

# ch1

Student: \_\_\_\_\_

1. The focus for the 21<sup>st</sup> century organization is far more likely to look like a web: a flat, intricately woven form that links partners, employees, external contractors, suppliers, and customers in various collaborations.  
True False
2. The advantage of bringing breakthrough products to market first will be shorter than ever because globalization will let competitors match or exceed them almost instantly.  
True False
3. The new global corporation might be based in the United States but do its software programming in Sri Lanka, its engineering in Germany, and its manufacturing in China.  
True False
4. Managing change is an ongoing process whose objective is to enhance the ability of an organization to anticipate and respond to developments that are only in its external environment.  
True False
5. Changes in any single part of the HRM system have a reverberating effect on all other parts of the system.  
True False
6. The functional areas of HRM (staffing, retention, etc.) are the sole responsibility of the HR department.  
True False
7. In a large business, HR provides the technical expertise in each area, while line managers use people-related business activities in order to manage people effectively.  
True False
8. HR systems have important, practical impacts on the survival and financial performance of firms, and on the productivity and quality of work life of the people in them.  
True False
9. In theory, less-developed countries stand to lose from globalization because their role is limited to jobs making low-cost products for rich countries.  
True False
10. There is a growing fear among many people that globalization benefits big companies instead of average citizens - of America or any other country.  
True False

11. Capital reserves become a nation's most important competitive asset as every advanced economy becomes global.  
True False
12. Human resources information system (HRIS) is the central use of technology in HRM.  
True False
13. As technology integrates with traditionally labor-intensive HR activities, HR professionals are seeing little improvement in response time and efficiency of the report information available.  
True False
14. Big advertisers are increasingly moving away from pay per click online advertising, as they are prone to manipulation.  
True False
15. In the 21<sup>st</sup> century, employers are enjoying an abundance of skilled help.  
True False
16. Modular corporations retain all major business functions under one roof.  
True False
17. Downsizing is probably the most common form of restructuring.  
True False
18. The best way for a company to gain long time prosperity is to downsize.  
True False
19. If the findings of the study that examined restructuring's effects on 500 representative companies listed on the NYSE is assumed to hold good in future, a company that downsizes now will yield stock returns significantly higher than those of upsizers or stable employers.  
True False
20. Originally invented as a way to improve quality, Six Sigma's main value to corporations today lies in its ability to save time and money.  
True False
21. Reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, and speed.  
True False
22. A process is a collection of activities that takes one or more kinds of input and creates an output that is of value to a customer.  
True False

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
24. "Business-based flexibility" is characterized by private deals based on individual's needs.  
True False
25. When productivity increases, businesses can pay higher wages without boosting inflation.  
True False
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
27. Quality of work life is defined in terms of management perceptions of employee physical and mental well-being at work.  
True False
28. Over the past decade, organizations have become more complex, dynamic, and fast-paced.  
True False
29. Strategy architects administer the day-to-day work of managing people by implementing workplace policies and advancing HR technology.  
True False
30. The sharing of information on such things as financial performance, strategy, and operational measures conveys to an organization's people that they are trusted.  
True False
31. Many factors are driving change, but none is more important than the rise of:  
A. Internet technologies.  
B. women in the workforce.  
C. human resource professionals.  
D. cultural diversity.
32. The 21<sup>st</sup>-century corporation must adapt itself to management via the Web and must be:  
A. predicated on stability.  
B. organized around rigid hierarchies.  
C. built on shifting partnerships and alliances.  
D. constructed on bricks and mortar.
33. Which of the following is a characteristic of a 21<sup>st</sup>-century corporation as compared to a 20<sup>th</sup>-century corporation?  
A. Focus is internal  
B. Style is structured  
C. Mass production of products  
D. Strategy is bottom-up

