists |

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| 45. | Ron is a line manager at an avionics research and development organization. Which of the following would be part of Ron's responsibility for managing change?

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| A.  | Providing a vision of where his unit is going |

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| B.  | Providing expertise to facilitate the overall process of managing change |

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| C.  | Developing legally sound performance management systems |

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| D.  | Respecting the dignity of each individual in his unit |

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| 46. | There is a substantial and growing body of research evidence showing a strong connection between how firms \_\_\_\_\_ and the economic results they achieve.

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| A.  | select board members |

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| --- | --- |
| B.  | educate their management staff |

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| --- | --- |
| C.  | manage their people |

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| --- | --- |
| D.  | diversify their product line |

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| 47. | Which of the following is a feature of globalization?

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| A.  | Cheap labor |

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| --- | --- |
| B.  | Plentiful resources |

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| --- | --- |
| C.  | Ease of travel |

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| D.  | All of these |

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| 48. | Which of the following statements is true of how the globalization of companies has affected the global economy?

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| A.  | Open borders have allowed new ideas and technology to flow freely. |

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| B.  | Accelerating productivity growth has allowed companies to become more competitive. |

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| C.  | There is a growing fear that globalization only benefits big businesses. |

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| D.  | All of these |

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| 49. | How do less-developed countries win from globalization?

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| A.  | They can sell sophisticated technologies to emerging economies. |

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| B.  | They get jobs making low-cost products for rich countries. |

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| C.  | They gain the ability to buy expensive imports. |

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| D.  | They can sell services to relatively underdeveloped countries. |

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| 50. | Globalization has been encouraged by:

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| A.  | the ease of travel and communication. |

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| B.  | a decrease in employees willing to take foreign posts. |

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| C.  | the complexity of matrix organizations. |

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| D.  | a lack of global resources. |

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| 51. | Coca-Cola earns more than \_\_\_\_\_ percent of its revenues from outside the United States.

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| A.  | 15 |

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| B.  | 25 |

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| C.  | 75 |

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| D.  | 95 |

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| 52. | The most important intellectual property in the creative economy is:

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| --- | --- |
| A.  | intellectual capital. |

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| --- | --- |
| B.  | telemedicine. |

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| --- | --- |
| C.  | music. |

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| D.  | software. |

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| 53. | Groove Space Solutions is a Web design firm. The employees of the firm do not work at an office. Instead, they work from their homes. They collaborate with each other and report to their managers in real time through an online communications software. In the context of the new competitive realities of the modern age, this scenario illustrates a \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | virtual workspace |

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| --- | --- |
| B.  | downsized organization |

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| C.  | human resources information system |

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| --- | --- |
| D.  | sustainable workplace |

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| 54. | In a \_\_\_\_\_, employees operate remotely from each other and from their managers.

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| A.  | bureaucratic organization |

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| --- | --- |
| B.  | fluid organization |

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| --- | --- |
| C.  | telecommuting center |

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| --- | --- |
| D.  | virtual workplace |

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| 55. | A(n) \_\_\_\_\_ is a modern organizational form in which teams of specialists come together through technology to work on a project and then disband when the project is finished.

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| A.  | virtual organization |

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| --- | --- |
| B.  | offshore organization |

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| --- | --- |
| C.  | modular group |

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| --- | --- |
| D.  | functional group |

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| 56. | According to a study on restructuring, which of the following categories of companies generated the lowest returns on assets in the year prior to the announcement of layoffs, the year when layoffs occurred, and in the two subsequent years on a relative basis?

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| --- | --- |
| A.  | Asset upsizers |

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| --- | --- |
| B.  | Stable employers |

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| --- | --- |
| C.  | Downsizers |

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| --- | --- |
| D.  | Upsizers |

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| 57. | In the context of the responses of firms to new competitive realities, identify a true statement about downsizing.

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| A.  | It is a popular practice because its direct and indirect costs are often very low. |

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| B.  | It is utilized only by firms in advanced economies, as developing nations forbid this practice. |

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| C.  | It is only used as the last resort by organizations coping with severe financial constraints. |

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| D.  | It is necessary when an organization is overstaffed or if a business no longer fits into a firm's long-term strategy. |

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| 58. | Which of the following is a characteristic of William J. Conaty's seven secrets for nurturing leaders?

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| A.  | Leaders must be hired from external sources rather than developed internally. |

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| B.  | Leaders must give people the tools and permission to work on their own terms. |

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| C.  | Leaders must focus on developing friendly relationships with the CEOs of organizations. |

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| D.  | Leaders must discourage employees from competing with one another. |

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| 59. | How the people are selected, trained, and managed determines to a large extent how \_\_\_\_\_ an organization will be.

