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## CHAPTER 2—CHALLENGES FOR MANAGERS

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### MULTIPLE CHOICE

1. 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                      REF: p. 17  
OBJ: 1                      NAT: AACSB Reflective Thinking | Environmental Influence  
TOP: Challenges for Managers                      MSC: Knowledge & Comprehension

2. 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                      REF: p. 17  
OBJ: 1                      NAT: AACSB Reflective Thinking | Environmental Influence  
TOP: Competing in the Global Economy                      MSC: Synthesis & Evaluation

3. 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                      REF: p. 17  
OBJ: 1                      NAT: AACSB Reflective Thinking | Environmental Influence  
TOP: Competing in the Global Economy                      MSC: Knowledge & Comprehension

4. Given the increasing attractiveness of U.S. business ventures in China, a major challenge for Western managers will be in 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                      REF: p. 18  
OBJ: 1                      NAT: AACSB Reflective Thinking | Environmental Influence  
TOP: Social and Political Changes                      MSC: Knowledge & Comprehension

5. Kentucky Fried Chicken found success in China when it:
  - a. identified 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. developed a joint venture with government bodies in China
  - d. developed 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                      REF: p. 18  
OBJ: 1                      NAT: AACSB Reflective Thinking | Environmental Influence  
TOP: Social and Political Changes                      MSC: appl.

6. 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 eliminated. These global changes occurred because of:
- the European union
  - GATT agreements
  - NAFTA
  - Perestroika

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 18-19  
OBJ: 1                      NAT: AACSB Reflective Thinking | Environmental Influence  
TOP: Social and Political Changes                      MSC: Knowledge & Comprehension

7. The work of Hofstede is important because his studies revealed that more differences in work-related attitudes can be explained by:
- gender
  - profession
  - culture
  - age

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 19  
OBJ: 1                      NAT: AACSB Diversity | Group Dynamics  
TOP: Cultural Differences                      MSC: Knowledge & Comprehension

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

ANS: B                      PTS: 1                      DIF: Hard                      REF: p. 20  
OBJ: 2                      NAT: AACSB Diversity | Group Dynamics  
TOP: Individualism versus Collectivism                      MSC: Knowledge & Comprehension

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

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 23  
OBJ: 2                      NAT: AACSB Diversity | Group Dynamics  
TOP: What About Culture?                      MSC: Knowledge & Comprehension

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

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 19

OBJ: 1                      NAT: AACSB Diversity | HRM  
MSC: Knowledge & Comprehension

TOP: Cultural Differences

11. 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?
- It is considered rude to be late.
  - Punctuality is not always a priority.
  - It is customary to make appointments for approximate times of the day rather than precise hours.
  - Women should expect to wear hosiery and high heels.

ANS: A  
See Table 2.1.

PTS: 1                      DIF: Moderate              REF: p. 21  
NAT: AACSB Diversity | Environmental Influence  
MSC: Knowledge & Comprehension

OBJ: 2  
TOP: Cultural Differences

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

ANS: A  
See Table 2.1.

PTS: 1                      DIF: Moderate              REF: p. 21  
NAT: AACSB Diversity | Environmental Influence  
MSC: Knowledge & Comprehension

OBJ: 2  
TOP: Cultural Differences

13. In which of the following cultures should you avoid directly saying no?
- Japan
  - Saudi Arabia
  - Mexico
  - Canada

ANS: C  
See Table 2.1.

PTS: 1                      DIF: Moderate              REF: p. 21  
NAT: AACSB Diversity | Environmental Influence  
MSC: Knowledge & Comprehension

OBJ: 2  
TOP: Cultural Differences

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

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 22-23  
OBJ: 2                      NAT: AACSB Diversity | Individual Dynamics  
TOP: Developing Cross-Cultural Sensitivity

MSC: Knowledge & Comprehension

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

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 23  
OBJ: 3                      NAT: AACSB Diversity | Environmental Influence  
TOP: The Diverse Workforce                      MSC: Knowledge & Comprehension

16. According to your text, African-Americans and Hispanic-Americans are likely to be at a disadvantage within organizations because:
- they are under-represented in declining occupations
  - they tend to live in a small number of large cities that are facing severe economic difficulties
  - available jobs in the future will require less skill than in the past
  - 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                      REF: p. 23-24  
OBJ: 3                      NAT: AACSB Diversity | Environmental Influence  
TOP: Ethnic Diversity                      MSC: Knowledge & Comprehension

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

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 24  
OBJ: 3                      NAT: AACSB Diversity | Group Dynamics  
TOP: Ethnic Diversity                      MSC: Knowledge & Comprehension

18. Which of the following statements/statistics about women in the workforce is incorrect?
- The number of women in the labor force increased from 31.5 million in 1970 to 65 million in 2008.
  - Women earn 49 percent of all doctorates and 60 percent of master's degrees.
  - There has been little increase in the number of women CEOs.
  - On average, women earn 90% of what men earn from work.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 24  
OBJ: 3                      NAT: AACSB Diversity | HRM                      TOP: Gender Diversity  
MSC: Knowledge & Comprehension

