CHAPTER 2—CHALLENGES FOR MANAGERS

MULTIPLE CHOICE

1. Ford found itself at a disadvantage in the China market relative to GM because the Chinese developed a joint-venture with GM in the 1990s. Ford also ran into domestic challenges beginning in 2008 and was humiliated with both GM and Chrysler by Congress. Ford has responded to these challenges by:
   a. paying off TARP money faster than both GM and Chrysler
   b. successfully rebounding after bankruptcy proceedings
   c. making the resolve to "go it alone"
   d. developing a joint venture with India to counter the GM-China joint venture

   ANS: C   PTS: 1   DIF: Moderate
   NAT: AACSB: Reflective Thinking | AACSB: Strategy
   TOP: Thinking Ahead | Thriving in Challenging Times   MSC: K&C

2. Which type of challenge necessitates changes in individual and group behavior, information flows, work design, social interactions, and organizational structure?
   a. challenge of managing ethical behavior
   b. challenge of work force diversity
   c. challenge of globalization
   d. all of the above

   ANS: D   PTS: 1   DIF: Moderate
   NAT: AACSB: Reflective Thinking | AACSB: Information Technologies
   TOP: Management Challenges in a New Time   MSC: Analysis

3. Which of the following is NOT one of the major challenges that managers must deal with in order to remain competitive?
   a. globalizing the firm's operations to compete in the global village
   b. managing ethical behavior, good character, and personal integrity
   c. managing a diverse workforce
   d. anticipating changes in foreign currency valuations

   ANS: D   PTS: 1   DIF: Moderate
   NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence
   TOP: Management Challenges in a New Time   MSC: K&C

4. Globalization implies all of the following **except**:
   a. the world is free from national boundaries
   b. a borderless world
   c. competition between workers from other countries
   d. an organization's nationality is held strongly in consciousness

   ANS: D   PTS: 1   DIF: Hard
   NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence
   TOP: The Global Village   MSC: S&E

5. A transnational organization is one where:
   a. an organization's nationality is held strongly in the consciousness of managers even though the organization competes on a global scale

b. the global viewpoint supersedes national issues
c. the global and national interests are linked in an overriding perspective
d. a prevalent ethnic viewpoint begins to be held strongly in the consciousness of managers

ANS: B   PTS: 1   DIF: Easy
NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence
TOP: The Global Village   MSC: K&C

6. Given the increasing attractiveness of U.S. business ventures in China, a major challenge for Western managers will be understanding the Chinese practice of *guanxi*, which is:
   a. the strong use of rewards and punishment in the workplace
   b. the use of personal connections to conduct business
   c. the practice of group members evaluating the performance of individual group members
   d. the tendency to negotiate small but specific agreements in order to interact effectively

ANS: B   PTS: 1   DIF: Moderate
NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence
TOP: Changes in the Global Marketplace   MSC: K&C

7. An effective way to begin a Kentucky Fried Chicken in China would be to:
   a. identify a broker in Singapore to identify sources for Asian venture capital
   b. put together a consortium of Western and Asian entrepreneurs to begin the franchise in China
   c. develop a joint venture with government bodies in China
   d. develop an alliance with another Asian fast-food restaurant, such as the Japanese or Taiwanese, and share the risk in China

ANS: C   PTS: 1   DIF: Moderate
NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence
TOP: Changes in the Global Marketplace   MSC: Application

8. Many U.S. and Canadian firms have located manufacturing plants in Mexico to take advantage of lower labor costs. Additionally, many tariffs on U.S. exports have been reduced. These global changes occurred because of:
   a. the European union
   b. GATT agreements
   c. NAFTA
   d. Perestroika

ANS: C   PTS: 1   DIF: Moderate
NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence
TOP: Changes in the Global Marketplace   MSC: K&C

9. According to the research of Hofstede, U.S. managers tend to exhibit which of the following cultural characteristics?
   a. collectivism, long-term orientation, and high power distance
   b. low uncertainty avoidance, masculinity, and collectivism
   c. weak power distance, short-term orientation, and individualism
   d. high tolerance for uncertainty, collectivism, and strong power positions

ANS: C   PTS: 1   DIF: Hard   NAT: AACSB: Diversity | AACSB: Individual Dynamics
TOP: Understanding Cultural Differences   MSC: S&E

10. The work of Hofstede is important because his studies revealed that more differences in work-related attitudes can be explained by:
    a. gender
    b. profession
    c. national culture
    d. age

    ANS: C   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Group Dynamics
    TOP: Understanding Cultural Differences   MSC: K&C

11. Hofstede's cross-cultural research found that Japanese managers valued:
    a. high risk taking
    b. group decisions
    c. a short-time perspective
    d. individualism