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| --- | --- |
| A.  | profitable |

|  |  |
| --- | --- |
| B.  | stable |

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| --- | --- |
| C.  | innovative |

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| --- | --- |
| D.  | successful |

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| 60. | In the context of human resource management competencies, the ability to understand and apply information to contribute to an organization's strategic plan is categorized under \_\_\_\_\_.

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| A.  | human resources expertise |

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| --- | --- |
| B.  | critical evaluation |

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| --- | --- |
| C.  | business acumen |

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| --- | --- |
| D.  | relationship management |

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| 61. | Organizations strive to retain talented workers in a hot job market by offering employees:

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| --- | --- |
| A.  | coordination of control. |

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| --- | --- |
| B.  | flexible work schedules. |

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| --- | --- |
| C.  | total quality management. |

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| D.  | unity of command. |

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| 62. | The measure of the output of goods and services relative to the input of labor, capital, and equipment is known as:

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| A.  | quality enhancement. |

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| --- | --- |
| B.  | profits. |

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| --- | --- |
| C.  | productivity. |

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| --- | --- |
| D.  | resources. |

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| 63. | According to the text, quality of work life is defined in terms of:

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| A.  | employees' perceptions of their well-being at work. |

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| B.  | the level of productivity achieved by employees. |

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| C.  | the objective indices of employee well-being at work. |

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| D.  | the degree to which an organization adopts Japanese managerial principles. |

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| 64. | \_\_\_\_\_ involves giving workers the opportunity to make decisions about the design of their jobs and workplaces, and what they need to make products or to deliver services most effectively.

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| A.  | International Organization for Standardization |

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| --- | --- |
| B.  | Reengineering |

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| --- | --- |
| C.  | Six Sigma |

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| --- | --- |
| D.  | Quality of work life |

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| 65. | According to the Society for Human Resource Management, the consultation competency of HR success is defined as the ability to:

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| A.  | provide guidance to organizational stakeholders. |

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| --- | --- |
| B.  | direct and contribute to initiatives and processes within the organization. |

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| --- | --- |
| C.  | effectively exchange with stakeholders. |

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| --- | --- |
| D.  | understand and apply information to contribute to the organization's strategic plan. |

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| 66. | According to the Society for Human Resource Management, the communication competency of HR success is defined as the ability to:

|  |  |
| --- | --- |
| A.  | maximize the organization's profits. |

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| --- | --- |
| B.  | effectively exchange with stakeholders. |

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| C.  | consider the perspectives and backgrounds of all parties. |

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| D.  | manage interactions to provide service and to support the organization. |

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| 67. | According to the Society for Human Resource Management, the critical evaluation competency of HR success is defined as the ability to:

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| --- | --- |
| A.  | effectively exchange with stakeholders. |

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| B.  | understand and apply information to contribute to the organization's strategic plan. |

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| --- | --- |
| C.  | direct and contribute to initiatives and processes within the organization. |

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| D.  | interpret information to make business decisions and recommendations. |

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| 68. | According to the Society for Human Resource Management, the leadership and navigation competency of HR success is defined as the ability to:

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| A.  | interpret information to make business decisions and recommendations. |

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| B.  | direct and contribute to initiatives and processes within the organization. |

|  |  |
| --- | --- |
| C.  | integrate core values, integrity, and accountability throughout all organizational and business practices. |

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| --- | --- |
| D.  | manage interactions to provide service and to support the organization. |

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| 69. | According to the Society for Human Resource Management, the ethical practice competency of HR success is defined as the ability to:

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| --- | --- |
| A.  | integrate core values, integrity, and accountability throughout all organizational and business practices. |

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| B.  | interpret information to make business decisions and recommendations. |

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| --- | --- |
| C.  | understand and apply information to contribute to the organization's strategic plan. |

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| D.  | provide guidance to organizational stakeholders. |

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| 70. | According to the Society for Human Resource Management, the global and cultural effectiveness competency of HR success is defined as the ability to:

|  |  |
| --- | --- |
| A.  | integrate core values, integrity, and accountability throughout all organizational and business practices. |

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| --- | --- |
| B.  | value and consider the perspectives and backgrounds of all parties. |

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| --- | --- |
| C.  | provide guidance to organizational stakeholders. |

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| --- | --- |
| D.  | direct and contribute to initiatives and processes within the organization. |

