

## Chapter 2

### Multiple Choice

1. Which of the following is true about a learning organization?
  - a. A learning organization discourages learning at the group and organizational levels.
  - b. A learning organization restricts employees from experimenting with products and services.
  - c. In a learning organization, employees learn from failure and from successes.
  - d. In a learning organization, employees are discouraged from asking questions and admitting mistakes.

Answer: C

Difficulty Level: Easy

2. The strategic training and development process begins with:
  - a. choosing strategic training and development initiatives.
  - b. identifying the business strategy.
  - c. developing websites for knowledge sharing.
  - d. identifying measures or metrics.

Answer: B

Difficulty Level: Easy

3. The final step of the strategic training and development process involves:
  - a. choosing strategic training and development initiatives.
  - b. identifying the business strategy.
  - c. identifying measures or metrics.
  - d. creating concrete training and development activities.

Answer: C

Difficulty Level: Easy

4. \_\_\_\_\_ typically includes information on the customers served, why the company exists, what the company does, the value received by the customers, and the technology used.
  - a. Balanced scorecard
  - b. Vision
  - c. Mission
  - d. Code of conduct

Answer: C

Difficulty Level: Easy

5. A SWOT analysis is typically conducted in the \_\_\_\_\_ step of the strategic training and development process.
  - a. business strategy formulation and identification

- b. strategic training and development initiatives
- c. training and development activities
- d. measures or metrics identification

Answer: A

Difficulty Level: Easy

6. \_\_\_\_\_ involves examining a company's operating environment to identify opportunities and threats.
- a. Internal analysis
  - b. Gap analysis
  - c. External analysis
  - d. Pareto analysis

Answer: C

Difficulty Level: Easy

7. Which of the following is true with regard to SWOT analysis?
- a. In a SWOT analysis, external analysis attempts to identify the company's strengths and weaknesses.
  - b. A SWOT analysis represents the strategy believed to be the best alternative to achieve the company goals.
  - c. A SWOT analysis is typically conducted in the strategic training and development initiatives identification step of the strategic training and development process.
  - d. A SWOT analysis provides a company the information needed to generate several alternative business strategies and make a strategic choice.

Answer: D

Difficulty Level: Medium

8. Business-level outcomes chosen to measure the overall value of training or learning initiatives are referred to as \_\_\_\_\_.
- a. values
  - b. goals
  - c. business strategies
  - d. metrics

Answer: D

Difficulty Level: Easy

9. The \_\_\_\_\_ considers four different perspectives: customer, internal, innovation and learning, and financial.
- a. SWOT analysis
  - b. value chain analysis
  - c. BCG matrix
  - d. balanced scorecard

Answer: D

Difficulty Level: Easy

10. Which of the following is true of roles of managers?
- a. Line managers spend lesser time managing individual performance and developing employees than midlevel managers or executives do.
  - b. Midlevel managers or executives are not involved in planning and allocating resources, coordinating interdependent groups, and managing change.
  - c. The roles that managers have in a company do not influence the focus of training development, and learning activity.
  - d. Regardless of their level in a company, all managers are expected to serve as spokespersons to other work units, managers, and vendors.

Answer: D

Difficulty Level: Medium

11. As a marketing agent, the CEO of a company is responsible for:
- a. promoting the company's commitment to learning by advocating it in speeches, annual reports, interviews, and other public relations tools.
  - b. serving as a role model for learning for the entire company and demonstrating a willingness to learn constantly.
  - c. taking an active role in governing learning, including reviewing goals and objectives and providing insight on how to measure training effectiveness.
  - d. developing new learning programs for the company and providing resources online.