    ANS: B   PTS: 1   DIF: Hard
    NAT: AACSB: Diversity | AACSB: Group Dynamics
    TOP: Understanding Cultural Differences   MSC: K&C

12. According to Hofstede's research, the country displaying cultural characteristics most similar to the U.S. is:
    a. Japan
    b. Sweden
    c. Italy
    d. Canada

    ANS: D   PTS: 1   DIF: Easy
    NAT: AACSB: Diversity | AACSB: Group Dynamics
    TOP: Understanding Cultural Differences   MSC: K&C

13. Hofstede's work casts doubt on the:
    a. ability of cross-cultural attitudes to predict job-related attitudes
    b. use of masculinity versus femininity as an orientation that has cultural variation
    c. use of time as an orientation that differs across cultures
    d. the universal applicability of U.S. management theories

    ANS: D   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Group Dynamics
    TOP: Understanding Cultural Differences   MSC: K&C

14. Executive performance bonuses, high position power, and tactical or short-range planning suggest a corporate culture that emphasizes:
    a. low risk taking
    b. consensus decision making
    c. high uncertainty avoidance
    d. individualism

    ANS: D   PTS: 1   DIF: Hard
    NAT: AACSB: Diversity | AACSB: Group Dynamics
    TOP: Understanding Cultural Differences   MSC: Application

15. An expatriate manager is one who:
    a. has left a transnational organization to work for a competitor
    b. works within a foreign-owned company within their own country
    c. works in a country other than his or her home country
    d. has given his or her allegiance to a transnational type of organization over a more national/domestic perspective

    ANS: C   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: HRM
    TOP: Understanding Cultural Differences   MSC: K&C

16. In the Business Guide to Cultural Differences provided by the textbook, which of the following statements would be most accurate regarding the culture of Japan?
    a. It is considered rude to be late.
    b. Punctuality is not always a priority.
    c. It is customary to make appointments for approximate times of the day rather than precise hours.
    d. Women should expect to wear hosiery and high heels.

    ANS: A   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Environmental Influence
    TOP: Understanding Cultural Differences   MSC: K&C

17. Gifts are not usually a requirement in business dealings, though presenting a small gift will generally be appreciated as a gesture of goodwill in which of the following cultures?
    a. Mexico
    b. Japan
    c. Saudi Arabia
    d. Canada

    ANS: A   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Environmental Influence
    TOP: Understanding Cultural Differences   MSC: K&C

18. In which of the following cultures should you avoid directly saying no?
    a. Japan
    b. Saudi Arabia
    c. Mexico
    d. Canada

    ANS: C   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Environmental Influence
    TOP: Understanding Cultural Differences   MSC: K&C

19. While traditional classroom management development is important, IBM takes 10% of their top management prospects and:
    a. sends them around the world as part of their Corporate Service Core
    b. builds teamwork through an Outward Bound experience
    c. assigns them to 10 member teams who engage in joint ventures with the Peace Corps
    d. exposes them to the cultural attributes of key countries

    ANS: A   PTS: 1   DIF: Easy

20. Which of the following was NOT recommended as a technique for increasing the sensitivity of differences between people from various cultures?
    a. describing one another's culture
    b. cultural sensitivity training
    c. role analysis technique (RAT)
    d. cross-cultural task forces or teams

    ANS: C　　　　　PTS: 1　　　　　DIF: Easy
    NAT: AACSB: Diversity | AACSB: Individual Dynamics
    TOP: Developing Cross Cultural Sensitivity　　　　　　　　　MSC: K&C

21. While the globalization of business affects all parts of the organization, which area of the organization is particularly affected?
    a. marketing
    b. operations
    c. MIS
    d. human resources

    ANS: D　　　　　PTS: 1　　　　　DIF: Easy
    NAT: AACSB: Diversity | AACSB: HRM
    TOP: Developing Cross Cultural Sensitivity　　　　　　　　　MSC: K&C

22. The Golden Opportunity? in Real World 2.1 described Linda Myers' challenging experience with SK Telecom in South Korea. Myers' 'lessons learned' included all of the following Except:
    a. cultural training may not prepare you for the reality
    b. clearly-understand your mandate
    c. day to day misunderstandings should be bothersome
    d. take the time to think about new ways of working

    ANS: C　　　　　PTS: 1　　　　　DIF: Moderate
    NAT: AACSB: Diversity | AACSB: HRM
    TOP: Developing Cross Cultural Sensitivity | Real World 2.1　　MSC: K&C

23. Attention to diversity has particularly increased in recent years because of:
    a. the use of telecommunications
    b. the opportunity for use of lower cost labor in other countries
    c. the changing demographics of the working population
    d. legislation

    ANS: C　　　　　PTS: 1　　　　　DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Environmental Influence　　　TOP: The Diverse Workforce
    MSC: K&C