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**Essay Questions**

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| 71. | List and describe the five broad activities encompassed by human resource management.      |

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| 72. | List three ways in which sustainability affects an organization's business model, structure, and processes.      |

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| 73. | Explain at least three new organizational forms.      |

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| 74. | What is downsizing, and what are some advantages and downsides related to its practice?      |

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| 75. | Define what is meant by quality of work life, and list some aspects of successful quality of work life programs.      |

**Short Answer Questions**

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| 76. | What growing trend will result in waves of individualized products and services, as well as huge savings for companies, which will no longer have to guess what and how much customers want?      |

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| 77. | List at least three human resource aspects that greatly benefit from vendor human resources information system applications, such as benefits enrollment.      |

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| 78. | List at least two jobs ideally suited for virtual workplaces.      |

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| 79. | What is productivity?      |

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| 80. | What does QWL stand for?      |

Chapter 01 Human Resources in a Globally Competitive Business Environment Answer Key

**True / False Questions**

|  |  |
| --- | --- |
| 1. | The digital form of globalization in the modern era is largely confined to advanced economies with large, multinational corporations.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 How have global flows of information and knowledge changed the ways we live and work?* |

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| 2. | Today, as a result of the global flow of digital information, even the smallest firms can compete with the largest multinational corporations.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 How have global flows of information and knowledge changed the ways we live and work?* |

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| 3. | Today, in the increasingly digital era of globalization, companies can find the best person for a job anywhere in the world.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 How have global flows of information and knowledge changed the ways we live and work?* |

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| 4. | Managing change is an ongoing process whose objective is to enhance the ability of an organization to anticipate and respond to developments in only its external environment.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 5. | Changes in any single part of a human resource management system have a reverberating effect on all other parts of the system.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 6. | The functional areas of human resource management, such as staffing and retention, are the sole responsibility of the HR department.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 7. | Recognizing that you have the right people in critical leadership roles is not an HR responsibility but rather a business imperative that must be truly owned by the leaders of a firm.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 8. | According to a survey of chief HR officers, one of the greatest challenges for chief HR officers is creating a true sense of ownership among senior leaders regarding their roles as Chief Talent Officers.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 9. | One study found that a 10 percent increase in a measure of goal-setting activity at firms was associated with a 6 percent increase in industry-adjusted stock returns.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 10. | There is a growing fear among many people that globalization benefits big companies instead of average citizens.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 11. | As a result of globalization, one of the expected trends is a decrease in automated and outsourced roles and an increased focus on technical skills for successful managers.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 12. | Globalization is a fact of organizational life, as countries, companies, and workers are interconnected as never before.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 13. | Cheap labor and plentiful resources, combined with ease of travel and communication, have created global labor markets.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 14. | A meta-analysis of the three dimensions of human resource systems revealed that there is an indirect correlation between employee motivation and an organization's financial outcomes.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 15. | People tend to be more involved and committed to their jobs when they have more control and say in their work.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 16. | Modular corporations retain all major business functions under one roof.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| 17. | Downsizing is the most common form of restructuring.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| 18. | The best way for a company to prosper is to downsize.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

|  |  |
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| 19. | One of the new competitive realities faced by organizations in the 21st century is that an employee's pay is tied less to the market value of his or her skills and more to his or her tenure in the organization.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| 20. | A feature of employment in the 21st century is that there are a growing number of workers who operate outside the traditional confines of regular, full-time employment.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| --- | --- |
| 21. | A disadvantage of growing digital globalization is that technology-driven job destruction decreases overall employment.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

|  |  |
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| 22. | When generating sustainability strategies, an organization must give primacy to the expectations and requirements of its financial stakeholders.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 23. | Flexibility is currently viewed by most managers and employees as a new and effective way of working to achieve business results rather than as an exception or employee accommodation.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

|  |  |
| --- | --- |
| 24. | Widespread use of formal and informal flexibility meets business and individual needs.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 25. | When productivity increases, businesses can pay higher wages without boosting inflation.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| 26. | Company X is increasing production by adding more employees to its workforce and scaling up its existing facilities. Company X is essentially increasing its productivity.  **FALSE** |

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| *AACSB: Reflective ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 2 MediumLearning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| 27. | Quality of work life is defined in terms of an organization's perception of its employees' physical and mental well-being at work.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| 28. | Over the past decade, organizations have become more complex, dynamic, and fast-paced.  **TRUE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| 29. | How the people are selected, trained, and managed does not determine how successful an organization will be.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| 30. | According to the theory of quality of work life (QWL), the productivity of workers decreases when they are given more control over the design of their jobs and workplaces.  **FALSE** |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