Answer: A

Difficulty Level: Medium

12. \_\_\_\_\_ refers to the company's decisions regarding where to find employees, how to select them, and the desired mix of employee skills and statuses.
- a. Concentration strategy
  - b. Staffing strategy
  - c. External growth strategy
  - d. Disinvestment strategy

Answer: B

Difficulty Level: Easy

13. Companies that emphasize innovation and creativity are labeled as \_\_\_\_\_.
- a. clubs
  - b. academies
  - c. fortresses
  - d. baseball teams

Answer: D

Difficulty Level: Easy

14. In \_\_\_\_\_, financial and other resources are not available for development so companies tend to rely on hiring talent from the external labor market.
- a. clubs
  - b. fortresses
  - c. baseball teams
  - d. academies

Answer: B

Difficulty Level: Easy

15. Uniqueness refers to:
- a. the employee potential to improve company effectiveness and efficiency.
  - b. the extent to which training and learning is centralized in an organization.
  - c. the extent to which employees are rare and specialized and not highly available in the labor market.
  - d. the picture of the future an organization wants to achieve.

Answer: C

Difficulty Level: Medium

16. Job-based employees are characterized by:
- a. high value and high uniqueness.
  - b. high value and low uniqueness.
  - c. low value and low uniqueness.
  - d. low value and high uniqueness.

Answer: B

Difficulty Level: Easy

17. Which of the following positions is characterized by high value and low uniqueness?
- a. Lab technician
  - b. Scientist
  - c. Secretarial staff
  - d. Legal adviser

Answer: A

Difficulty Level: Medium

18. Companies adopting the \_\_\_\_\_ strategy need to train employees in job-search skills and to focus on cross-training remaining employees.
- a. concentration
  - b. disinvestment
  - c. external growth
  - d. internal growth

Answer: B

Difficulty Level: Easy

19. A(n) \_\_\_\_\_ strategy focuses on new market and product development, innovation, and joint ventures.
- disinvestment
  - privatization
  - external growth
  - internal growth

Answer: D

Difficulty Level: Easy

20. Development of organizational culture that values creative thinking and analysis is typically the training implication of the \_\_\_\_\_ strategy.
- concentration
  - disinvestment
  - internal growth
  - external growth

Answer: C

Difficulty Level: Easy

21. Which of the following is true of centralized training?
- Centralized training function helps drive stronger alignment with business strategy.
  - In centralized training, training and development programs, resources, and professionals are housed in a number of different locations and decisions about training investment, programs, and delivery methods are made from those departments.
  - A centralized training function hinders the development of a common set of metrics or scorecards to measure and report rates of quality and delivery.
  - A centralized training function is largely ineffective in assisting companies manage talent with training and learning during times of change.

Answer: A

Difficulty Level: Medium

22. Which of the following is true of the corporate university model?
- The model allows a company to gain the advantages of decentralized training.
  - The client group includes stakeholders outside the company.
  - Corporate universities do not facilitate the use of new technology.
  - The model is characterized by five competencies: strategic direction, product design, structural versatility, product delivery, and accountability for results.

Answer: B

Difficulty Level: Medium

23. Which of the following is true of the business-embedded (BE) model?
- a. The BE function is customer-focused.
  - b. A BE training function views trainees as marketers.
  - c. A BE training function does not guarantee that training will improve performance.
  - d. Training functions organized by the BE model does not involve line managers.

Answer: A

Difficulty Level: Medium

24. Seth Mason, a product manager working in a manufacturing firm, is highly anxious about change. When the top management of Mason's firm made it mandatory for all product managers to undergo a series of skills trainings, he told his superior that he would be uncomfortable with the process. He added that he was certain of not being able to cope with the new developments. In this instance, Seth Mason is demonstrating \_\_\_\_\_.
- a. indifference to change
  - b. uniqueness
  - c. resistance to change
  - d. loss of control

Answer: C

Difficulty Level: Hard

25. \_\_\_\_\_ relates change to managers' and employees' ability to obtain and distribute valuable resources such as data, information, or money.
- a. Power
  - b. Control
  - c. Vision
  - d. Outsourcing

Answer: B

Difficulty Level: Easy

26. GreenTel, a telecom giant, has been using the service of Orpheus Inc. for training its employees. According to a deal signed by the two companies, Orpheus Inc. is not only responsible for training GreenTel's employees but also for providing comprehensive administrative services to the telecom giant. In this instance, GreenTel engages in \_\_\_\_\_.
- a. task redefinition
  - b. internal analysis
  - c. disinvestment
  - d. outsourcing