24. According to your text, African-Americans and Hispanic-Americans are likely to be at a disadvantage within organizations because:
    a. they are under-represented in declining occupations
    b. they tend to live in a small number of large cities that are facing severe economic difficulties
    c. available jobs in the future will require less skill than in the past

    d. the proportion of African-Americans and Hispanic-Americans who are qualified for higher level jobs are often higher than the proportion of qualified whites and Asian-Americans

ANS: B   PTS: 1   DIF: Moderate
NAT: AACSB: Diversity | AACSB: Environmental Influence   TOP: Cultural Diversity
MSC: K&C

25. The globalization of business and changing demographic trends will present organizations with a tremendously culturally diverse workforce which represents the risk that:
    a. prejudices and stereotypes will prevent managers and employees from developing a synergy that can benefit the organizations
    b. families will not be left intact
    c. values will begin to erode
    d. opportunities will not be available

ANS: A   PTS: 1   DIF: Moderate
NAT: AACSB: Diversity | AACSB: Group Dynamics   TOP: Cultural Diversity
MSC: K&C

26. Which of the following statements/statistics about women in the workforce is incorrect?
    a. The labor force participation rate of women is approximately 70%.
    b. Women held 14.4% of the corporate officer positions in *Fortune 500* companies.
    c. Women currently comprise somewhat more than 46% of the U.S. workforce and by the year 2020 may be nearly 50%.
    d. On average, women earn 90% of what men earn from work.

ANS: D   PTS: 1   DIF: Moderate
NAT: AACSB: Diversity | AACSB: HRM   TOP: Gender Diversity
MSC: K&C

27. Which statement regarding the glass ceiling is most correct?
    a. The glass ceiling has been recently found to apply equally to males and females.
    b. The glass ceiling is a barrier that has been traced to a lack of ability.
    c. The glass ceiling, like Cinderella's glass slipper, has resulted in a temporary movement of women into political leadership positions throughout the world.
    d. The glass ceiling is a transparent barrier that keeps women from rising above a certain level in organizations.

ANS: D   PTS: 1   DIF: Moderate
NAT: AACSB: Diversity | AACSB: HRM   TOP: Gender Diversity
MSC: S&E

28. With respect to the multiple roles assumed by women, which of the following statements is FALSE?
    a. Men have been favorably predisposed to adopt the sharing of domestic responsibilities.
    b. Working women often find themselves in the position of caring for the elderly parents.
    c. Arranging for child care is typically the woman's responsibility.
    d. Women have been quick to adopt the provider role.

ANS: A   PTS: 1   DIF: Easy
NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Gender Diversity
MSC: K&C

29. Corporations that shatter the glass ceiling have many practices in common; however, these practices do NOT include:
    a. upper-management support for the advancement of women
    b. women representation on committees that address strategic business issues
    c. targeting women for participation in executive education
    d. systems that identify women for advancement with certain quotas in place

    ANS: D   PTS: 1   DIF: Easy
    NAT: AACSB: Diversity | AACSB: HRM   TOP: Gender Diversity
    MSC: K&C

30. Which of the following competencies was NOT indicated as important to the development of an international career?
    a. integrity
    b. insightfulness
    c. risk taking
    d. competence in several foreign languages

    ANS: D   PTS: 1   DIF: Easy
    NAT: AACSB: Diversity | AACSB: HRM
    TOP: Understanding Cultural Differences   MSC: K&C

31. Individuals born between 1965 and 1976 are known as the:
    a. baby boomers
    b. swing generation
    c. Generation Y
    d. baby busters

    ANS: D   PTS: 1   DIF: Easy
    NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Age Diversity
    MSC: K&C

32. Which generation of workers tends to be impatient, wants short-term gratification, and puts family before work?
    a. silent generation
    b. Generation Y
    c. baby busters
    d. baby boomers

    ANS: C   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Age Diversity
    MSC: K&C

33. Which generation of workers tends to strive for moral rights in the workplace and take a more activist position regarding employee rights?
    a. baby boomers
    b. silent generation
    c. Generation Y
    d. Generation X

    ANS: A   PTS: 1   DIF: Easy
    NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Age Diversity
    MSC: K&C

34. If you were born from 1965 to 1976 you could be called:
    a. part of the silent generation
    b. a Gen X'er
    c. a baby boomer
    d. a Gen Y'er

    ANS: B   PTS: 1   DIF: Easy
    NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Age Diversity
    MSC: K&C

35. A manufacturer of products for outdoor enthusiasts offers flextime and the opportunity to take up to four months of unpaid leaves of absence. This type of organization would most appeal to which generation?
    a. post Vietnam War babies
    b. baby boomers
    c. depression era generation
    d. baby busters

    ANS: D   PTS: 1   DIF: Easy
    NAT: AACSB: Diversity | AACSB: HRM   TOP: Age Diversity
    MSC: Application