34. The challenge, opportunity, and also the frustration of creating and managing organizations frequently stem from the \_\_\_\_\_ problems that arise within them.
- A. people-related
  - B. union
  - C. legal
  - D. upper management
35. The most vital of all resources in work settings is:
- A. people.
  - B. technology.
  - C. culture.
  - D. finances.
36. All of the following are general categories of HRM activities EXCEPT:
- A. managing change.
  - B. development.
  - C. outplacement.
  - D. adjustment.
37. Staffing is comprised of all the following activities EXCEPT:
- A. identifying work requirements within an organization.
  - B. involving employees in business strategy.
  - C. recruiting, selecting, and promoting qualified candidates.
  - D. determining the numbers of people and the skills necessary to do the work.
38. Retention comprises all of the following activities EXCEPT:
- A. rewarding employees for performing their jobs effectively.
  - B. ensuring harmonious working relations between employees and managers.
  - C. maintaining a safe, healthy work environment.
  - D. identifying work requirements within an organization.
39. The category of HRM responsibility aimed at preserving and enhancing employee job competence is:
- A. development.
  - B. staffing.
  - C. retention.
  - D. managing change.
40. \_\_\_\_\_ comprises activities intended to maintain compliance with the organization's HR policies and business strategies.
- A. Staffing
  - B. Retention
  - C. Development
  - D. Adjustment
41. A broad objective of HRM is to \_\_\_\_\_ of all workers in the organization.
- A. minimize the downtime
  - B. optimize the usefulness
  - C. scrutinize the personnel file
  - D. standardize the benefits

42. In terms of staffing, the responsibility of line management is:
- A. making final decisions on entry-level hires and promotions.
  - B. doing a job/competency analysis.
  - C. the development of legally sound performance management systems.
  - D. investigation of employee complaints.
43. Which of the following is a retention responsibility of the line management?
- A. Compensation and benefits
  - B. Performance feedback to subordinates
  - C. Management and organizational development
  - D. Face-to-face resolution of conflict
44. What is the responsibility of the HR department in terms of adjustment?
- A. Morale surveys
  - B. Technical training
  - C. Retirement counseling
  - D. Applied motivational strategies
45. Ron is a senior production manager at an avionics product research and development organization. Which of the following would be part of Ron's responsibility for managing change?
- 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.
  - D. Respecting the dignity of each individual in his unit.
46. There is a substantial and growing body of research evidence showing a strong connection between how firms \_\_\_\_\_ and the economic results they achieve.
- A. select board members
  - B. educate their management staff
  - C. manage their people
  - D. diversify their product line
47. Which of the following is NOT a significant feature of the competitive business environment in which HRM activities take place?
- A. Globalization
  - B. Technology
  - C. Adjustment
  - D. Demographic changes
48. One example of globalization is Coca-Cola, which earns more than \_\_\_\_\_ percent of its revenue from outside the United States.
- A. 10
  - B. 20
  - C. 50
  - D. 80
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 under-developed countries.

50. Every factor of production other than \_\_\_\_\_ can be duplicated anywhere in the world.
- A. workforce skills
  - B. capital
  - C. information
  - D. raw materials
51. The most critical part of globalization is the organization's:
- A. internal plan.
  - B. bureaucratic analysis.
  - C. workforce.
  - D. environmental assessment.
52. Whether it is business-to-business or business-to-consumer, \_\_\_\_\_ is taking off, with annual sales now exceeding \$200 billion.
- A. e-commerce
  - B. telemedicine
  - C. online learning
  - D. the virtual workplace
53. Which of the following was NOT part of the "Three-C" logic that dominated industrial society's approach to organizational design throughout the nineteenth and twentieth centuries?
- A. Coordination
  - B. Command
  - C. Control
  - D. Compartmentalized information
54. In a(n) \_\_\_\_\_, employees operate remotely from each other and from managers.
- A. bureaucratic organization
  - B. fluid organization
  - C. telecommuting center
  - D. virtual workplace
55. Companies that outsource work far from their home countries are said to be:
- A. offshoring.
  - B. onshoring.
  - C. outsourcing.
  - D. nearshoring.
56. According to a study examining restructuring's effects on profitability and stock returns of 500 representative companies listed on the NYSE, in terms of profitability, which of the following categories of companies generated lower 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

57. The goal of \_\_\_\_\_ is to reduce variability from a process (no more than 3.4 defects per million) in order to avoid errors and increase predictability.
- A. ISO 13485
  - B. Total Quality Management
  - C. ISO 9000
  - D. Six Sigma
58. It generally takes \_\_\_\_\_ before quality-management programs become institutionalized.
- A. six months
  - B. three to five years
  - C. five to ten years
  - D. ten to fifteen years
59. The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, and speed is called:
- A. reengineering.
  - B. Six Sigma.
  - C. lean manufacturing.
  - D. Total Quality Management.
60. Organizations known for the quality of their products and services strongly believe that \_\_\_\_\_ are the key to those results.
- A. eminent board members
  - B. virtual organizations
  - C. employees
  - D. outstanding HR managers
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.
62. The measure of 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.
63. According to the text, quality of work life is defined in terms of:
- A. employee perceptions of their well-being at work.
  - B. the level of productivity achieved by employees.
  - C. objective indices of employee well-being at work.
  - D. the degree to which an organization adopts Japanese managerial principles.