**Multiple Choice Questions**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 31. | In the context of the features of competitive business environments, the method used by organizations to collect, store, analyze, report, and evaluate information and data on people, jobs, and costs is known as a(n) \_\_\_\_\_.

|  |  |
| --- | --- |
| **A.**  | human resources information system |

|  |  |
| --- | --- |
| B.  | electronic learning system |

|  |  |
| --- | --- |
| C.  | information restructuring system |

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| --- | --- |
| D.  | work strategy management system |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 32. | The ability of any individual or company to compete, connect, exchange, or collaborate with other individuals or companies around the world is known as \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | productivity |

|  |  |
| --- | --- |
| B.  | human resource management |

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| --- | --- |
| **C.**  | globalization |

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| --- | --- |
| D.  | virtual workforce forecasting |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 33. | In the context of globalization, conventional economics in the United States has long held that:

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| --- | --- |
| A.  | free trade and globalization are not good for national labor markets and should be discouraged. |

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| --- | --- |
| B.  | free trade and globalization tend to cause low-skill workers to suffer long periods of unemployment. |

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| --- | --- |
| C.  | workers adjust to the rapidly evolving job market very slowly and tend not to have the skills to successfully adapt. |

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| --- | --- |
| **D.**  | workers adapt to the loss of jobs in their communities by moving into new, enriching areas of the labor market. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 How have global flows of information and knowledge changed the ways we live and work?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 34. | The challenge, opportunity, and frustration of creating and managing organizations frequently stem from the \_\_\_\_\_ problems that arise within them.

|  |  |
| --- | --- |
| **A.**  | people-related |

|  |  |
| --- | --- |
| B.  | union |

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| --- | --- |
| C.  | legal |

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| --- | --- |
| D.  | upper management |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 35. | \_\_\_\_\_ are the most vital assets in work settings.

|  |  |
| --- | --- |
| **A.**  | People |

|  |  |
| --- | --- |
| B.  | Technologies |

|  |  |
| --- | --- |
| C.  | Cultures |

|  |  |
| --- | --- |
| D.  | Finances |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 36. | All of the following are general categories of human resource management activities EXCEPT:

|  |  |
| --- | --- |
| A.  | managing change. |

|  |  |
| --- | --- |
| B.  | development. |

|  |  |
| --- | --- |
| **C.**  | outplacement. |

|  |  |
| --- | --- |
| D.  | adjustment. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 37. | Staffing comprises all of the following activities EXCEPT:

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| --- | --- |
| A.  | identifying work requirements within an organization. |

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| --- | --- |
| **B.**  | involving employees in business strategy. |

|  |  |
| --- | --- |
| C.  | recruiting, selecting, and promoting qualified candidates. |

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| --- | --- |
| D.  | determining the numbers of people and the skills necessary to do the work. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 38. | Retention comprises all of the following activities EXCEPT:

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| --- | --- |
| A.  | rewarding employees for performing their jobs effectively. |

|  |  |
| --- | --- |
| B.  | ensuring harmonious working relations between employees and managers. |

|  |  |
| --- | --- |
| C.  | maintaining a safe, healthy work environment. |

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| --- | --- |
| **D.**  | identifying work requirements within an organization. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 39. | The category of human resource management responsibilities aimed at preserving and enhancing employee job competence is:

|  |  |
| --- | --- |
| **A.**  | development. |

|  |  |
| --- | --- |
| B.  | staffing. |

|  |  |
| --- | --- |
| C.  | retention. |

|  |  |
| --- | --- |
| D.  | managing change. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 40. | \_\_\_\_\_ comprises activities intended to maintain compliance with an organization's human resource policies and business strategies.

|  |  |
| --- | --- |
| A.  | Staffing |

|  |  |
| --- | --- |
| B.  | Retention |

|  |  |
| --- | --- |
| C.  | Development |

|  |  |
| --- | --- |
| **D.**  | Adjustment |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 41. | A broad objective of human resource management is to \_\_\_\_\_ of all workers in an organization.

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| --- | --- |
| A.  | minimize the downtime |

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| --- | --- |
| **B.**  | optimize the usefulness |

|  |  |
| --- | --- |
| C.  | scrutinize the personnel file |

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| --- | --- |
| D.  | standardize the benefits |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42. | Which of the following is a retention responsibility of line management?