36. The Americans with Disabilities Act defines disabled as:
    a. persons with permanent physical and mental problems
    b. anyone with a physical or mental impairment that substantially limits one or more major life activities
    c. individuals with physical impairments only
    d. those who cannot work

    ANS: B   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Ability Diversity
    MSC: K&C

37. The issue concerning Oscar Pistorius of South Africa competing in the 2008 Olympics focuses on the:
    a. issue of age diversity because he is over 55 years of age
    b. issue of gender diversity due to transgender athletes
    c. ability diversity and the use of prosthetic legs
    d. issue of cultural diversity and whether Oscar truly represents South Africa

    ANS: C   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Ethical Responsibilities   TOP: Ability Diversity
    MSC: Application

38. Evidence at Pizza Hut, which employs over 3,000 disabled workers and plans to hire more, suggests that turnover rates for disabled employees may be only what percent of the normal turnover rate?
    a. 40%
    b. 30%
    c. 20%
    d. 10%

    ANS: C   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: HRM   TOP: Ability Diversity

MSC: K&C

39. The representation of individuals with disabilities in the workforce is expected to increase dramatically because:
    a. of EEO
    b. a larger portion of society has some type of disability
    c. of the Americans with Disabilities Act
    d. of companies like Pizza Hut and McDonald's

    ANS: C   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Ability Diversity
    MSC: K&C

40. Which of the following sources of diversity has received increasing attention by explaining how homophobia affects productivity?
    a. culture
    b. gender
    c. sexual orientation
    d. social status

    ANS: C   PTS: 1   DIF: Easy
    NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Differences Are Assets
    MSC: K&C

41. Emphasizing the use of inclusive language such as "partner" instead of "spouse" would be directed at what type of diversity?
    a. culture
    b. social status
    c. sexual orientation
    d. age

    ANS: C   PTS: 1   DIF: Easy
    NAT: AACSB: Analytic | AACSB: Individual Dynamics   TOP: Differences Are Assets
    MSC: Application

42. The major difference between prejudice and discrimination is:
    a. prejudice has been shown to have more of an impact on productivity than discrimination
    b. discrimination has been shown to have more of an impact on productivity than prejudice
    c. prejudice refers to behavior and discrimination refers to an attitude
    d. prejudice refers to an attitude and discrimination refers to behavior

    ANS: D   PTS: 1   DIF: Moderate
    NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Differences Are Assets
    MSC: K&C

43. Assume you are the manager of a department with a diverse work group, but white males comprise the largest subgroup. Many of the white males resent having to work along side of female and minority employees who have less seniority and work experience but are paid the same. Several conflicts and incidents have taken place between the white males and others that have disrupted the workplace. Which of the following approaches would be more appropriate and effective in dealing with this situation?
    a. Fire the white male perpetrators.
    b. Extend preferential treatment to female and minority employees.

c. Urge female and minority employees to take legal action against those who have caused problems.
d. Indicate that discriminatory and other inappropriate behavior will not be tolerated and initiate a series of meetings to address the problems and encourage open and frank discussion of the issues.

ANS: D   PTS: 1   DIF: Easy
NAT: AACSB: Analytic | AACSB: HRM   TOP: Differences Are Assets
MSC: Application

44. Which statement best captures the spirit of managing diversity?
a. It is being a good corporate citizen.
b. It is complying with affirmative action.
c. It is assimilating women and minorities into a dominant male culture.
d. It is a painful examination of hidden assumptions that employees hold.

ANS: D   PTS: 1   DIF: Easy
NAT: AACSB: Diversity | AACSB: Individual Dynamics   TOP: Differences Are Assets
MSC: S&E

45. Pillsbury is an organization that supports the performance (improved productivity and competitive advantage) case for managing and valuing differences. Managers at Pillsbury argue that:
a. cross-functional teams that emphasize marketing should encourage diversity
b. the same business rationale for other cross-functional teams is relevant to all kinds of diversity
c. increasing diversity reduces the potential for unfair treatment
d. cross-functional teams should be based on market forces

ANS: B   PTS: 1   DIF: Moderate
NAT: AACSB: Diversity | AACSB: Environmental Influence
TOP: Diversity's Benefits and Problems   MSC: Application

46. Which of the following is considered a key benefit of diversity?
a. cohesiveness
b. flexibility and adaptation
c. less time in making decisions
d. less thinking that is considered critical

ANS: B   PTS: 1   DIF: Moderate
NAT: AACSB: Diversity | AACSB: Environmental Influence
TOP: Diversity's Benefits and Problems   MSC: S&E

47. Which of the following is NOT a classification for ethical theories?
a. humanitarian
b. rule-based
c. consequential
d. cultural