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. ISO
  - B. reengineering
  - C. Six Sigma
  - D. QWL
65. Theoretically, quality of work life (QWL) 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. What workers want varies by country. Chinese workers value:
- A. chances to learn.
  - B. competitive base pay.
  - C. challenging work.
  - D. work/life balance.
66. Quality of work life (QWL) depends a lot on what workers want. \_\_\_\_\_ is the main requirement of workers in the United States.
- A. Career opportunity
  - B. Competitive base pay
  - C. Chances to learn
  - D. Challenging work
67. According to the results of a recent study of more than 400 companies in North and South America, Europe, China, and Australia, credible activists are HR professionals who:
- A. execute changes in strategy, and energize others to accept and embrace the changes.
  - B. ensure today's and tomorrow's talent, shape the organization, foster communication, and design reward systems.
  - C. deliver results with integrity, share information, build relationships of trust, take appropriate risks, provide candid observations, and influence others.
  - D. recognize, articulate, and help shape company culture by facilitating change, helping employees find meaning in their work, managing work-life effectiveness, and encouraging innovation.
68. \_\_\_\_\_ are HR professionals who ensure today's and tomorrow's talent, shape the organization, foster communication, and design reward systems.
- A. Cultural stewards
  - B. Credible activists
  - C. Strategy architects
  - D. Organizational designers
69. All of the following are prerequisites for selective hiring EXCEPT:
- A. interviewers screen for attributes that are easy to change through training.
  - B. the organization needs to be clear about the most critical skills and attributes in the applicant pool.
  - C. the skills and abilities sought should be consistent with particular job requirements and the organization's approach to the market.
  - D. having a large applicant pool from which to select.



70. The fundamental premise of high-performance management systems is that organizations perform at a higher level when they are able to tap the ideas, skills, and efforts of all of their people. This is a dimension of:
- A. employment security.
  - B. reduced differences in status.
  - C. self-managed teams and decentralization.
  - D. sharing of information.
71. List and describe the five broad activities encompassed by HRM.
72. List and explain three characteristics of the evolving competitive environment for business.
73. Explain at least three new organizational forms.
74. Write a short note on Six Sigma.

75. Define what is meant by quality of work life and list some aspects of successful QWL programs.
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?
77. List at least three human resource aspects that greatly benefit from vendor HRIS applications (e.g., benefits enrollment).
78. List at least two jobs ideally suited for virtual workplaces.
79. What is productivity?

80. What does QWL stand for?

## ch1 Key

1. (p. 3) The focus for the 21<sup>st</sup> century organization is far more likely to look like a web: a flat, intricately woven form that links partners, employees, external contractors, suppliers, and customers in various collaborations.

**TRUE**

*AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #1  
Difficulty: Easy  
Learning Objective: 1*

2. (p. 3) The advantage of bringing breakthrough products to market first will be shorter than ever because globalization will let competitors match or exceed them almost instantly.

**FALSE**

*AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #2  
Difficulty: Medium  
Learning Objective: 1*

3. (p. 4) The new global corporation might be based in the United States but do its software programming in Sri Lanka, its engineering in Germany, and its manufacturing in China.

**TRUE**

*AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #3  
Difficulty: Easy  
Learning Objective: 1*

4. (p. 6) Managing change is an ongoing process whose objective is to enhance the ability of an organization to anticipate and respond to developments that are only in its external environment.

**FALSE**

*AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #4  
Difficulty: Medium  
Learning Objective: 2*

5. (p. 7) Changes in any single part of the HRM system have a reverberating effect on all other parts of the system.