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| --- | --- |
| A.  | Compensation and benefits |

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| --- | --- |
| B.  | Performance feedback to subordinates |

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| --- | --- |
| C.  | Management and organizational development |

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| --- | --- |
| **D.**  | Face-to-face resolution of conflict |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 43. | In terms of staffing, the responsibility of line management is:

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| --- | --- |
| **A.**  | to make final decisions on entry-level hires and promotions. |

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| --- | --- |
| B.  | to perform a job or competency analysis. |

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| --- | --- |
| C.  | to develop legally sound performance management systems. |

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| --- | --- |
| D.  | to investigate employee complaints. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 44. | When senior managers take true ownership of their responsibility to have the right people in critical leadership roles, they are embracing their roles as \_\_\_\_\_.

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| A.  | Morale Supervisors |

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| --- | --- |
| B.  | Technical Training Specialists |

|  |  |
| --- | --- |
| **C.**  | Chief Talent Officers |

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| --- | --- |
| D.  | Applied Motivational Strategists |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 45. | Ron is a line manager at an avionics research and development organization. Which of the following would be part of Ron's responsibility for managing change?

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| --- | --- |
| **A.**  | Providing a vision of where his unit is going |

|  |  |
| --- | --- |
| B.  | Providing expertise to facilitate the overall process of managing change |

|  |  |
| --- | --- |
| C.  | Developing legally sound performance management systems |

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| --- | --- |
| D.  | Respecting the dignity of each individual in his unit |

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| *AACSB: Reflective ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 46. | There is a substantial and growing body of research evidence showing a strong connection between how firms \_\_\_\_\_ and the economic results they achieve.

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| A.  | select board members |

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| --- | --- |
| B.  | educate their management staff |

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| --- | --- |
| **C.**  | manage their people |

|  |  |
| --- | --- |
| D.  | diversify their product line |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 47. | Which of the following is a feature of globalization?

|  |  |
| --- | --- |
| A.  | Cheap labor |

|  |  |
| --- | --- |
| B.  | Plentiful resources |

|  |  |
| --- | --- |
| C.  | Ease of travel |

|  |  |
| --- | --- |
| **D.**  | All of these |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 48. | Which of the following statements is true of how the globalization of companies has affected the global economy?

|  |  |
| --- | --- |
| A.  | Open borders have allowed new ideas and technology to flow freely. |

|  |  |
| --- | --- |
| B.  | Accelerating productivity growth has allowed companies to become more competitive. |

|  |  |
| --- | --- |
| C.  | There is a growing fear that globalization only benefits big businesses. |

|  |  |
| --- | --- |
| **D.**  | All of these |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 49. | How do less-developed countries win from globalization?

|  |  |
| --- | --- |
| A.  | They can sell sophisticated technologies to emerging economies. |

|  |  |
| --- | --- |
| **B.**  | They get jobs making low-cost products for rich countries. |

|  |  |
| --- | --- |
| C.  | They gain the ability to buy expensive imports. |

|  |  |
| --- | --- |
| D.  | They can sell services to relatively underdeveloped countries. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 50. | Globalization has been encouraged by:

|  |  |
| --- | --- |
| **A.**  | the ease of travel and communication. |

|  |  |
| --- | --- |
| B.  | a decrease in employees willing to take foreign posts. |

|  |  |
| --- | --- |
| C.  | the complexity of matrix organizations. |

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| --- | --- |
| D.  | a lack of global resources. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 51. | Coca-Cola earns more than \_\_\_\_\_ percent of its revenues from outside the United States.

|  |  |
| --- | --- |
| A.  | 15 |

|  |  |
| --- | --- |
| B.  | 25 |

|  |  |
| --- | --- |
| **C.**  | 75 |

|  |  |
| --- | --- |
| D.  | 95 |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 52. | The most important intellectual property in the creative economy is:

|  |  |
| --- | --- |
| **A.**  | intellectual capital. |

|  |  |
| --- | --- |
| B.  | telemedicine. |

|  |  |
| --- | --- |
| C.  | music. |

|  |  |
| --- | --- |
| D.  | software. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 53. | Groove Space Solutions is a Web design firm. The employees of the firm do not work at an office. Instead, they work from their homes. They collaborate with each other and report to their managers in real time through an online communications software. In the context of the new competitive realities of the modern age, this scenario illustrates a \_\_\_\_\_.

