

***Strategic Staffing, 3e (Phillips/Gully)***  
**Chapter 2 Business and Staffing Strategies**

1) Most companies can replicate a competitor's capabilities by imitating the competitor's staffing practices.

Answer: FALSE

Diff: 1

Skill: Concept

Objective: 2

2) Companies that use the same recruiting strategies are likely to experience similar results.

Answer: FALSE

Diff: 1

Skill: Concept

Objective: 2

3) A company using a low-cost strategy is least likely to embrace an asset-based philosophy.

Answer: FALSE

Diff: 2

Skill: Concept

Objective: 1

4) If a company has high turnover, it should focus on filling vacancies quickly and hiring people who can hit the ground running.

Answer: TRUE

Diff: 1

Skill: Concept

Objective: 5

5) Viewing employees as an asset to be managed generally leads to a low-cost approach to staffing.

Answer: TRUE

Diff: 1

Skill: Concept

Objective: 5

6) Valuing the ideas and contributions of people with diverse ideas and perspectives is a possible component of a company's talent philosophy.

Answer: TRUE

Diff: 2

Skill: Concept

Objective: 5

AACSB: Multicultural and diversity reasoning

7) When business slows down, flexible workers are dismissed before core workers.

Answer: TRUE

Diff: 2

Skill: Concept

Objective: 5

8) An internal talent focus requires a firm to invest in employee training and development.

Answer: TRUE

Diff: 2

Skill: Concept

Objective: 5

AACSB: Analytic skills

9) Organizations prefer to hire internally to enhance employee motivation and retention levels.

Answer: TRUE

Diff: 2

Skill: Concept

Objective: 5

10) External hiring reduces organizational diversity.

Answer: FALSE

Diff: 1

Skill: Concept

Objective: 5

AACSB: Multicultural and diversity reasoning

11) Proactive staffing is done in response to situations or issues.

Answer: FALSE

Diff: 1

Skill: Concept

Objective: 5

12) An organization evaluating its staffing practices in as a result of a hiring discrimination lawsuit, is an example of proactive staffing.

Answer: FALSE

Diff: 2

Skill: Concept

Objective: 3

~~AACSB: Analytic skills~~

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13) When labor markets are tight and good recruits are hard to find, organizations must pursue talent-oriented staffing.

Answer: TRUE

Diff: 2

Skill: Concept

Objective: 3

AACSB: Analytic skills

14) A staffing function is centralized when an organization that has multiple business units has one staffing unit that is responsible for meeting the critical needs of all of the company's business units.

Answer: TRUE

Diff: 1

Skill: Concept

Objective: 5

15) According to the resource-based view of the firm, in order to create value, staffing practices must \_\_\_\_\_.

A) imitate the practices followed by competitors

B) enhance the differentiation of the firm's products

C) rapidly create new products or services

D) maximize the number of applicants who are hired

Answer: B

Diff: 1

Skill: Concept

Objective: 2

16) Which of the following, if true, would uphold a company's sustainable competitive advantage in front of rival firms?

A) Workforce attributes encouraged by staffing practices are commonplace.

B) Strategic staffing practices are difficult to imitate.

C) Staffing practices have maximum substitutability.

D) The firm should take care not to exploit staffing practices.

Answer: B

Diff: 1

Skill: Concept

Objective: 2

17) Acquiring, developing, and retaining the right talent helps businesses create the organizational capability and intellectual capital driving their strategy execution.

Answer: TRUE

Difficulty 1

Skill: Concept

Objective

18) A company is successful at recruiting engineers by handing out flyers during community events near a university which is highly rated for its engineering program. The company's competitor effectively reaches the same audience by hanging banners at a similar event. This is an example of \_\_\_\_\_.

- A) substitutability
- B) value addition
- C) refutability
- D) inimitability

Answer: A

Diff: 2

Skill: Application

Objective: 2

AACSB: Analytic skills

19) Hiring people who are efficient, trainable, and willing to follow standardized procedures would support a(n) \_\_\_\_\_ competitive advantage.

- A) product leadership
- B) operational excellence
- C) customer intimacy
- D) training and development

Answer: B

Diff: 1

Skill: Concept

Objective: 1

20) Axis Auto tries to keep its operational spending as low as possible so that it can pass its savings on to customers in the form of lower prices. This is known as a \_\_\_\_\_ strategy.

- A) cost-leadership
- B) differentiation
- C) specialization
- D) growth

Answer: A

Diff: 1

Skill: Application

Objective: 1

21) Organizations relying on excellent organization performance would have what type of talent philosophy?