ANS: A   PTS: 1   DIF: Easy
NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
TOP: Ethics, Character, and Personal Integrity   MSC: K&C

48. An ethical theory that emphasizes the nature and characteristics of an act is:
    a. cultural based
    b. motive-based
    c. consequence-based
    d. rule-based

    ANS: D   PTS: 1   DIF: Moderate
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
    TOP: Ethics, Character, and Personal Integrity   MSC: K&C

49. All of the following are reasons PMI (Phillip Morris International) attempts to justify the selling of tobacco products except:
    a. engaging in reducing the harmful effects of tobacco for those who want to continue to use their products
    b. marketing smokeless tobacco world wide
    c. arguing that even if PMI shut down, the tobacco industry would go underground because of demand for tobacco
    d. contributing to the Bloomberg/Gates antismoking campaign

    ANS: D   PTS: 1   DIF: Moderate
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
    TOP: Ethics, Character, and Personal Integrity   MSC: Application

50. A well-known consequential theory which suggests that right and wrong is determined by the consequence of the action and we should maximize the most good for the greatest number of people is:
    a. cultural relativism
    b. universal moralism
    c. utilitarianism
    d. rule-based theory

    ANS: C   PTS: 1   DIF: Easy
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
    TOP: Ethics, Character, and Personal Integrity   MSC: K&C

51. Corporations and business enterprises are more prone to subscribe to:
    a. cultural relativism
    b. universal moralism
    c. consequential ethics
    d. rule-based ethics

    ANS: C   PTS: 1   DIF: Easy
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
    TOP: Ethics, Character, and Personal Integrity   MSC: K&C

52. Sexual harassment costs the typical *Fortune 500* company:
    a. $2 million per year
    b. $4.7 million per year
    c. $6.7 million per year
    d. $10 million per year

    ANS: C   PTS: 1   DIF: Easy
    NAT: AACSB: Ethics | AACSB: HRM   TOP: Sexual Harassment

MSC: K&C

53. Crude comments or sexual jokes and behaviors that disparage someone's sex or convey hostility is considered which type of sexual harassment?
   a.   sexual coercion
   b.   exploitation
   c.   gender harassment
   d.   sexual abuse

   ANS: C   PTS: 1   DIF: Easy
   NAT: AACSB: Ethics | AACSB: HRM   TOP: Sexual Harassment
   MSC: K&C

54. The implicit or explicit demands for sexual favors by threatening negative job-related consequences or promising job-related rewards is considered:
   a.   gender harassment
   b.   biased sexual force
   c.   sexual coercion
   d.   sexual exploitation

   ANS: C   PTS: 1   DIF: Easy
   NAT: AACSB: Ethics | AACSB: HRM   TOP: Sexual Harassment
   MSC: K&C

55. Which of the following would not be considered sexual harassment?
   a.   A male department head is propositioned by a female employee who has bid for a different job that carries a high rate of pay.
   b.   When congratulating employees for their good work, a male supervisor pats male workers on the shoulder and female workers on their behinds.
   c.   A female office employee frequently, in a joking fashion, suggests to certain male co-workers that they go to a motel during the lunch hour.
   d.   In trying to make an important point when issuing job instructions, a male supervisor puts his hand on the employee's shoulder. He does this with both male and female employees.

   ANS: D   PTS: 1   DIF: Hard
   NAT: AACSB: Analytic | AACSB: Ethical Responsibilities   TOP: Sexual Harassment
   MSC: Application

56. Two particular kinds of romances that are hazardous to the workplace include:
   a.   hierarchical and utilitarian
   b.   hierarchical and horizontal
   c.   horizontal and utilitarian
   d.   hierarchical same sex and horizontal same sex

   ANS: A   PTS: 1   DIF: Easy
   NAT: AACSB: Ethics | AACSB: Environmental Influence   TOP: Romantic Involvements
   MSC: K&C

57. In a recent Supreme Court ruling regarding superior-subordinate dating, the court found that:
   a.   sexual harassment is usually a reciprocal process
   b.   sexual harassment is very difficult to prove
   c.   sexual harassment by women is just as frequent as sexual harassment by men
   d.   employers are liable for acts of their agents and can be liable for sexual harassment

ANS: D   PTS: 1   DIF: Moderate
NAT: AACSB: Analytic | AACSB: Legal Responsibilities   TOP: Romantic Involvements
MSC: Analysis

58. According to Real World feature 2.2 regarding romantic involvements in the workplace, the new threat
    of the office romance to organizations includes:
    a. employers being liable for acts of their agents (supervisors)
    b. the extension of the agency principle to coworkers who are romantically involved
    c. quid pro quo relationships
    d. legal liability and retaliatory lawsuits filed by third parties

    ANS: D   PTS: 1   DIF: Moderate
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities   TOP: Romantic Involvements
    MSC: K&C