|  |  |
| --- | --- |
| **A.**  | virtual workspace |

|  |  |
| --- | --- |
| B.  | downsized organization |

|  |  |
| --- | --- |
| C.  | human resources information system |

|  |  |
| --- | --- |
| D.  | sustainable workplace |

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| *AACSB: Reflective ThinkingAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 3 HardLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 54. | In a \_\_\_\_\_, employees operate remotely from each other and from their managers.

|  |  |
| --- | --- |
| A.  | bureaucratic organization |

|  |  |
| --- | --- |
| B.  | fluid organization |

|  |  |
| --- | --- |
| C.  | telecommuting center |

|  |  |
| --- | --- |
| **D.**  | virtual workplace |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| 55. | A(n) \_\_\_\_\_ is a modern organizational form in which teams of specialists come together through technology to work on a project and then disband when the project is finished.

|  |  |
| --- | --- |
| **A.**  | virtual organization |

|  |  |
| --- | --- |
| B.  | offshore organization |

|  |  |
| --- | --- |
| C.  | modular group |

|  |  |
| --- | --- |
| D.  | functional group |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 56. | According to a study on restructuring, which of the following categories of companies generated the lowest returns on assets in the year prior to the announcement of layoffs, the year when layoffs occurred, and in the two subsequent years on a relative basis?

|  |  |
| --- | --- |
| A.  | Asset upsizers |

|  |  |
| --- | --- |
| B.  | Stable employers |

|  |  |
| --- | --- |
| **C.**  | Downsizers |

|  |  |
| --- | --- |
| D.  | Upsizers |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 57. | In the context of the responses of firms to new competitive realities, identify a true statement about downsizing.

|  |  |
| --- | --- |
| A.  | It is a popular practice because its direct and indirect costs are often very low. |

|  |  |
| --- | --- |
| B.  | It is utilized only by firms in advanced economies, as developing nations forbid this practice. |

|  |  |
| --- | --- |
| C.  | It is only used as the last resort by organizations coping with severe financial constraints. |

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| **D.**  | It is necessary when an organization is overstaffed or if a business no longer fits into a firm's long-term strategy. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 58. | Which of the following is a characteristic of William J. Conaty's seven secrets for nurturing leaders?

|  |  |
| --- | --- |
| A.  | Leaders must be hired from external sources rather than developed internally. |

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| --- | --- |
| **B.**  | Leaders must give people the tools and permission to work on their own terms. |

|  |  |
| --- | --- |
| C.  | Leaders must focus on developing friendly relationships with the CEOs of organizations. |

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| D.  | Leaders must discourage employees from competing with one another. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 59. | How the people are selected, trained, and managed determines to a large extent how \_\_\_\_\_ an organization will be.

|  |  |
| --- | --- |
| A.  | profitable |

|  |  |
| --- | --- |
| B.  | stable |

|  |  |
| --- | --- |
| C.  | innovative |

|  |  |
| --- | --- |
| **D.**  | successful |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 60. | In the context of human resource management competencies, the ability to understand and apply information to contribute to an organization's strategic plan is categorized under \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | human resources expertise |

|  |  |
| --- | --- |
| B.  | critical evaluation |

|  |  |
| --- | --- |
| **C.**  | business acumen |

|  |  |
| --- | --- |
| D.  | relationship management |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 61. | Organizations strive to retain talented workers in a hot job market by offering employees:

|  |  |
| --- | --- |
| A.  | coordination of control. |

|  |  |
| --- | --- |
| **B.**  | flexible work schedules. |

|  |  |
| --- | --- |
| C.  | total quality management. |

|  |  |
| --- | --- |
| D.  | unity of command. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| 62. | The measure of the output of goods and services relative to the input of labor, capital, and equipment is known as:

|  |  |
| --- | --- |
| A.  | quality enhancement. |

|  |  |
| --- | --- |
| B.  | profits. |

|  |  |
| --- | --- |
| **C.**  | productivity. |

|  |  |
| --- | --- |
| D.  | resources. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| 63. | According to the text, quality of work life is defined in terms of:

|  |  |
| --- | --- |
| **A.**  | employees' perceptions of their well-being at work. |

|  |  |
| --- | --- |
| B.  | the level of productivity achieved by employees. |

|  |  |
| --- | --- |
| C.  | the objective indices of employee well-being at work. |

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| --- | --- |
| D.  | the degree to which an organization adopts Japanese managerial principles. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 64. | \_\_\_\_\_ involves giving workers the opportunity to make decisions about the design of their jobs and workplaces, and what they need to make products or to deliver services most effectively.