Answer: D

Difficulty Level: Hard

**True/ False**

1. Learning organizations emphasize that learning occurs not only at the individual employee level but also at the group and organizational levels.
  - a. True
  - b. False

Answer: A

Difficulty Level: Easy

2. In learning organizations, there is an understanding that failure provides important information.
  - a. True
  - b. False

Answer: A

Difficulty Level: Easy

3. Tacit knowledge developed through experience and shared through interactions between employees is easy to imitate.
  - a. True
  - b. False

Answer: B

Difficulty Level: Easy

4. Companies need to restrict learning to classrooms in order to competently help employees acquire knowledge and skills.
  - a. True
  - b. False

Answer: B

Difficulty Level: Easy

5. Internal analysis involves examining the operating environment to identify opportunities and threats.
  - a. True
  - b. False

Answer: B

Difficulty Level: Easy

6. The strategic training and development initiatives vary by company depending on a company's industry, goals, resources, and capabilities.
  - a. True
  - b. False

Answer: A

Difficulty Level: Easy

7. The process of identifying and collecting metrics is unrelated to training evaluation.
- a. True
  - b. False

Answer: B

Difficulty Level: Easy

8. Emphasis on the creation of intellectual capital and the movement toward high-performance work systems using teams has resulted in employees performing many roles once reserved for management.
- a. True
  - b. False

Answer: A

Difficulty Level: Easy

9. Skill-based pay systems base employees' pay rates on what skills they are using for their current jobs rather than the number of skills they are competent in.
- a. True
  - b. False

Answer: B

Difficulty Level: Easy

10. The CEO of a company is responsible for setting a clear direction for learning.
- a. True
  - b. False

Answer: A

Difficulty Level: Easy

11. Line managers spend lesser time managing individual performance and developing employees than midlevel managers or executives do.
- a. True
  - b. False

Answer: B

Difficulty Level: Easy

12. In highly integrated businesses, training is likely to include rotating employees between jobs in different businesses.
- a. True



b. False

Answer: A

Difficulty Level: Easy

13. For companies in an unstable or recessionary business environment, training programs focus more on correcting skill deficiencies rather than preparing staff for new assignments.
- a. True
  - b. False

Answer: A

Difficulty Level: Easy

14. Companies that adopt state-of-the-art HRM practices that contribute to business strategy tend to demonstrate no higher level of performance than firms that do not.
- a. True
  - b. False

Answer: B

Difficulty Level: Easy

15. Uniqueness refers to employee potential to improve company effectiveness and efficiency.
- a. True
  - b. False

Answer: B

Difficulty Level: Easy

16. Job-based employees are likely to receive less training than knowledge-based employees.
- a. True
  - b. False

Answer: A

Difficulty Level: Easy

17. Companies must always avoid involving unions in retraining and productivity-improvement efforts.
- a. True
  - b. False

Answer: B

Difficulty Level: Easy

18. A centralized training function not only hampers the streamlining of processes but also denies the company a cost advantage in purchasing training from vendors and consultants.
- a. True

b. False

Answer: B

Difficulty Level: Easy

19. Business process reengineering refers to the outsourcing of any business process, such as HRM, production, or training.
- a. True
  - b. False

Answer: B

Difficulty Level: Easy

20. Outsourcing allows a company to focus better on its business strategy by saving both cost and time.
- a. True
  - b. False

Answer: A

Difficulty Level: Easy

### Short Answer/Essay

1. Describe the key features of a learning organization.

Answer: The key features of a learning organization are:

Supportive learning environment

- Employees feel safe expressing their thoughts about work, asking questions, disagreeing with managers, and admitting mistakes.
- Different functional and cultural perspectives are appreciated.
- Employees are encouraged to take risks, innovate, and explore the untested and unknown, such as trying new processes and developing new products and services.
- Thoughtful review of the company's processes is encouraged.