59. The legal theory involved in a third party retaliatory lawsuit, where the 3rd party claims he or she was
    fired before the individual could file a discrimination claim as a result of others' office romance is
    called:
    a. romance risk
    b. sex plus
    c. fraternization frivolity
    d. lover's lament

    ANS: B   PTS: 1   DIF: Moderate
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
    TOP: Romantic Involvements | Real World 2.2   MSC: K&C

60. If a pregnant woman claimed that a manager's failed office romance caused him to focus more on her
    work, thus increasing her work demands, could result in a discrimination claim based on:
    a. gender plus
    b. utilitarian romance
    c. hierarchical romance
    d. sexual harassment

    ANS: A   PTS: 1   DIF: Moderate
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
    TOP: Romantic Involvements | Real World 2.2   MSC: K&C

61. A female employee is issued a written reprimand when returning late from lunch. A male employee in
    the same department returns late and is not disciplined. This issue represents a question of:
    a. sexual harassment
    b. procedural justice
    c. uniform standards
    d. distributive justice

    ANS: D   PTS: 1   DIF: Moderate
    NAT: AACSB: Ethics | AACSB: HRM   TOP: Organizational Justice
    MSC: Application

62. When the Japanese questioned the salaries of American CEOs during a time when many companies
    were in difficulty and laying off workers, they were making their judgments based upon:
    a. utilitarian justice

b. distributive justice
c. procedural justice
d. rule-based justice

ANS: B   PTS: 1   DIF: Moderate
NAT: AACSB: Ethics | AACSB: HRM   TOP: Organizational Justice
MSC: Application

63. An office romance is:
a. immoral
b. a form of sexual harassment
c. likely to create a conflict of interest situation
d. a violation of most corporate codes of ethics and may subject the participants to disciplinary action

ANS: C   PTS: 1   DIF: Moderate
NAT: AACSB: Ethics | AACSB: Individual Dynamics
TOP: Romantic Involvements | Real World 2.2   MSC: Analysis

64. Whistle-blowing is:
a. an example of white-collar crime
b. legally protected
c. an illustration of distributive justice
d. unethical

ANS: B   PTS: 1   DIF: Hard
NAT: AACSB: Ethics | AACSB: Ethical Responsibilities | AACSB: Legal Responsibilities
TOP: Whistle-Blowing   MSC: K&C

65. The Science Feature of Chapter 2 reported the results of a study using the Integrity Thermometer to measure dimensions of ethical culture (ie. clarity, congruence, etc.) as they relate to 5 response alternatives (inaction, confrontation, reporting to management, calling the ethics hotline, and external whistle-blowing). Implications of this study for management is best reflected by which of the following?
a. Cultures with ethical clarity were more likely to foster an encouragement for inaction and whistle-blowing
b. Transparency in the ethical culture discouraged whistle-blowing
c. Cultures with sanctions for wrong doing encouraged inaction and whistle-blowing
d. Adopting an integrated approach that offers alternative routes for reporting wrong doing contributes significantly to an organization's self-correcting capacity

ANS: D   PTS: 1   DIF: Hard
NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
TOP: Whistle-Blowing | Science Feature   MSC: S&E

66. The obligation of an organization to behave in ethical ways is known as:
a. social environmentalism
b. organizational morality
c. social responsibility
d. ethical imperative

ANS: C   PTS: 1   DIF: Moderate
NAT: AACSB: Ethics | AACSB: Ethical Responsibilities   TOP: Social Responsibility

TRUE/FALSE

1. Globalization implies that the world is free from national boundaries and that it is really a borderless world.

    ANS: T   PTS: 1
    NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence

2. A transnational business firm operates only in the European Union.

    ANS: F   PTS: 1
    NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence

3. An organization in which the national viewpoint supersedes the global viewpoint is a transnational organization.

    ANS: F   PTS: 1
    NAT: AACSB: Reflective Thinking | AACSB: Environmental Influence

4. American business firms will only be successful in China if they master the practice of *guanxi*.

    ANS: F   PTS: 1
    NAT: AACSB: Diversity | AACSB: Environmental Influence

5. A Japanese manager employed at the Honda plant in Marysville, Ohio, is an expatriate.

    ANS: T   PTS: 1
    NAT: AACSB: Reflective Thinking | AACSB: HRM

6. Hofstede's research on culture showed that national culture explains more differences in work-related attitudes than does age.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: HRM

7. A collectivistic culture displays an orientation in which relationships and group decision making are valued.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: Group Dynamics

8. A cultural orientation where people belong to a loose social framework and their primary concern is for themselves and their families is based on power distance.