- A) viewing employees as assets
- B) viewing employees as investors
- C) keeping salaries as low as possible to control costs
- D) hiring as many people as possible

Answer: C

Diff: 1

Skill: Concept

Objective: 1

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22) With which of the following competitive advantages is cost less of a barrier in attracting top

talent for companies?

- A) product innovation
- B) cost leadership
- C) growth
- D) maturity

Answer: A

Diff: 1

Skill: Concept

Objective: 1

23) Independent bookstore Signature Books has been struggling to survive as sales declined sharply in the past year. Its main competitors are the large chain stores that have a much wider range of books and can afford to sell books at a discount, but online retailers are also eating into Signature's market. Signature Books focuses on a specialization strategy, focusing on foreign-language books and learning materials. Which of the following, if true, will support Signature's decision?

- A) Chain stores invest heavily in developing a customer-friendly style and atmosphere.
- B) Chain stores are the cost leaders in the category, as bulk buying and publisher discounts keep prices down.
- C) Online retailers have negligible operational costs as well as the price advantages of large chain stores.
- D) Chain stores stock mainly books of general interest, such as books by popular authors and self-help books.

Answer: D

Diff: 2

Skill: Critical thinking

Objective: 1

AACSB: Reflective thinking skills

24) Organic growth takes place when an organization \_\_\_\_\_.

- A) expands from within by opening new factories or stores
- B) acquires those companies with which it used to compete
- C) focuses on just one specific line of production
- D) branches into producing numerous other unrelated goods

Answer: A

Diff: 1

Skill: Concept

Objective: 1

25) When a firm pursues a differentiation strategy, it is attempting to \_\_\_\_\_.

- A) achieve the efficient production and delivery of products
- B) be the lowest-cost producer for a particular level of product quality
- C) expand the company to increase the firm's sales
- D) develop products that have unique characteristics

Answer: D

Diff: 1

Skill: Concept

Objective: 1

26) Hiring people who are learning-oriented, and who have good networking skills would support a \_\_\_\_\_ competitive advantage.

- A) product leadership
- B) operational excellence
- C) customer intimacy
- D) training and development

Answer: C

Diff: 1

Skill: Concept

Objective: 1

27) Hiring people who are entrepreneurial, creative, and have a high tolerance for ambiguity would support a \_\_\_\_\_ competitive advantage.

- A) product leadership
- B) operational excellence
- C) customer intimacy
- D) training and development

Answer: A

Diff: 1

Skill: Concept

Objective: 1

28) Promotions are likely to be fastest in organizations in the \_\_\_\_\_ stage of their life cycle.

- A) introduction
- B) growth
- C) maturity
- D) decline

Answer: B

Diff: 1

Skill: Concept

Objective: 1

29) Higher performers that are productive within a company can

- A) Generate a greater amount of business
  - B) Create new products
  - C. Recruit new employees
  - ~~D. Create a new strategy~~
- 

Answer: A

30) When viewing employees as assets, the staffing focus is on managing \_\_\_\_\_.

- A) performance
- B) costs
- C) hiring strategies
- D) existing employees

Answer: B

Diff: 1

Skill: Concept

Objective: 5

31) A software company has a high turnover rate. What staffing strategy would be most appropriate?

- A) hiring people with the potential to be promoted over a period of years
- B) hiring people quickly even if their skills are not as high as required
- C) slowing down the hiring process to try to find better recruits
- D) filling vacancies quickly with people who are able to perform with minimal job training

Answer: D

Diff: 2

Skill: Concept

Objective: 5

AACSB: Analytic skills

32) Compstar Limited establishes a mutually beneficial relationship in which employees are recognized as investing their resources, such as time or energy, in exchange for pay and benefits and an opportunity to develop their skills. This is an example of \_\_\_\_\_.

- A) viewing employees as assets
- B) a competitive disadvantage
- C) viewing employees as investors
- D) an innovation strategy

Answer: C

Diff: 2

Skill: Application

Objective: 5

AACSB: Analytic skills

33) When viewing applicants and employees as investors, the goal is to \_\_\_\_\_.

- A) be as selective as possible in choosing whom to hire
- B) ensure that the revenue generated by a new hire exceeds the new hire's total compensation level
- C) give applicants and employees a return on their personal contributions in the organization
- D) terminate the bottom performing 10% of employees every year

Answer: C

Diff: 1

Skill: Concept

Objective: 5

34) Which of the following, if true, would require a company to respectfully and honestly explain the hiring process to all applicants?

- A) The company is committed to practicing ethical behavior.
- B) The company views employees as investors.
- C) The company is solely interested in profit-making.
- D) The company views employees as assets.