**TRUE**

*AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #5  
Difficulty: Easy  
Learning Objective: 2*

6. The functional areas of HRM (staffing, retention, etc.) are the sole responsibility of the HR department.  
(p. 7)

**FALSE**

AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #6  
Difficulty: Medium  
Learning Objective: 2

7. In a large business, HR provides the technical expertise in each area, while line managers use people-related business activities in order to manage people effectively.  
(p. 8)

**TRUE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #7  
Difficulty: Medium  
Learning Objective: 2

8. HR systems have important, practical impacts on the survival and financial performance of firms, and on the productivity and quality of work life of the people in them.  
(p. 10)

**TRUE**

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #8  
Difficulty: Medium  
Learning Objective: 2

9. In theory, less-developed countries stand to lose from globalization because their role is limited to jobs making low-cost products for rich countries.  
(p. 10)

**FALSE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #9  
Difficulty: Medium  
Learning Objective: 3

10. There is a growing fear among many people that globalization benefits big companies instead of average citizens - of America or any other country.  
(p. 10)

**TRUE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #10  
Difficulty: Easy  
Learning Objective: 3

11. Capital reserves become a nation's most important competitive asset as every advanced economy becomes global.  
(p. 11)

**FALSE**

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #11  
Difficulty: Medium  
Learning Objective: 3

12. Human resources information system (HRIS) is the central use of technology in HRM.

(p. 12)

**TRUE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #12  
Difficulty: Medium  
Learning Objective: 3

13. As technology integrates with traditionally labor-intensive HR activities, HR professionals are seeing little improvement in response time and efficiency of the report information available.

(p. 12)

**FALSE**

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #13  
Difficulty: Easy  
Learning Objective: 3

14. Big advertisers are increasingly moving away from pay per click online advertising, as they are prone to manipulation.

(p. 12)

**FALSE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #14  
Difficulty: Easy  
Learning Objective: 3

15. In the 21<sup>st</sup> century, employers are enjoying an abundance of skilled help.

(p. 13)

**FALSE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #15  
Difficulty: Medium  
Learning Objective: 3

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

(p. 15)

**FALSE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #16  
Difficulty: Medium  
Learning Objective: 4

17. Downsizing is probably the most common form of restructuring.

(p. 17)

**TRUE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #17  
Difficulty: Easy  
Learning Objective: 4

18. The best way for a company to gain long time prosperity is to downsize.

(p. 17)

**FALSE**

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #18  
Difficulty: Medium  
Learning Objective: 4

19. (p. 17) If the findings of the study that examined restructuring's effects on 500 representative companies listed on the NYSE is assumed to hold good in future, a company that downsizes now will yield stock returns significantly higher than those of upsizers or stable employers.

**FALSE**

AACSB: Reflective thinking  
Blooms: Application  
Cascio - Chapter 01 #19  
Difficulty: Medium  
Learning Objective: 4

20. (p. 17) Originally invented as a way to improve quality, Six Sigma's main value to corporations today lies in its ability to save time and money.

**TRUE**

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #20  
Difficulty: Medium  
Learning Objective: 4

21. (p. 18) Reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, and speed.

**TRUE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #21  
Difficulty: Medium  
Learning Objective: 4

22. (p. 18) A process is a collection of activities that takes one or more kinds of input and creates an output that is of value to a customer.

**TRUE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #22  
Difficulty: Medium  
Learning Objective: 4

23. (p. 18-19) 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**

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #23  
Difficulty: Medium  
Learning Objective: 4

24. (p. 19) "Business-based flexibility" is characterized by private deals based on individual's needs.

**FALSE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #24  
Difficulty: Medium  
Learning Objective: 4

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

(p. 21)

**TRUE**

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #25  
Difficulty: Medium  
Learning Objective: 5

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.

(p. 22)

**FALSE**

AACSB: Reflective thinking  
Blooms: Application  
Cascio - Chapter 01 #26  
Difficulty: Medium  
Learning Objective: 5

27. Quality of work life is defined in terms of management perceptions of employee physical and mental well-being at work.

(p. 24)

**FALSE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #27  
Difficulty: Medium  
Learning Objective: 5

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

(p. 25)

**TRUE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #28  
Difficulty: Easy  
Learning Objective: 5

29. Strategy architects administer the day-to-day work of managing people by implementing workplace policies and advancing HR technology.

(p. 26)

**FALSE**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #29  
Difficulty: Easy  
Learning Objective: 5

30. The sharing of information on such things as financial performance, strategy, and operational measures conveys to an organization's people that they are trusted.

(p. 28)

**TRUE**

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #30  
Difficulty: Medium  
Learning Objective: 1



31. Many factors are driving change, but none is more important than the rise of:  
(p. 3)

- A. Internet technologies.
- B. women in the workforce.
- C. human resource professionals.
- D. cultural diversity.

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #31  
Difficulty: Medium  
Learning Objective: 1

32. The 21<sup>st</sup>-century corporation must adapt itself to management via the Web and must be:  
(p. 3)

- A. predicated on stability.
- B. organized around rigid hierarchies.
- C. built on shifting partnerships and alliances.
- D. constructed on bricks and mortar.

AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #32  
Difficulty: Medium  
Learning Objective: 1

33. Which of the following is a characteristic of a 21<sup>st</sup>-century corporation as compared to a 20<sup>th</sup>-century corporation?  
(p. 5)

- A. Focus is internal
- B. Style is structured
- C. Mass production of products
- D. Strategy is bottom-up

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #33  
Difficulty: Medium  
Learning Objective: 1

34. The challenge, opportunity, and also the frustration of creating and managing organizations frequently stem from the \_\_\_\_\_ problems that arise within them.  
(p. 5)

- A. people-related
- B. union
- C. legal
- D. upper management

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #34  
Difficulty: Medium  
Learning Objective: 2

35. The most vital of all resources in work settings is:  
(p. 6)

- A. people.
- B. technology.
- C. culture.
- D. finances.

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #35  
Difficulty: Medium  
Learning Objective: 2

36. All of the following are general categories of HRM activities EXCEPT:

(p. 6)

- A. managing change.
- B. development.
- C. outplacement.
- D. adjustment.

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #36  
Difficulty: Medium  
Learning Objective: 2

37. Staffing is comprised of all the following activities EXCEPT:

(p. 6)

- A. identifying work requirements within an organization.
- B. involving employees in business strategy.
- C. recruiting, selecting, and promoting qualified candidates.
- D. determining the numbers of people and the skills necessary to do the work.

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #37  
Difficulty: Medium  
Learning Objective: 2

38. Retention comprises all of the following activities EXCEPT:

(p. 6)

- A. rewarding employees for performing their jobs effectively.
- B. ensuring harmonious working relations between employees and managers.
- C. maintaining a safe, healthy work environment.
- D. identifying work requirements within an organization.

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #38  
Difficulty: Medium  
Learning Objective: 2

39. The category of HRM responsibility aimed at preserving and enhancing employee job competence is:

(p. 6)

- A. development.
- B. staffing.
- C. retention.
- D. managing change.

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #39  
Difficulty: Medium  
Learning Objective: 2

40. \_\_\_\_\_ comprises activities intended to maintain compliance with the organization's HR policies and business strategies.

(p. 6)

- A. Staffing
- B. Retention
- C. Development
- D. Adjustment

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #40  
Difficulty: Medium  
Learning Objective: 2

41. A broad objective of HRM is to \_\_\_\_\_ of all workers in the organization.  
(p. 7)

- A. minimize the downtime
- B. optimize the usefulness**
- C. scrutinize the personnel file
- D. standardize the benefits

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #41  
Difficulty: Medium  
Learning Objective: 2

42. In terms of staffing, the responsibility of line management is:  
(p. 8)

- A. making final decisions on entry-level hires and promotions.**
- B. doing a job/competency analysis.
- C. the development of legally sound performance management systems.
- D. investigation of employee complaints.

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #42  
Difficulty: Medium  
Learning Objective: 2

43. Which of the following is a retention responsibility of the line management?  
(p. 8)

- A. Compensation and benefits
- B. Performance feedback to subordinates
- C. Management and organizational development
- D. Face-to-face resolution of conflict**

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #43  
Difficulty: Medium  
Learning Objective: 2

44. What is the responsibility of the HR department in terms of adjustment?  
(p. 8)

- A. Morale surveys
- B. Technical training
- C. Retirement counseling**
- D. Applied motivational strategies

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #44  
Difficulty: Medium  
Learning Objective: 2

45. Ron is a senior production manager at an avionics product research and development organization.  
(p. 8) Which of the following would be part of Ron's responsibility for managing change?