    ANS: F   PTS: 1
    NAT: AACSB: Diversity | AACSB: Individual Dynamics

9. High uncertainty avoidance is associated with high risk taking.

   ANS: F   PTS: 1
   NAT: AACSB: Diversity | AACSB: Individual Dynamics

10. Hofstede's work casts doubt on the universal applicability of U.S. management theories.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: Group Dynamics

11. Women held only 14.4% of senior management positions in *Fortune 500* organizations.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: Individual Dynamics

12. Women salaries persist at a level of 80% of their male counterparts.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: Individual Dynamics

13. While women's participation in the workforce is increasing, their share of the rewards of participation is not increasing commensurately.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: Individual Dynamics

14. The glass ceiling is a unique phenomenon to the United States.

    ANS: F   PTS: 1
    NAT: AACSB: Diversity | AACSB: HRM

15. Males may suffer from discrimination when employed in traditionally female jobs.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: HRM

16. As the workforce becomes increasingly diverse, the potential for unfair treatment also increases.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: Individual Dynamics

17. The disparity between the pay of women and minority group members relative to white males decreases with age.

    ANS: F   PTS: 1
    NAT: AACSB: Diversity | AACSB: HRM

18. Age diversity among employees has been found to have a positive relationship with profitability in Western U.S. firms.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: HRM

19. The glass ceiling is not the only gender barrier in organizations.

    ANS: T   PTS: 1
    NAT: AACSB: Diversity | AACSB: HRM

20. Consequential theories of ethics emphasize the consequences or results of behavior.

    ANS: T   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities

21. John Stuart Mill's utilitarianism suggests that right and wrong is determined by the consequences of the action.

    ANS: T   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities

22. Employers are not liable for the acts of their agents (supervisors) when it comes to sexual harassment.

    ANS: F   PTS: 1
    NAT: AACSB: Ethics | AACSB: Legal Responsibilities

23. Distributive justice is the fairness of the process by which outcomes are allocated in an organization.

    ANS: F   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities

MATCHING

Match the following:
a. A cultural orientation in which individuals belong to tightly knit social frameworks.
b. The concept of borderless marketplace.
c. The locus and distribution of power within the organization.
d. A business firm that operates in numerous countries and employs a multicultural workforce.
e. An American business official who works for a U.S. subsidiary in Spain.

1. Transnational
2. Expatriate Manager
3. Power Distance
4. Globalization
5. Collectivism

1. ANS: D   PTS: 1
   NAT: AACSB: Diversity | AACSB: Environmental Influence

2. ANS: E   PTS: 1
   NAT: AACSB: Diversity | AACSB: Environmental Influence
3. ANS: C   PTS: 1
   NAT: AACSB: Diversity | AACSB: Environmental Influence
4. ANS: B   PTS: 1
   NAT: AACSB: Diversity | AACSB: Environmental Influence
5. ANS: A   PTS: 1
   NAT: AACSB: Diversity | AACSB: Environmental Influence

Match the following:
a. A law passed in 1993 that allows up to 12 weeks of leave from work for family medical problems.
b. A federal agency that receives and investigates charges of employment discrimination.
c. Individual differences present in the workforce.
d. Individuals born between 1946 and 1964.
e. An artificial barrier that prevents women from advancing above a certain organizational level.
f. Individuals born between 1965 and 1976.

6. Baby Boomers
7. Family and Medical Leave Act
8. EEOC
9. Glass Ceiling
10. Baby Busters
11. Diversity

6. ANS: D   PTS: 1
   NAT: AACSB: Diversity | AACSB: Ethics | AACSB: Ethical Responsibilities | AACSB: Legal Responsibilities
7. ANS: A   PTS: 1
   NAT: AACSB: Diversity | AACSB: Ethics | AACSB: Ethical Responsibilities | AACSB: Legal Responsibilities
8. ANS: B   PTS: 1
   NAT: AACSB: Diversity | AACSB: Ethics | AACSB: Ethical Responsibilities | AACSB: Legal Responsibilities
9. ANS: E   PTS: 1
   NAT: AACSB: Diversity | AACSB: Ethics | AACSB: Ethical Responsibilities | AACSB: Legal Responsibilities
10. ANS: F   PTS: 1
    NAT: AACSB: Diversity | AACSB: Ethics | AACSB: Ethical Responsibilities | AACSB: Legal Responsibilities
11. ANS: C   PTS: 1
    NAT: AACSB: Diversity | AACSB: Ethics | AACSB: Ethical Responsibilities | AACSB: Legal Responsibilities

Match the following:
a. A collection of rule-based guides to ethical behavior.
b. An ethical perspective that focus on results of behavior.
c. The collective ethical conduct of an organization.
d. The theory of ethics that argues for local standards on a set of standards for each

individual.
   e. A "good" person who acted out of virtuous and "right" intentions.
   f. Suggests that right and wrong is determined by the consequences of the action.

12. Character Theory
13. Social Responsibility
14. Cultural Relativism
15. Bible
16. Consequential Theory
17. Utilitarianism

12. ANS: E   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
13. ANS: C   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
14. ANS: D   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
15. ANS: A   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
16. ANS: B   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
17. ANS: F   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities

Match the following:
   a. An organizational informant or someone who reports corporate wrongdoing.
   b. Fairness of the process and/or criteria used to allocate outcomes.
   c. A credo or recorded set of accepted and ethical behavior.
   d. A public statement in which one agrees to follow a set of ethical standards.
   e. Embezzlement, fraud, and misuse of corporate assets.

18. Professional Oath
19. Procedural Justice
20. White Collar Crime
21. Code of Ethics
22. Whistle-blower

18. ANS: D   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
19. ANS: B   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
20. ANS: E   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
21. ANS: C   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities
22. ANS: A   PTS: 1
    NAT: AACSB: Ethics | AACSB: Ethical Responsibilities

ESSAY

1. Briefly discuss the issues an organization would want to consider or understand if it were interested in a business venture within China.

   ANS:
   Chinese managers' business practices have been shaped by the Communist party, socialism, feudalistic values, and guanxi (the practice of building networks for social exchange). In China, the family is regarded as being responsible for a worker's productivity, and in turn, the company is responsible for the worker's family. Chinese managers have very little experience with rewards and punishments, and are reluctant to use them in the workplace. Americans would need to build their own networks, understand the Chinese chain of command, and negotiate slow, general agreements in order to interact effectively.

   PTS: 1
   NAT: AACSB: Diversity | AACSB: Environmental Influence

2. Describe American business culture using Hofstede's dimensions of cultural differences.

   ANS:
   The U.S. business and economic culture emphasizes individualism, weak to moderate power distance, low to moderate uncertainty avoidance (or moderate risk taking), masculinity, and short-term time orientation.

   PTS: 1
   NAT: AACSB: Diversity | AACSB: Environmental Influence

3. What are some (mention at least five) of the significant workforce composition changes that have been taking place in the United States?

   ANS:
   The number of women in the workforce has almost doubled since 1970, increasing from 31.5 million to 64 million. In 2004, women made up almost 60% of labor force and it is predicted that it will be over 70% by 2010. Women are also becoming better prepared to contribute in organizations than ever before with 52% of master degrees, 32% of doctorates, and 50% of all undergraduate degrees being awarded to women. In 2009, 60% of U.S. women were employed. Women's share of the rewards of participation is not increasing commensurately. Median weekly earnings for women persist at a level of 80% of their male counterparts. The participation rates of African Americans and Hispanic Americans in the labor force increased dramatically in recent years. African Americans and Hispanic Americans are over represented in declining occupations, thus limiting their opportunities. Ability diversity includes an estimated 50 million individuals with disabilities and their unemployment rate is estimated to exceed 50%. Nevertheless, their representation has increased due to the Americans with Disabilities Act (ADA). Finally, the workforce is aging for two reasons: the population is aging and people are working longer as there is not a mandatory retirement age.

   PTS: 1   NAT: AACSB: Diversity | AACSB: HRM

4. What are the 3 classifications of Ethical Theories and provide a brief explanation for each classification?

ANS:
a. Consequential Theories - Under this theory the consequences or results of behavior determine the ethical value of the act. "Good" is the ultimate value and we should maximize "good for the greatest number of people". How do we determine the 'greatest good'? Using this criterion may leave out minorities in evaluating the morality of actions.
b. Rule-based Theories - Emphasize the 'character' of the act itself, not its effects, in arriving at moral rights and wrongs. The bible falls under this basis for behavior. Kant's universal categorical imperative included two requirements: (1) individuals should act in a manner that is acceptable if all people acted in that manner, and (2) individuals must be treated with respect and dignity and never used as a means to an end. Corporations frequently use Adam Smith's rule based theory that the self-interest of human beings is God's providence, not the government's. People should be allowed to pursue their economic self-interest. Self-interest may cause business leaders to make harmful attachments. The "character" theories provide an alternative to this approach.
c. Character Theories - This approach emphasizes the character of the individual and the intent of the actor, in contrast to the nature of the act or consequence of the action. These theories emphasize virtue and are based on the Aristotelian approach to character. The good person who acted out of virtuous and "right" intentions was one with integrity and ultimately good ethical standards. Robert Solomon is perhaps the best-known current writer in this area. For Solomon, the six dimensions of virtuous ethics include, community, excellence, role identity, integrity, judgment, and holism. These virtues, according to Solomon, define good character and include honesty, loyalty, sincerity, courage, reliability, trustworthiness, modesty, to name a few.

PTS: 1
NAT: AACSB: Ethics | AACSB: Analytic | AACSB: Ethical Responsibilities | AACSB: Legal Responsibilities