Learning processes and practices

- Knowledge creation, dissemination, sharing, and application are practiced.
- Systems are developed for creating, capturing, and sharing knowledge.

Managers reinforce learning

- Managers actively question and listen to employees, encouraging dialogue and debate.
- Managers are willing to consider alternative points of view.
- Time is devoted to problem identification, learning processes and practices, and post-performance audits.
- Learning is rewarded, promoted, and supported.

Difficulty Level: Medium

2. Define balanced scorecard. What are the four perspectives it considers? Provide examples of metrics used to measure them.

Answer:

The balanced scorecard is a means of performance measurement that provides managers with a chance to look at the overall company performance or the performance of departments or functions (such as training) from the perspective of internal and external customers, employees, and shareholders. The balanced scorecard considers four different perspectives: customer, internal, innovation and learning, and financial. The emphasis and type of indicators used to measure each of these perspectives are based on the company's business strategy and goals. The four perspectives and examples of metrics used to measure them include:

- Customer (time, quality, performance, service, cost)
- Internal (processes that influence customer satisfaction)
- Innovation and learning (operating efficiency, employee satisfaction, continuous improvement)
- Financial (profitability, growth, shareholder value)

Difficulty Level: Medium

3. List the various roles and responsibilities of a CEO.

Answer:

The CEO, the top manager in the company, plays a key role in determining the importance of training and learning in the company. The CEO is responsible for:

- Setting a clear direction for learning (vision)
- Encouragement, resources, and commitment for strategic learning (sponsor)
- Taking an active role in governing learning, including reviewing goals and objectives and providing insight on how to measure training effectiveness (governor)
- Developing new learning programs for the company (subject-matter expert)
- Teaching programs or providing resources online (faculty)
- Serving as a role model for learning for the entire company and demonstrating a willingness to learn constantly (learner)
- Promoting the company's commitment to learning by advocating it in speeches, annual reports, interviews, and other public relations tools (marketing agent)

Difficulty Level: Medium

4. Briefly describe the process of creating a corporate university.

Answer:

Creating a corporate university from scratch involves several steps. First, senior managers and business managers form a governing body with the responsibility of developing a vision for the university. Second, this vision is fleshed out, and the vision statement is

linked to the business strategy. Third, the company decides how to fund the university. The university can be funded by charging fees to business units and/or by monies allocated directly from the corporate budget. Fourth, the company determines the degree to which all training will be centralized. Fifth, it is important to identify the needs of university “customers,” including employees, managers, suppliers, and external customers. Sixth, products and services are developed. Seventh, the company chooses learning partners, including suppliers, consultants, colleges, and companies specializing in education. Eighth, the company develops a strategy for using technology to train more employees and do so more frequently and more cost-effectively than instructor-led training. Ninth, learning that occurs as a result of a corporate university is linked to performance improvement. This involves identifying how performance improvement will be measured (tests, sales data, etc.). Finally, the value of the corporate university is communicated to potential “customers.”

Difficulty Level: Medium

5. What is internal marketing? List some successful internal marketing tactics.

Answer:

Internal marketing involves making employees and managers excited about training and learning. Internal marketing is especially important for trainers who act as internal consultants to business units.

Here are some successful internal marketing tactics:

- Involve the target audience in developing the training or learning effort.
- Demonstrate how a training and development program can be used to solve specific business needs.
- Showcase an example of how training has been used within the company to solve specific business needs.
- Identify a “champion” (e.g., a top-level manager) who actively supports training.
- Listen and act on feedback received from clients, managers, and employees.
- Advertise on e-mail, on company websites, and in employee break areas.
- Designate someone in the training function as an account representative who will interact between the training designer or team and the business unit, which is the customer.
- Determine what financial numbers—such as return on assets, cash flow from operations, or net profit or loss—top-level executives are concerned with and show how training and development will help improve those numbers.
- Speak in terms that employees and managers understand. Don’t use jargon.

Difficulty Level: Medium