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

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #45  
Difficulty: Medium  
Learning Objective: 2

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

(p. 9)

- A. select board members
- B. educate their management staff
- C. manage their people**
- D. diversify their product line

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #46  
Difficulty: Medium  
Learning Objective: 2

47. Which of the following is NOT a significant feature of the competitive business environment in which HRM activities take place?

(p. 10)

- A. Globalization
- B. Technology
- C. Adjustment**
- D. Demographic changes

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #47  
Difficulty: Medium  
Learning Objective: 3

48. One example of globalization is Coca-Cola, which earns more than \_\_\_\_\_ percent of its revenue from outside the United States.

(p. 10)

- A. 10
- B. 20
- C. 50
- D. 80**

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #48  
Difficulty: Medium  
Learning Objective: 3

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

(p. 10)

- 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 under-developed countries.

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #49  
Difficulty: Medium  
Learning Objective: 3

50. Every factor of production other than \_\_\_\_\_ can be duplicated anywhere in the world.

(p. 11)

- A. workforce skills**
- B. capital
- C. information
- D. raw materials

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #50  
Difficulty: Medium  
Learning Objective: 3

51. The most critical part of globalization is the organization's:  
(p. 11)

- A. internal plan.
- B. bureaucratic analysis.
- C. workforce.
- D. environmental assessment.

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #51  
Difficulty: Medium  
Learning Objective: 3

52. Whether it is business-to-business or business-to-consumer, \_\_\_\_\_ is taking off, with annual sales now exceeding \$200 billion.  
(p. 12)

- A. e-commerce
- B. telemedicine
- C. online learning
- D. the virtual workplace

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #52  
Difficulty: Medium  
Learning Objective: 3

53. Which of the following was NOT part of the "Three-C" logic that dominated industrial society's approach to organizational design throughout the nineteenth and twentieth centuries?  
(p. 14)

- A. Coordination
- B. Command
- C. Control
- D. Compartmentalized information

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #53  
Difficulty: Medium  
Learning Objective: 3

54. In a(n) \_\_\_\_\_, employees operate remotely from each other and from managers.  
(p. 15)

- A. bureaucratic organization
- B. fluid organization
- C. telecommuting center
- D. virtual workplace

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #54  
Difficulty: Medium  
Learning Objective: 4

55. Companies that outsource work far from their home countries are said to be:  
(p. 15)

- A. offshoring.
- B. onshoring.
- C. outsourcing.
- D. nearshoring.

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #55  
Difficulty: Medium  
Learning Objective: 4

56. (p. 17) According to a study examining restructuring's effects on profitability and stock returns of 500 representative companies listed on the NYSE, in terms of profitability, which of the following categories of companies generated lower 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

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #56  
Difficulty: Medium  
Learning Objective: 4

57. (p. 17) The goal of \_\_\_\_\_ is to reduce variability from a process (no more than 3.4 defects per million) in order to avoid errors and increase predictability.

- A. ISO 13485
- B. Total Quality Management
- C. ISO 9000
- D. Six Sigma**

AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #57  
Difficulty: Medium  
Learning Objective: 4

58. (p. 18) It generally takes \_\_\_\_\_ before quality-management programs become institutionalized.

- A. six months
- B. three to five years**
- C. five to ten years
- D. ten to fifteen years

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #58  
Difficulty: Medium  
Learning Objective: 4

59. (p. 18) The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, and speed is called:

- A. reengineering.**
- B. Six Sigma.
- C. lean manufacturing.
- D. Total Quality Management.

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #59  
Difficulty: Medium  
Learning Objective: 4

60. Organizations known for the quality of their products and services strongly believe that \_\_\_\_\_ are the key to those results.  
(p. 18)

- A. eminent board members
- B. virtual organizations
- C. employees
- D. outstanding HR managers

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #60  
Difficulty: Medium  
Learning Objective: 4

61. Organizations strive to retain talented workers in a hot job market by offering employees:  
(p. 19)

- A. coordination of control.
- B. flexible work schedules.
- C. Total Quality Management.
- D. unity of command.