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

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 24  
OBJ: 3                      NAT: AACSB Diversity | HRM                      TOP: Gender Diversity  
MSC: Synthesis & Evaluation

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

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 25  
OBJ: 3                      NAT: AACSB Diversity | Individual Dynamics  
TOP: Gender Diversity                      MSC: Knowledge & Comprehension

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

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 25  
OBJ: 3                      NAT: AACSB Diversity | HRM                      TOP: Gender Diversity  
MSC: Knowledge & Comprehension

22. Which of the following competencies was NOT indicated as important to the development of an international career?
- integrity
  - insightfulness
  - risk taking
  - competence in several foreign languages

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 19  
OBJ: 1                      NAT: AACSB Diversity | HRM                      TOP: Cultural Differences  
MSC: Knowledge & Comprehension

23. Individuals born between 1965 and 1976 are known as the:
- baby boomers
  - swing generation
  - Generation Y
  - Generation X

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 26  
OBJ: 3                      NAT: AACSB Diversity | Individual Dynamics  
TOP: Age Diversity                      MSC: Knowledge & Comprehension

24. Which generation of workers tends to be impatient, wants short-term gratification, and puts family before work?
- silent generation
  - Generation Y
  - Generation X
  - baby boomers

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 26  
OBJ: 3                      NAT: AACSB Diversity | Individual Dynamics

TOP: Age Diversity

MSC: Knowledge & Comprehension

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

ANS: A

PTS: 1

DIF: Easy

REF: p. 26

OBJ: 3

NAT: AACSB Diversity | Individual Dynamics

TOP: Age Diversity

MSC: Knowledge & Comprehension

26. 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?
- post Vietnam War babies
  - baby boomers
  - depression era generation
  - Generation X

ANS: D

PTS: 1

DIF: Easy

REF: p. 26

OBJ: 3

NAT: AACSB Diversity | HRM

TOP: Age Diversity

MSC: Application

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

ANS: B

PTS: 1

DIF: Moderate

REF: p. 26

OBJ: 3

NAT: AACSB Diversity | Individual Dynamics

TOP: Ability Diversity

MSC: Knowledge & Comprehension

28. The unemployment rate of disabled Americans is estimated to exceed:
- 20%
  - 30%
  - 40%
  - 50%

ANS: D

PTS: 1

DIF: Moderate

REF: p. 26

OBJ: 3

NAT: AACSB Diversity | HRM

TOP: Ability Diversity

MSC: Knowledge & Comprehension

29. Emphasizing the use of inclusive language such as "partner" instead of "spouse" would be directed at what type of diversity?
- culture
  - social status
  - sexual orientation
  - age

ANS: C

PTS: 1

DIF: Easy

REF: p. 26

OBJ: 3

NAT: AACSB Analytic | Individual Dynamics

TOP: Valuing Diversity

MSC: Application

30. The major difference between prejudice and discrimination is:
- prejudice has been shown to have more of an impact on productivity than discrimination
  - discrimination has been shown to have more of an impact on productivity than prejudice
  - prejudice refers to behavior and discrimination refers to an attitude
  - prejudice refers to an attitude and discrimination refers to behavior

ANS: D

PTS: 1

DIF: Moderate

REF: p. 26-27

OBJ: 3

NAT: AACSB Diversity | Individual Dynamics

TOP: Valuing Diversity

MSC: Knowledge & Comprehension

31. 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 alongside 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?
- Fire the white male perpetrators.
  - Extend preferential treatment to female and minority employees.
  - Urge female and minority employees to take legal action against those who have caused problems.
  - 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

REF: p. 27

OBJ: 3

NAT: AACSB Analytic | HRM

TOP: Valuing Diversity

MSC: Application

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

ANS: D

PTS: 1

DIF: Easy

REF: p. 27

OBJ: 3

NAT: AACSB Diversity | Individual Dynamics

TOP: Valuing Diversity

MSC: Synthesis & Evaluation

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

ANS: B

PTS: 1

DIF: Moderate

REF: p. 28

OBJ: 3

NAT: AACSB Diversity | Environmental Influence

TOP: Diversity's Benefits and Problems

MSC: Synthesis & Evaluation

34. Which of the following is NOT a classification for ethical theories?
- humanitarian
  - rule-based
  - consequential
  - cultural



ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 28-29  
OBJ: 4                      NAT: AACSB Ethics | Ethical Responsibilities  
TOP: Ethics, Character, and Personal Integrity  
MSC: Knowledge & Comprehension

35. An ethical theory that emphasizes the nature and characteristics of an act is:
- cultural based
  - motive-based
  - consequence-based
  - rule-based

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 29  
OBJ: 4                      NAT: AACSB Ethics | Ethical Responsibilities  
TOP: Rule-Based Theories of Ethics                      MSC: Knowledge & Comprehension

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

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 28  
OBJ: 4                      NAT: AACSB Ethics | Ethical Responsibilities  
TOP: Consequential Theories of Ethics                      MSC: Knowledge & Comprehension

37. