

Chapter 2: Strategy Driven Human Resource Management

Applying the Concept 2-1: The External Environment

Read each statement and write in the letter corresponding to the external environmental factor it refers to.

- a. customers
- b. competition
- c. suppliers
- d. labor force
- e. shareholders
- f. society
- g. technology
- h. the economy
- i. governments

1. The CEO was fired by the owners because our company is not profitable.

E. Shareholders. They own the company and appoint top managers.

2. GE wanted to acquire our company, but the SEC said that would be in violation of antitrust laws, thereby preventing the deal.

H. Governments. The government can stop mergers and acquisitions when it believes society will be harmed by the business transaction.

3. Karen bought a new oven that will cook our pizza in half the time and make it taste even better.

G. Technology. A new improved faster oven is a technology change.

4. eHarmony online dating service is losing some customers to other services focusing on Christian, African-American, and older people seeking matches.

B. E-Harmony has more competition now.

5. Our purchasing agent just closed a deal that will let us buy sugar for a few cents less per pound, saving us thousands of dollars per year.

I. Suppliers. The company purchases sugar from a supplier.

Applying the Concept 2-2: Writing Objectives

For each objective, write in the letter corresponding to which “must” criteria is not met.

- a. single result
- b. specific
- c. measurable
- d. target date

6. To start working out aerobically within a few weeks

D. Target date. What is the date by which the workouts will actually start?

7. To double ticket sales

D. Target date. By when will the objective be met, a day, months, years?

8. To sell 7% more sandwiches and 15% more chips in 2016
A. Single result. Put sales of each in separate objectives.
9. To decrease the number of sales returns by year end of 2016
B. Specific. By how much, one, 50, 100?
10. To be perceived as the best restaurant in the Boston area by 2017
C. Measurable. How will you know if you are perceived as the best or not?

Applying the Concept 2-3: Strategies

Identify which strategy is used by each brand or company listed and write the letter corresponding to the company's strategy by the company's name.

- a. cost leadership
 - b. differentiation
 - c. focus or niche
11. Gucci hand bags
B. Differentiation. iPhones are high priced differentiated smart phones.
12. *Bodybuilder* magazine
C. Focus. It focuses on selling to bodybuilders.
13. Rolex watches
C. Focus. It focuses on selling to wealthy people.
14. TOMS shoes
B. Differentiation. The TOMS logo differentiates it from other brands, and TOMS has a social mission of giving away free shoes for every pair you buy.
15. Target stores
A. Low cost. Walmart emphasizes low every day prices.

Applying the Concept 2-4: The Internal Environment

Identify which internal environmental factor is referred to in each statement and then write the letter corresponding to that factor before the statement.

- a. strategy
 - b. structure
 - c. culture
16. "At Victoria's Secret, we focus on selling clothes and other products to women."
A. Strategy. This is a focus strategy targeting women.
17. "At the SEC, we have several layers of management."
B. Structure. This statement refers to performing a formalization type of standard job.
18. "At Ford, quality is job one."
C. Culture. This is a statement regarding the value of quality.
19. "Walking around the office at Bank of America, I realized that I would have to wear a jacket and tie every day."

Lussier and Hendon, *Fundamentals of Human Resource Management*

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C. Culture. Everyone wearing a jacket and tie is a cultural aspect.

20. "I work in the production department at Ford, and she works in the marketing department."

B. Structure. Departments are part of the structure.