AACSB: Reflective thinking  
Blooms: Knowledge  
Cascio - Chapter 01 #61  
Difficulty: Medium  
Learning Objective: 4

62. The measure of output of goods and services relative to the input of labor, capital, and equipment is known as:  
(p. 21)

- A. quality enhancement.
- B. profits.
- C. productivity.
- D. resources.

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #62  
Difficulty: Medium  
Learning Objective: 4

63. According to the text, quality of work life is defined in terms of:  
(p. 24)

- A. employee perceptions of their well-being at work.
- B. the level of productivity achieved by employees.
- C. objective indices of employee well-being at work.
- D. the degree to which an organization adopts Japanese managerial principles.

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #63  
Difficulty: Medium  
Learning Objective: 4

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.  
(p. 24)

- A. ISO
- B. reengineering
- C. Six Sigma
- D. QWL

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #64  
Difficulty: Medium  
Learning Objective: 4

65. Theoretically, quality of work life (QWL) 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. What workers want varies by country. Chinese workers value:

(p. 24)

- A. chances to learn.
- B. competitive base pay.
- C. challenging work.
- D. work/life balance.

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #65  
Difficulty: Medium  
Learning Objective: 4

66. Quality of work life (QWL) depends a lot on what workers want. \_\_\_\_\_ is the main requirement of workers in the United States.

(p. 24)

- A. Career opportunity
- B. Competitive base pay
- C. Chances to learn
- D. Challenging work

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #66  
Difficulty: Medium  
Learning Objective: 4

67. According to the results of a recent study of more than 400 companies in North and South America, Europe, China, and Australia, credible activists are HR professionals who:

(p. 25)

- A. execute changes in strategy, and energize others to accept and embrace the changes.
- B. ensure today's and tomorrow's talent, shape the organization, foster communication, and design reward systems.
- C. deliver results with integrity, share information, build relationships of trust, take appropriate risks, provide candid observations, and influence others.
- D. recognize, articulate, and help shape company culture by facilitating change, helping employees find meaning in their work, managing work-life effectiveness, and encouraging innovation.

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #67  
Difficulty: Medium  
Learning Objective: 5

68. \_\_\_\_\_ are HR professionals who ensure today's and tomorrow's talent, shape the organization, foster communication, and design reward systems.

(p. 26)

- A. Cultural stewards
- B. Credible activists
- C. Strategy architects
- D. Organizational designers

AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #68  
Difficulty: Medium  
Learning Objective: 5



69. All of the following are prerequisites for selective hiring EXCEPT:

(p. 27)

- A. interviewers screen for attributes that are easy to change through training.
- B. the organization needs to be clear about the most critical skills and attributes in the applicant pool.
- C. the skills and abilities sought should be consistent with particular job requirements and the organization's approach to the market.
- D. having a large applicant pool from which to select.

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #69  
Difficulty: Medium  
Learning Objective: 1

70. The fundamental premise of high-performance management systems is that organizations perform at a higher level when they are able to tap the ideas, skills, and efforts of all of their people. This is a dimension of:

(p. 28)

- A. employment security.
- B. reduced differences in status.
- C. self-managed teams and decentralization.
- D. sharing of information.

AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #70  
Difficulty: Medium  
Learning Objective: 1

71. List and describe the five broad activities encompassed by HRM.

(p. 6)

The following activities constitute the HRM system:

**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.

The objective of **development** is to preserve and enhance employees' competence in their jobs through improving their knowledge, skills, abilities, and other characteristics.

**Adjustment** comprises activities intended to maintain compliance with the organization's HR policies and business strategies.

**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.

AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #71  
Difficulty: Medium  
Learning Objective: 2

72. List and explain three characteristics of the evolving competitive environment for business.  
(p. 10-13)

**Globalization:** At its core, the globalization of business refers to the free movement of capital, goods, services, ideas, information, and people across national boundaries. Open borders have allowed new ideas and technology to flow freely around the globe, accelerating productivity growth, and allowing companies to be more competitive than they have been in decades. Yet there is a growing fear on the part of many people that globalization benefits big companies instead of average citizens, as stagnating wages and growing job insecurity in developed countries create rising disenchantment.

**Technology:** By 2009, one quarter of the world's workforce will use remote access and mobile technology to work on the go or at home. Information and ideas are keys to the new creative economy, because every country, every company, and every individual depends increasingly on knowledge. In the creative economy, the most important intellectual property is not software or music. It is the intellectual capital that resides in people. When the most vital assets are people, there can be no true ownership. The best that corporations can do is to create an environment that makes the best people want to stay.