|  |  |
| --- | --- |
| A.  | International Organization for Standardization |

|  |  |
| --- | --- |
| B.  | Reengineering |

|  |  |
| --- | --- |
| C.  | Six Sigma |

|  |  |
| --- | --- |
| **D.**  | Quality of work life |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 65. | According to the Society for Human Resource Management, the consultation competency of HR success is defined as the ability to:

|  |  |
| --- | --- |
| **A.**  | provide guidance to organizational stakeholders. |

|  |  |
| --- | --- |
| B.  | direct and contribute to initiatives and processes within the organization. |

|  |  |
| --- | --- |
| C.  | effectively exchange with stakeholders. |

|  |  |
| --- | --- |
| D.  | understand and apply information to contribute to the organization's strategic plan. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?Learning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 66. | According to the Society for Human Resource Management, the communication competency of HR success is defined as the ability to:

|  |  |
| --- | --- |
| A.  | maximize the organization's profits. |

|  |  |
| --- | --- |
| **B.**  | effectively exchange with stakeholders. |

|  |  |
| --- | --- |
| C.  | consider the perspectives and backgrounds of all parties. |

|  |  |
| --- | --- |
| D.  | manage interactions to provide service and to support the organization. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?Learning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| 67. | According to the Society for Human Resource Management, the critical evaluation competency of HR success is defined as the ability to:

|  |  |
| --- | --- |
| A.  | effectively exchange with stakeholders. |

|  |  |
| --- | --- |
| B.  | understand and apply information to contribute to the organization's strategic plan. |

|  |  |
| --- | --- |
| C.  | direct and contribute to initiatives and processes within the organization. |

|  |  |
| --- | --- |
| **D.**  | interpret information to make business decisions and recommendations. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?Learning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| 68. | According to the Society for Human Resource Management, the leadership and navigation competency of HR success is defined as the ability to:

|  |  |
| --- | --- |
| A.  | interpret information to make business decisions and recommendations. |

|  |  |
| --- | --- |
| **B.**  | direct and contribute to initiatives and processes within the organization. |

|  |  |
| --- | --- |
| C.  | integrate core values, integrity, and accountability throughout all organizational and business practices. |

|  |  |
| --- | --- |
| D.  | manage interactions to provide service and to support the organization. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?Learning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 69. | According to the Society for Human Resource Management, the ethical practice competency of HR success is defined as the ability to:

|  |  |
| --- | --- |
| **A.**  | integrate core values, integrity, and accountability throughout all organizational and business practices. |

|  |  |
| --- | --- |
| B.  | interpret information to make business decisions and recommendations. |

|  |  |
| --- | --- |
| C.  | understand and apply information to contribute to the organization's strategic plan. |

|  |  |
| --- | --- |
| D.  | provide guidance to organizational stakeholders. |

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| *AACSB: Analytical ThinkingAACSB: EthicsAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?Learning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 70. | According to the Society for Human Resource Management, the global and cultural effectiveness competency of HR success is defined as the ability to:

|  |  |
| --- | --- |
| A.  | integrate core values, integrity, and accountability throughout all organizational and business practices. |

|  |  |
| --- | --- |
| **B.**  | value and consider the perspectives and backgrounds of all parties. |

|  |  |
| --- | --- |
| C.  | provide guidance to organizational stakeholders. |

|  |  |
| --- | --- |
| D.  | direct and contribute to initiatives and processes within the organization. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?Learning Objective: 01-05 What are the HR implications of our firm's business strategy?* |

**Essay Questions**

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| --- | --- |
| 71. | List and describe the five broad activities encompassed by human resource management.  Human resource management systems are concerned to some degree with the following five activities: staffing, retention, development, adjustment, and managing change.Staffing comprises the activities of (1) identifying work requirements within an organization; (2) determining the numbers of people and the skills mix necessary to do the work; and (3) recruiting, selecting, and promoting qualified candidates. Retention comprises the activities of (1) rewarding employees for performing their jobs effectively; (2) ensuring harmonious working relations between employees and managers; and (3) maintaining a safe, healthy work environment. Development is a function whose objective is to preserve and enhance employees' competence in their jobs through improving their knowledge, skills, abilities, and other characteristics; HR specialists use the term "competencies" to refer to these items. Adjustment comprises activities intended to maintain compliance with an organization's HR policies (e.g., through discipline) and business strategies (e.g., cost leadership). Managing change is an ongoing process whose objective is to enhance the ability of an organization to anticipate and respond to developments in its external and internal environments, and to enable employees at all levels to cope with the changes. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 What people-related business issues must managers be concerned about?* |

