

## 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."

*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.*