**E-Commerce:** Electronic commerce (e-commerce) encompasses a very wide range of business activities and processes, from e-banking to offshore manufacturing to e-logistics. In fact, the ever-growing dependence of modern industries on electronically enabled business processes gave impetus to the growth and development of supporting systems, for example, broadband and fiber-optic networks, supply-chain management software, customer-relationship management software, inventory-control systems, and financial-accounting software. Whether it is business-to-business (B2B) or business-to-consumer (B2C), e-commerce is taking off, with annual sales now exceeding \$200 billion, up more than \$100 billion in the last three years.

AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #72  
Difficulty: Medium  
Learning Objective: 3

73. Explain at least three new organizational forms.  
(p. 15)

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 their implementation.

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 (nearshore), and far from their home countries (offshore).

AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #73  
Difficulty: Hard  
Learning Objective: 4

74. Write a short note on Six Sigma.  
(p. 17)

Six Sigma is one of the best known quality-management programs. Six Sigma originated at Motorola in 1986, and became a staple of corporate life in the 1990s after it was embraced by GE. Its goal is to reduce variability from a process (no more than 3.4 defects per million) in order to avoid errors (defects) and increase predictability. It is based on five steps: define, measure, analyze, improve, and control (or DMAIC). Originally invented as a way to improve quality, Six Sigma's main value to corporations today lies in its ability to save time and money. Yet there is an inherent tension between innovation and efficiency. Whereas process excellence demands precision, consistency, and repetition, innovation calls for variation, failure, and serendipity. As the emphasis shifts to today's idea-based, creative economy, Six Sigma may be less appropriate in companies like Google and 3M, which have the long-term strategy to dream up innovations.

AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #74  
Difficulty: Hard  
Learning Objective: 4

75. Define what is meant by quality of work life and list some aspects of successful QWL programs.  
(p. 24)

There are two ways of looking at what quality of work life (QWL) means. One way equates QWL with a set of objective organizational conditions and practices. The other way equates QWL 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 QWL 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 QWL 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 QWL—QWL will be defined in terms of employees' perceptions of their physical and mental well-being at work. In theory, QWL 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 varies by country.

AACSB: Reflective thinking  
Blooms: Comprehension  
Cascio - Chapter 01 #75  
Difficulty: Hard  
Learning Objective: 4

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?  
(p. 3)

Mass customization

AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #76  
Difficulty: Medium  
Learning Objective: 1

77. List at least three human resource aspects that greatly benefit from vendor HRIS applications (e.g., benefits enrollment).  
(p. 12)

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.

*AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #77  
Difficulty: Medium  
Learning Objective: 3*

78. List at least two jobs ideally suited for virtual workplaces.  
(p. 15)

Any two of the following: 1) sales, 2) marketing, 3) project engineering, 4) consulting.

*AACSB: Analytic  
Blooms: Comprehension  
Cascio - Chapter 01 #78  
Difficulty: Medium  
Learning Objective: 4*

79. What is productivity?  
(p. 22)

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.

*AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #79  
Difficulty: Medium  
Learning Objective: 4*

80. What does QWL stand for?  
(p. 24)

Quality of Work Life

*AACSB: Analytic  
Blooms: Knowledge  
Cascio - Chapter 01 #80  
Difficulty: Medium  
Learning Objective: 4*

## ch1 Summary

| <i>Category</i>            | <i># of Questions</i> |
|----------------------------|-----------------------|
| AACSB: Analytic            | 48                    |
| AACSB: Reflective thinking | 32                    |
| Blooms: Application        | 2                     |
| Blooms: Comprehension      | 28                    |
| Blooms: Knowledge          | 50                    |
| Cascio - Chapter 01        | 80                    |
| Difficulty: Easy           | 9                     |
| Difficulty: Hard           | 3                     |
| Difficulty: Medium         | 68                    |
| Learning Objective: 1      | 10                    |
| Learning Objective: 2      | 19                    |
| Learning Objective: 3      | 16                    |
| Learning Objective: 4      | 28                    |
| Learning Objective: 5      | 7                     |