Answer: A

Diff: 2

Skill: Concept

Objective: 5

35) Taking the time to explain the hiring process and making every effort to follow up with candidates and minimize delays is an example of \_\_\_\_\_.

- A) viewing applicants as assets
- B) a commitment to ethical behavior
- C) a commitment to diversity
- D) hiring for long-term careers

Answer: B

Diff: 1

Skill: Concept

Objective: 5

36) In which of the following cases would a company opt for a short-term staffing strategy?

- A) Employee turnover is high.
- B) Employee skill sets need to be developed through intensive training.
- C) Higher-level managers need a substantial amount of knowledge about how the company works.
- D) competitive advantage

Answer: A

Diff: 1

Skill: Concept

Objective: 5

37) Bella Vista Inc. needs to hire a new marketing manager after the former manager retired. The company recruited James Anderson, who was employed in Webster & Co., and offered him the job of manager. This is an example of \_\_\_\_\_.

- A) internal talent focus
- B) growth focus
- C) external talent focus
- D) competitive advantage

Answer: C

Diff: 1

Skill: Application

Objective: 5



38) Which of the following is compromised when retaining workers?

- A) creating a more loyal and committed workforce
- B) creating a workforce that has a better understanding of the company's processes
- C) decreasing staffing costs
- D) a regular infusion of new ideas and perspectives

Answer: D

Diff: 1

Skill: Concept

Objective: 5

39) Jen is the Human Resources manager for Bailey's, a large department store. A competitor, ShopWell, is scheduled to open nearby in a few months and Jen is afraid that some of her staff may quit and join ShopWell. To prevent this, Jen introduces a performance incentive program that will reward Bailey's highest-performing employees at the end of the year. This is an example of \_\_\_\_\_.

- A) replacement charting
- B) idiosyncratic staffing
- C) proactive staffing
- D) reactive staffing

Answer: C

Diff: 2

Skill: Application

Objective: 3

AACSB: Analytic skills

40) Idiosyncratic jobs are \_\_\_\_\_.

- A) created around a current or new employee's unique skills
- B) created to fill an immediate hiring need
- C) jobs that have been in an organization for over 20 years
- D) jobs that are at the entry-level only

Answer: A

Diff: 1

Skill: Concept

Objective: 3

41) To hire technical skills a company expects to need in six months, it would engage in \_\_\_\_\_.

- A) talent-oriented staffing
- B) reactive staffing
- C) idiosyncratic staffing
- D) job-oriented staffing

Answer: A

Diff: 1

Skill: Concept

Objective: 3

42) Ed Waters is a former CEO who was responsible for the dramatic turnaround of a food company. When Ed retired, Phil, the CEO of a travel agency, invited him to be a business consultant for the travel company, hoping that Ed's unusual strategies could work the same magic twice. Phil created a new designation and position in the company especially for Ed. This is an example of \_\_\_\_\_.

- A) talent-oriented staffing
- B) reactive staffing
- C) idiosyncratic staffing
- D) job-oriented staffing

Answer: C

Diff: 1

Skill: Concept

Objective: 4

43) A company that lets each of its business units staff in whatever way they choose and house their own staffing function, is an example of \_\_\_\_\_.

- A) delegation
- B) strategic staffing
- C) centralized staffing
- D) decentralized staffing

Answer: D

Diff: 1

Skill: Concept

Objective: 4

44) When a firm has a superior level of cooperation and innovation among its research team that allows it to design a new product two days faster than its competitors it has created a \_\_\_\_\_.

- A) human capital advantage
- B) talent maximization strategy
- C) human resource strategy
- D) human process advantage

Answer: D

Diff: 1

Skill: Concept

Objective: 4

45) Which of the following is true about external hiring?

- A) It sends employees the message that good performance can be rewarded with a promotion.
- B) It can enhance organizational diversity.
- C) Jobs can be filled faster than through internal hiring.
- D) External hires reinforce the organization's culture more than do internal hires.

Answer: B

Diff: 1

Skill: Concept

Objective: 4

46) Skylark Corporation produces apparel for women. The firm experienced a boom in the introduction phase of its life cycle due to the high-quality talent of its middle and top-level executives. Which of the following would help Skylark retain its competitive advantage in the present economic downturn?

- A) Repeating the old strategies that enabled the company to rise.
- B) Changing its process-related advantages for new strategies.
- C) Opening its doors to a flood of new employees as labor is cheap.
- D) Keeping existing employees satisfied and recruiting top talent.

Answer: D

Diff: 3

Skill: Critical thinking

Objective: 4

AACSB: Reflective thinking skills

47) Describe the resource-based view of the firm and how staffing can contribute to a company's sustainable competitive advantage.