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| 72. | List three ways in which sustainability affects an organization's business model, structure, and processes.  Sustainability affects an organization's business model, structure, and processes in the following ways:1. Organizations consider a wider set of stakeholders when setting strategy.2. Stakeholders help with the implementation of such a strategy, as employers partner with external organizations.3. Sustainability affects corporate practices, requires greater involvement and accountability of boards of directors, and requires business transparency. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 73. | Explain at least three new organizational forms.  One example of a new organizational form that is evolving from changes is the virtual organization, where teams of specialists come together to work on a project—as in the movie industry—and then disband when the project is finished. Such organizations are already quite popular in consulting, in legal defense, and in sponsored research.More common in the information age, however, is the virtual workplace in which employees operate remotely from each other and from managers. They work anytime, anywhere—in real space or in cyberspace. Compelling business reasons, such as reduced real estate expenses, increased productivity, higher profits, improved customer service, access to global markets, and environmental benefits drive the implementation of the virtual workplace.A third example of a new organizational form is the modular corporation. The basic idea is to focus on a few core competencies—those a company does best, such as designing and marketing computers or copiers—and to outsource everything else to a network of suppliers. Companies are outsourcing work within their home countries (onshore), near their home countries (near-shore), and far from their home countries (offshore). |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 3 HardLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| 74. | What is downsizing, and what are some advantages and downsides related to its practice?  Downsizing is the planned elimination of positions or jobs in an organization. Today, downsizing is a standard tool for doing business. Downsizing can be helpful when an organization is overstaffed or if a particular business no longer fits into a firm's long-term strategy. It can also help organizations survive turbulent economic times that are not conducive to their areas of business.However, the direct and indirect costs of downsizing tend to be extremely high. Direct costs include items such as severance costs and benefits payouts, while indirect costs include low morale and decreased productivity among employees. An organization's reputation may also be severely damaged as a result of downsizing. Organizations tend to downsize during trying economic periods. However, downsizing leads to people becoming fearful about their jobs even if they have not been laid off. Such low morale among employees is an undesirable consequence of the practice of downsizing. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 75. | Define what is meant by quality of work life, and list some aspects of successful quality of work life programs.  There are two ways of looking at what quality of work life (QWL) means. One way equates quality of work life with a set of objective organizational conditions and practices. The other way equates quality of work life with employees' perceptions that they are safe and relatively well satisfied, they have reasonable work-life balance, and they are able to grow and develop as human beings. This way relates quality of work life to the degree to which the full range of human needs is met.In many cases, these two views merge: Workers who like their organizations and the ways their jobs are structured will feel that their work fulfills them. In such cases, either way of looking at one's quality of work life will lead to a common determination of whether a good quality of work life exists. However, because people differ and because the second view is quite subjective—it concedes, for example, that not everyone finds such things as democratic decision making and telework to be important components of a good quality of work life—quality of work life can be defined in terms of employees' perceptions of their physical and mental well-being at work. In theory, quality of work life is simple: It involves giving workers the opportunity to make decisions about the design of their jobs and workplaces, and what they need to make products or to deliver services most effectively. Of course, what workers want may vary by country. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

**Short Answer Questions**

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| 76. | What growing trend will result in waves of individualized products and services, as well as huge savings for companies, which will no longer have to guess what and how much customers want?  Mass customization |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 How have global flows of information and knowledge changed the ways we live and work?* |

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| 77. | List at least three human resource aspects that greatly benefit from vendor human resources information system applications, such as benefits enrollment.  Any three of the following: 1) applicant tracking, 2) time and attendance records, 3) training and development, 4) payroll, 5) pension plans, 6) employee surveys |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Which features will characterize the competitive business environment in the foreseeable future, and how might we respond to them?* |

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| 78. | List at least two jobs ideally suited for virtual workplaces.  Any two of the following: 1) sales, 2) marketing, 3) project engineering, 4) consulting |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| 79. | What is productivity?  Productivity is a measure of the output of goods and services relative to the input of labor, capital, and equipment. Improving productivity simply means getting more out of what is put in. It does not mean increasing production through the addition of resources, such as time, money, materials, or people. It is doing better with what you have. It is not working harder; it is working smarter. Today's world demands that we do more with less. |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |

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| 80. | What does QWL stand for?  Quality of work life |

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| *AACSB: Analytical ThinkingAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 What people-related problems are likely to arise as a result of changes in the forms of organizations? How can we avoid these problems?* |