

## Chapter 2—Understanding the External and Organizational Environments

### MULTIPLE CHOICE

1. Reasons for the recent expansion of Chinese firms into the United State include all EXCEPT:
  - a. U.S. wages levels for manufacturing jobs have declined
  - b. Rising transportation costs
  - c. Changing economic conditions in both U.S. and China
  - d. Strong encouragement by Chinese political leaders
  - e. Approaching expiration of tax credits offered by U.S. state governments

ANS: E                      PTS: 1                      DIF: C                      REF: p.36-37  
 OBJ: Application      NAT: AACSB: Analytic | AACSB: Environmental Influence  
 TOP: The Strategic Importance of Understanding the External and Organizational Environments

2. The specific elements of the external environment include all EXCEPT:
  - a. economic conditions
  - b. labor markets
  - c. country cultures
  - d. human resources
  - e. the political landscape

ANS: A                      PTS: 1                      DIF: E                      REF: p.37  
 OBJ: Definition      NAT: AACSB: Analytic | AACSB: Environmental Influence  
 TOP: The Strategic Importance of Understanding the External and Organizational Environments

3. Factors involved in Deere & Company's organizational restructuring to compete in a changing and demanding global market included all EXCEPT:
  - a. a strong dealer network
  - b. loyal customers
  - c. a rich cultural heritage
  - d. strong margins
  - e. heavy assets

ANS: D                      PTS: 1                      DIF: C                      REF: p.37-38  
 OBJ: Application      NAT: AACSB: Analytic | AACSB: Environmental Influence  
 TOP: The Strategic Importance of Understanding the External and Organizational Environments

4. Which of the following is NOT a specific element of an organization's internal environment:
  - a. technology
  - b. company culture
  - c. business strategy
  - d. human resources
  - e. None of the above

ANS: D                      PTS: 1                      DIF: E                      REF: p.38  
 OBJ: Definition      NAT: AACSB: Analytic | AACSB: Environmental Influence  
 TOP: The Strategic Importance of Understanding the External and Organizational Environments

5. Which of the following is expected to learn to use advanced HRIS technologies and apply them to gain competitive advantage:
  - a. top management
  - b. middle management
  - c. line managers

- d. HR professionals
- e. employees

ANS: D                      PTS: 1                      DIF: M                      REF: p.39  
OBJ: Application    NAT: AACSB: Analytic | AACSB: Environmental Influence  
TOP: The HR Triad

6. The term "open market" refers to the:
- a. large number of jobs available to recent college graduates
  - b. ability of the average company to differentiate itself from its competitors in the marketplace
  - c. ease with which foreign competitors can enter the markets of other countries
  - d. ease with which a recent college graduate can enter the job market
  - e. ability of companies to merge with and acquire their competition within markets

ANS: C                      PTS: 1                      DIF: M                      REF: p.40  
OBJ: Definition    NAT: AACSB: Analytic | AACSB: Strategy  
TOP: Economic Globalization

7. Reliable Packaging, which has competed on cost for several years, has found itself losing market share because of the cost-cutting initiatives from its competitors. In order to survive, Reliable Packaging should consider:
- a. replacing its top management team
  - b. firing employees
  - c. changing its technology
  - d. changing the location of its firm
  - e. diversifying into industries where cost pressures are less severe

ANS: E  
Although many of these may seem practical, all except E are desperate solutions.