Answer: Because it is an organization's people who are responsible for gaining and keeping a competitive advantage, hiring and retaining the right people are critical to business strategy execution. The resource-based view of the firm proposes that a company's resources and competencies can produce a sustained competitive advantage by creating value for customers by lowering costs, providing something of unique value, or some combination of the two. To create value, the hiring programs, policies and practices of an organization must either lower the costs of the organization's products or services; enhance the differentiation of the organization's products or services in the eyes of customers, or both. Staffing serves as a gatekeeper in influencing the level and composition of an organization's talent. This can add value to the organization through employees' competency levels, experience, judgment, social relationships, etc.

Human resources can be a source of competitive advantage because they meet the criteria for being a source of sustainable competitive advantage: they add value to the firm, are rare, cannot be imitated, and cannot easily be substituted with other things.

The resource-based view of the firm focuses attention on the quality of the skills of a company's workforce at various levels, and on the quality of the motivational climate created by management.

Diff: 2

Skill: Concept

Objective: 2

48) Describe the organizational and product life-cycle and explain how it can influence a firm's choice of strategy.

Answer: During the growth stage, new companies or products must set themselves apart from competitors to gain customers and market share. Growth companies often pursue innovation or differentiation strategies to distinguish themselves from their competition. Because they are less established and thus higher-risk employers, they often need to invest more money and resources in staffing to attract the talent they need to grow. Because they lack a large and strong internal talent pool and they need to add new employees as they grow, they frequently need to hire from outside the organization and tend to have an external talent focus.

During the maturity stage of a firm's life cycle, products and services have fully evolved, and the product's market share has become established. The focus now shifts to maintaining or obtaining further market share through cost leadership, often by streamlining operations and focusing on efficiency. Because mature companies have a larger pool of internal talent from which to draw, the talent focus becomes more internal.

Companies in decline are facing shrinking markets and weaker business performance. A company in decline can pursue a cost-leadership strategy and allow the decline to continue until the business is no longer profitable or it can try to make changes to revive the product or service. If it chooses to try to change its product or service, the firm typically adopts a specialization or differentiation strategy.

Diff: 2

Skill: Concept

Objective: 1

49) What is a firm's talent philosophy and how is it important to staffing?

Answer: An organization's talent philosophy is a system of beliefs about how its employees should be acquired and developed. A talent philosophy reflects how an organization thinks about its employees, and is typically shaped by its founders. For example, some organizations view employees as partners and key stakeholders in the company, while others view employees as more expendable and easily replaceable. A company's business strategy and talent philosophy jointly influence how a company interacts with its employees, which then affects how it decides to manage the movement of people into, through, and out of the company. A firm's staffing strategy ultimately reflects both its business strategy and its talent philosophy. If not created intentionally, a firm's talent philosophy develops on its own as the personal values of high-level managers are expressed in their hiring and talent management decisions and actions. Over time, these values and perspectives become those of the organization.

Diff: 2

Skill: Concept

Objective: 5

50) Explain when an organization would use talent-oriented rather than job-oriented staffing.

Answer: An organization would use job-oriented staffing when it needs to fill a specific job opening. It would pursue talent-oriented staffing when labor markets are tight and good recruits are hard to find, or to address anticipated skill gaps in advance of actual needs. This alternative philosophy encourages people within the firm to identify where its future skill gaps are going to be well in advance of its actual needs. This way the firm can inject a continuous stream of talent into the staffing pipeline to ensure there are always qualified people in various stages of the hiring process.

Diff: 2

Skill: Synthesis

Objective: 3

AACSB: Analytic skills

51) How should firms identify key jobs on which to focus additional attention and resources during the staffing effort?

Answer: All jobs do not warrant equal investment in recruitment or staffing activities. A company's key jobs are those that in some way create value for the organization by contributing to the generation or retention of clients' business or generating new capabilities or products for the organization. Whenever there is performance variability across people working in the same position, there is the potential to improve that position's contribution to the organization by raising the average performance level of those employees. For example, if some salespeople sell substantially more of a company's product than do others, staffing (as well as training) improvements may be identified that result in the hiring of a greater number of higher performing salespeople and fewer lower performing salespeople.

Firms must identify which capabilities are the most critical to establishing and maintaining a competitive advantage. An organization's capabilities include human resources, manufacturing, engineering, research and development, marketing, and management information systems. It must then identify which jobs and roles are critical to its competitive advantage. Focusing on strategic staffing and critical positions should help the company execute its business strategy and enhance its competitive advantage.

Diff: 2

Skill: Synthesis

Objective: 3

AACSB: Analytic skills