PTS: 1                      DIF: C                      REF: p.40                      OBJ: Application  
NAT: AACSB: Analytic | AACSB: Strategy                      TOP: Economic Globalization

8. Polartec relies on its \_\_\_\_\_ to remain competitive in its markets.
- a. ability to compete with low-cost labor in other countries
  - b. knowledge resources and research capabilities
  - c. prime market location
  - d. lower costs due to outsourcing
  - e. All of the above

ANS: B                      PTS: 1                      DIF: C                      REF: p.40  
OBJ: Application    NAT: AACSB: Analytic | AACSB: Strategy  
TOP: Economic Globalization

9. Changes that are shaping HR practices at IBM include:
- a. shifting jobs offshore
  - b. establishing jobs in new locations
  - c. moving to low-cost labor
  - d. going where there is low-cost competition
  - e. All of the above

ANS: E                      PTS: 1                      DIF: C                      REF: p.40-41  
OBJ: Application    NAT: AACSB: Analytic | AACSB: Strategy  
TOP: Economic Globalization



OBJ: Comprehensive  
TOP: Economic Globalization

NAT: AACSB: Analytic | AACSB: Creation of Value

15. Which of the following statements about the Central American Free Trade Agreement (CAFTA) is true?
- The countries that belong to the CAFTA have similar political environments.
  - The countries that belong to the CAFTA have very similar cultures.
  - CAFTA participating countries responded to the creation of NAFTA by establishing a free-trade zone that excluded the U.S. and Canada.
  - The countries that belong to the CAFTA have declined to consider further expansion of its free-trade zone in the Western Hemisphere.
  - None of the above are true.

ANS: E                      PTS: 1                      DIF: C                      REF: p.43

OBJ: Comprehensive

NAT: AACSB: Analytic | AACSB: Environmental Influence                      TOP: Economic Globalization

16. Which of the following statements about the European Union (EU) is true?
- EU-member countries have similar political environments.
  - EU-member countries have very similar cultures.
  - EU-member countries make up the largest economic zone in the world.
  - EU-member countries have nearly identical unemployment rates.
  - EU-member countries have stronger employee privacy protection policies compared to U.S. regulations.

ANS: E                      PTS: 1                      DIF: M                      REF: p.43

OBJ: Comprehensive

NAT: AACSB: Analytic | AACSB: Environmental Influence                      TOP: Economic Globalization

17. Which of the following statements about the Association of Southeast Asian Nations (ASEAN) is NOT true?
- ASEAN-member countries have dissimilar political environments.
  - ASEAN-member countries have very dissimilar cultures.
  - ASEAN-member countries make up the third-largest free trade zone in the world.
  - ASEAN-member countries are also members of APEC.
  - ASEAN-member countries have excluded China from membership for its refusal to remove its tariffs on goods from member countries.

ANS: E                      PTS: 1                      DIF: C                      REF: p.43-44

OBJ: Comprehensive

NAT: AACSB: Analytic | AACSB: Environmental Influence                      TOP: Economic Globalization

18. The International Labor Organization, Social Accountability International and the World Trade Organization are examples of \_\_\_\_.
- agencies of the United Nations
  - nongovernmental organizations
  - anticapitalistic movements
  - agencies of the European Union
  - intergovernmental groups created by NAFTA

ANS: B                      PTS: 1                      DIF: E                      REF: p.44

OBJ: Definition                      NAT: AACSB: Analytic | AACSB: Environmental Influence

TOP: The Political Landscape

19. State Health Alliance, a chain of eight hospitals, wants to undergo the SA8000 certification process for Social Accountability International (SAI). This will require the hospital chain to do all of the following EXCEPT:
- to voluntarily undergo an intensive audit
  - to permit scheduled and unscheduled inspections
  - to contribute to the funding of SAI-sponsored ethics and sustainability causes
  - to comply with child labor, forced labor, and employee health and safety standards.
  - All of the above are required for SA800 certification

ANS: C                      PTS: 1                      DIF: M                      REF: p.44  
OBJ: Definition      NAT: AACSB: Analytic | AACSB: Environmental Influence  
TOP: The Political Landscape

20. \_\_\_\_\_ is intended to provide a forum for members to conduct trade negotiations and settle trade disputes, as well as the only global entity able to enforce decisions in its own court.
- OPEC
  - International Labor Organization (ILO)
  - World Trade Organization (WTO)
  - North American Free Trade Association (NAFTA)
  - European Union (EU)

ANS: C                      PTS: 1                      DIF: E                      REF: p.45  
OBJ: Definition      NAT: AACSB: Analytic | AACSB: Environmental Influence  
TOP: The Political Landscape

21. Which of the following tactics were used by watchdogs and activist groups in trying to change BP's corporate practices after its *Deepwater Horizon* drilling rig exploded:
- Creating a Facebook page promoting a boycott of BP
  - Collecting signatures from persons pledging not to buy BP products
  - Distributing bumper stickers focusing on the environmental damage that resulted from the oil spill
  - All of the above
  - a and b only

ANS: D                      PTS: 1                      DIF: M                      REF: p.45  
OBJ: Definition      NAT: AACSB: Analytic | AACSB: Environmental Influence  
TOP: The Political Landscape

22. Anticipated changes in the U.S. labor in the next 20 years include:
- slowed growth
  - a decrease in skills availability
  - greater competition for employees
  - increased dependence on migrants
  - all of the above

ANS: E                      PTS: 1                      DIF: M                      REF: p.45  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Environmental Influence      TOP: Labor Markets

23. Which of the following statements BEST describes the global labor market?
- There is no shortage of potential employees in the global labor market.
  - Most U.S. companies find that there is no better work force anywhere in the world than they can find at home.
  - The global work force is not as well educated as the U.S. workforce.
  - Employers find few, if any, college educated students in developing countries.

e. All of the above statements describing the global labor market are true.

ANS: A                      PTS: 1                      DIF: M                      REF: p.47-50  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Environmental Influence                      TOP: Labor Markets

24. Which of the following costs of the AIDS epidemic is a concern for employers evaluating whether to rely on workers in India and China as part of their future workforce?
- Medical care for affected employees
  - Benefits payments to employees and their families
  - Accidents due to ill workers and inexperienced replacements
  - Depressed morale
  - All of the above are legitimate concerns

ANS: E                      PTS: 1                      DIF: M                      REF: p.49-50  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Environmental Influence                      TOP: Labor Markets

25. The forces pressuring U.S. companies to globalize have affected all of the following human resources areas EXCEPT:
- computer technology
  - work design
  - management styles
  - staffing
  - compensation

ANS: A                      PTS: 1                      DIF: E                      REF: p.50-52  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Environmental Influence                      TOP: Country Cultures

26. Which of the following events is likely to challenge a company's ability to manage diversity?
- A U.S. company decides to set up manufacturing facilities in Mexico.
  - A company with a decidedly participative style of management merges with one that has an autocratic leader.
  - A company in Buffalo, NY hires 40 computer technicians from Quebec, Canada.
  - A Massachusetts investment company decides to open an office near Mississippi casinos.
  - In all of the above situations, the human resource department will have to manage diversity.

ANS: E                      PTS: 1                      DIF: E                      REF: p.50-52  
OBJ: Application                      NAT: AACSB: Analytic | AACSB: HRM  
TOP: Country Cultures

27. Which of the following statements about managing in the global arena is true?
- Managers have to realize that culture shapes the preferences and behaviors of their stakeholders.
  - A successfully managed company can export its method of management to another culture and correctly expect to be successful there.
  - A good manager will still make good decision even if he is working in a culture he does not understand.
  - Managers in a culture that is individualistic must only give indirect feedback if they want to be accepted in a supervisory position.
  - Managers need to realize that as soon as an individual crosses from one country to another, the culture has changed.

ANS: A                    PTS: 1                    DIF: C                    REF: p.50-52  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Environmental Influence      TOP: Country Cultures

28. The forces pressuring U.S. companies to globalize have many implications for managing human resources. Cultural differences are reflected the differences in HR policies adopted by employers in which of the following areas:
- standardization of accounting practices
  - translation of sales presentations
  - use of incentive pay to motivate workers
  - gathering of global competitive data
  - monitoring of near-term economic and social environments

ANS: C                    PTS: 1                    DIF: M                    REF: p.51  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Environmental Influence      TOP: Country Cultures

29. Geert Hofstede's research shows that different societies encourage and reward different behaviors. According to the Dimensions for Comparing National Cultures (Exhibit 2.7) which of the following countries most values a performance orientation (performance improvements and excellence, acceptance of feedback)?
- Russia
  - Argentina
  - Singapore
  - Denmark
  - Kuwait

ANS: C                    PTS: 1                    DIF: C                    REF: p.52  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Environmental Influence      TOP: Country Cultures

30. Which of the following statements about the age of factories and mass production technologies is true?
- At the turn of the 20<sup>th</sup> century, people were eager to move to the city and work in factories.
  - Job satisfaction was so great during this period that income was not a great motivator.
  - Employees arrived at their factory jobs with most of the skills they needed to operate the machines.
  - Factories were the first types of organizations that required human resource management.
  - None of the above statements about the age of factories and mass production technologies is true.

ANS: E                    PTS: 1                    DIF: C                    REF: p.53  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: HRM  
TOP: Technology

31. Which of the following statements about the use of computers at the New Balance athletic shoe factory in Maine is true?
- Skilled employees are using sophisticated computer technology to produce shoes faster than most overseas competitors are producing shoes using low-tech workers.
  - Production rates are expected to decrease unless New Balance can find enough domestic workers
  - Originally, New Balance used computer technology purely for record keeping.
  - It is easy to predict how computer technology will impact New Balance employees.
  - New Balance will never be able to use expert computer systems because the shoe industry is so labor intensive and low tech.

ANS: A                    PTS: 1                    DIF: C                    REF: p.53  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Operations Management                    TOP: Technology

32. Certain businesses are much more adept at taking full advantage of computer technology. Which of the following businesses would you expect to be the most adept at using computer technologies?
- day-care center
  - landscaping service
  - janitorial service
  - pet boarding kennel
  - medical services

ANS: E                    PTS: 1                    DIF: M                    REF: p.53-54  
OBJ: Application                    NAT: AACSB: Analytic | AACSB: Operations Management  
TOP: Technology

33. What was central to implementing YRC's customer-focused strategy?
- a merger with another firm
  - sophisticated technologies
  - the decision to globalize
  - a change in the economy
  - none of the above

ANS: B                    PTS: 1                    DIF: E                    REF: p.54  
OBJ: Comprehensive                    NAT: AACSB: Analytic | AACSB: Strategy  
TOP: Technology

34. Which of the following is a reason for using mobile devices to help manage employees more effectively?
- Manage their global workforce
  - Increase operational efficiency
  - Meet expectations of multiple generations in the workforce
  - All of the above
  - Only a and c

ANS: D                    PTS: 1                    DIF: M                    REF: p.54  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Operations Management                    TOP: Technology

35. Which of the following is NOT a reason for using applications (apps) on mobile phones to deliver a variety of HR services?
- Provide information to job applicants
  - Offer short training modules
  - Manage interview schedules
  - Coordinate work arrangements
  - Provide notification of permanent layoff

ANS: E                    PTS: 1                    DIF: M                    REF: p.54  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Operations Management                    TOP: Technology



36. Although pork is becoming an increasingly popular meat, most people don't realize that pork meat is tough. Pork processors can tenderize the meat, but there is a problem with testing for tenderness. One international meat processing firm has tasked a group with finding an inexpensive method of testing tenderness. The project has been assigned to the firm's employees in Brazil, Canada, Germany, and the U.S. These people communicate via computers. This group will not work together once they find a solution. This is an example of:
- autonomous technology
  - a strategic alliance
  - an interconnected network
  - a virtual workforce (team)
  - job rotation

ANS: D                      PTS: 1                      DIF: M                      REF: p.54-55  
OBJ: Application      NAT: AACSB: Analytic | AACSB: Group Dynamics  
TOP: Technology

37. The employees of a national media, advertising, and publicity firm could be described as a virtual workforce because:
- they have the ability to communicate using e-mail with all other employees.
  - they use a type of groupware commonly used in their industry.
  - they work at home without managerial supervision.
  - so few employees are needed.
  - they are geographically dispersed yet able to work in electronically connected teams.

ANS: E                      PTS: 1                      DIF: E                      REF: p.54-55  
OBJ: Definition      NAT: AACSB: Analytic | AACSB: Group Dynamics  
TOP: Technology

38. Which of the following statements about a human resource information system (HRIS) is true?
- Allow employees to access general information (e.g., policies, procedures, company events) using a company intranet.
  - Allow employees and managers to enter performance data, display and analyze it for trends over time, and use the data as input for both the employee's personal development plan and the organization's longer-term workforce and succession planning.
  - Make it easy to communicate a company's values and strategy to all employees, regardless of their location.
  - Make it easy for firms to design and implement HR policies and practices that are common across different cultures.
  - All of the above statements are true.

ANS: E                      PTS: 1                      DIF: M                      REF: p.55  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Information Technologies      TOP: Technology

39. A human resource information system (HRIS):
- is used to gather, analyze, and distribute information about the people in an organization
  - contains information about the organizations' internal and external environments
  - is used to keep current with the needs of the organizations' stakeholders
  - provides information about competitors' HR practices
  - checks to see if environmental practices are in line with federal government regulations

ANS: A                      PTS: 1                      DIF: E                      REF: p.55  
OBJ: Definition      NAT: AACSB: Analytic | AACSB: Information Technologies  
TOP: Technology

40. Electronic human resource management (e-HRM):
- is useful for connecting employees who might otherwise never meet each other
  - helps organizations develop a strategy for how to use social networking technologies to improve employee performance and satisfaction
  - refers to the use of IT for conducting HRM activities and for social networking among employees
  - appeals to Millennial employees.
  - All of these are

ANS: E                      PTS: 1                      DIF: E                      REF: p.55-56  
OBJ: Definition      NAT: AACSB: Analytic | AACSB: Communication  
TOP: Technology

41. Going from most specific to least specific, which of the following orderings best describes company leadership?
- Vision, mission, values
  - Mission, values, vision
  - Mission, vision, values
  - Values, mission, vision
  - Values, vision, mission

ANS: D                      PTS: 1                      DIF: M                      REF: p.56-58  
OBJ: Definition      NAT: AACSB: Analytic | AACSB: Strategy  
TOP: Company Cultures

42. Company subcultures:
- are common in international firms
  - are likely to disappear after a merger or acquisition
  - seldom emerge among employees in different divisions, occupations, or demographic groups
  - cannot peacefully coexist with the overall company culture
  - all of the above

ANS: A                      PTS: 1                      DIF: M                      REF: p.59  
OBJ: Comprehensive      NAT: AACSB: Analytic | AACSB: Group Dynamics  
TOP: Company Cultures

43. P&G operates many different divisions to sell its various consumer brands. Jif peanut butter is one of the many products made by P&G. Imagine that P&G decided that Jif peanut butter should be the peanut butter served in 80% of the school districts in the Southeastern U.S. by the end of 2009. For P&G this would be an example of a(n):
- corporate strategy
  - operational goal
  - tactical goal
  - business strategy
  - functional strategy

ANS: D                      PTS: 1                      DIF: M                      REF: p.60  
OBJ: Application      NAT: AACSB: Analytic | AACSB: Strategy  
TOP: Business Strategies

44. A Virginia-based manufacturer of engine parts decided it wanted to compete on quality about 10 years ago. Since then it has adopted all of the following practices EXCEPT:
- Total Quality Management (TQM)
  - ISO 9000 certification

- c. Six Sigma procedures
- d. MNC Quality Classification
- e. All of these can be adopted

ANS: D                    PTS: 1                    DIF: M                    REF: p.60-61  
 OBJ: Application    NAT: AACSB: Analytic | AACSB: Strategy  
 TOP: Business Strategies

45. What is a major HR reason for the failure of many mergers and acquisitions?
- a. government involvement
  - b. differences in corporate culture
  - c. competitive reaction
  - d. unpredictability of external environment
  - e. economic shortcomings

ANS: B                    PTS: 1                    DIF: M                    REF: p.64  
 OBJ: Comprehensive                    NAT: AACSB: Analytic | AACSB: HRM  
 TOP: Current Issues

**TRUE/FALSE**

1. The organizational environment refers to conditions within the organization itself.

ANS: T                    PTS: 1                    DIF: E                    REF: p.38  
 OBJ: Definition    NAT: AACSB: Analytic | AACSB: Environmental Influence  
 TOP: The Strategic Importance of Understanding the External and Organizational Environments

2. Components of the external environment are highly interdependent, while components of the internal environment are highly independent.

ANS: F                    PTS: 1                    DIF: M                    REF: p.38  
 OBJ: Comprehensive  
 NAT: AACSB: Analytic | AACSB: Environmental Influence  
 TOP: The Strategic Importance of Understanding the External and Organizational Environments

3. Globalization always results in improvements for all workers.

ANS: F                    PTS: 1                    DIF: M                    REF: p.40-44  
 OBJ: Comprehensive  
 NAT: AACSB: Analytic | AACSB: Environmental Influence    TOP: Economic Globalization

4. Following passage of the North American Free Trade Act (NAFTA), the average wages rose in towns on both sides of the Mexico-U.S. border.

ANS: T                    PTS: 1                    DIF: M                    REF: p.43  
 OBJ: Comprehensive  
 NAT: AACSB: Analytic | AACSB: Environmental Influence    TOP: Economic Globalization

5. For internal political and security reasons, European Union policies provide employees in its member countries with considerably less personal privacy protection as compared to regulations imposed on U.S. companies.

ANS: F                    PTS: 1                    DIF: E                    REF: p.43  
 OBJ: Definition    NAT: AACSB: Analytic | AACSB: Environmental Influence

TOP: Economic Globalization

6. Members of NGOs generally have no official authority to impose rules of business conduct.

ANS: T                      PTS: 1                      DIF: E                      REF: p.44  
OBJ: Definition      NAT: AACSB: Analytic | AACSB: Ethical Responsibilities  
TOP: The Political Landscape

7. Social Accountability International (SAI) formulates international labor standards regarding the right to organize, collective bargaining, forced labor, equality of opportunity and treatment, safety and health, and an array of other working conditions.

ANS: F                      PTS: 1                      DIF: M                      REF: p.44  
OBJ: Comprehensive                      NAT: AACSB: Analytic | AACSB: Strategy  
TOP: Political Landscape

8. The World Trade Organization (WTO) is the most inclusive international trade organization, and yet it is the only global body unable to enforce decisions through its own court.

ANS: F                      PTS: 1                      DIF: M                      REF: p.45  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Legal Responsibilities                      TOP: Political Landscape

9. It is believed that the U.S. labor market will experience a dramatic change over the next 20 years due to the rapid decline of its multigenerational workplace.

ANS: F                      PTS: 1                      DIF: M                      REF: p.45  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Environmental Influence                      TOP: Labor Markets

10. Immigrant workers are more likely to be employed in professional specialty occupations and are underrepresented in occupations that do not require a high school education.

ANS: F                      PTS: 1                      DIF: M                      REF: p.47  
OBJ: Comprehensive  
NAT: AACSB: Analytic | AACSB: Environmental Influence                      TOP: Labor Markets

## SHORT ANSWER

1. List the three members of the HR triad.

ANS:  
Line managers, HR professionals, and all other employees

PTS: 1                      DIF: E                      REF: p.38-39                      OBJ: Definition  
NAT: AACSB: Reflective Thinking | AACSB: Group Dynamics  
TOP: The HR Triad

2. What has been the effect of open markets and globalization on U.S. domestic business markets?

ANS:

An open market means that U.S. domestic firms face fierce competition in the United States from foreign firms. The intense pressure from foreign competitors threatens to put some domestic producers out of business.

PTS: 1                    DIF: M                    REF: p.40                    OBJ: Comprehensive  
NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence  
TOP: Economic Globalization

3. Why do U.S. companies actively recruit and hire so many foreign employees?

ANS:

There is a lack of skilled labor in the U.S.

PTS: 1                    DIF: E                    REF: p.45-48                    OBJ: Comprehensive  
NAT: AACSB: Reflective Thinking | AACSB: HRM                    TOP: Labor Markets

4. What is the commonly accepted definition of technology?

ANS:

The process of making and using tools and equipment plus the knowledge used in this process

PTS: 1                    DIF: E                    REF: p.52                    OBJ: Definition  
NAT: AACSB: Reflective Thinking | AACSB: Information Technologies  
TOP: Technology

5. What is a human resource information system (HRIS)?

ANS:

When computer technologies are used to gather, analyze, and distribute information about job applicants and employees, the resulting system is referred to as a human resource information system (HRIS).

PTS: 1                    DIF: E                    REF: p.55                    OBJ: Definition  
NAT: AACSB: Reflective Thinking | AACSB: Information Technologies  
TOP: Technology

## ESSAY

1. What are maquiladoras? What impact have they had on the economic landscape?

ANS:

Maquiladoras are U.S.-owned manufacturing plants on the Mexican side of the U.S.-Mexico border. This has moved low-skill, low-wage jobs from the U.S. to Mexico. They have increased unemployment levels in the U.S. border towns and have caused average wages on both sides of the border to rise.

PTS: 1                    DIF: M                    REF: p.43                    OBJ: Comprehensive  
NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence  
TOP: Economic Globalization

2. What are the causes of the skills shortage in the domestic workforce that is expected to plague U.S. employers in the new economy?

ANS:

The slow growth of the domestic labor market means that many employers cannot find enough workers with the needed high-tech skills. Enrollments in college science and engineering programs have been dropping steadily during the past two decades. American students rank low on math and science and are just average in reading, raising questions about the quality of the education that they are receiving. The retirement of the Baby Boomers is another reason that many companies face looming skills shortages, and the loss of experiential expertise and institutional knowledge.

PTS: 1                    DIF: C                    REF: p.46-47                    OBJ: Comprehensive  
NAT: AACSB: Reflective Thinking | AACSB: HRM                    TOP: Labor Markets

3. Discuss the virtual workforce.

ANS:

The virtual workforce questions the concept that people who work together need to be together. In order to use the ideas and skills of a geographically dispersed workforce, companies are using electronically connected teams that will work together for as long as needed. Computer technology has made this virtual workforce a reality.

PTS: 1                    DIF: M                    REF: p.54-55                    OBJ: Comprehensive  
NAT: AACSB: Reflective Thinking | AACSB: Group Dynamics  
TOP: Technology

4. What are the drawbacks to adopting virtual workforce arrangements?

ANS:

Employees working under such arrangements may feel isolated and detached from their employer. If their actions are closely monitored electronically, their morale may suffer. If they have not been properly trained in the use of IT, their insensitive electronic interactions with others may create misunderstandings or resentment among coworkers or even clients.

PTS: 1                    DIF: M                    REF: p.55                    OBJ: Comprehensive  
NAT: AACSB: Reflective Thinking | AACSB: Group Dynamics  
TOP: Technology

5. Why are HR policies and practices important in the development of company cultures?

ANS:

HR policies and practices contribute to the development of a strong company culture when they are aligned with and support a firm's strategic direction. Human resource professionals help organizations build strong cultures by developing HR policies to ensure that everyone behaves in ways that are consistent with the corporate vision, mission, and values.

PTS: 1                    DIF: M                    REF: p.56-57                    OBJ: Comprehensive  
NAT: AACSB: Reflective Thinking | AACSB: Group Dynamics  
TOP: Company Cultures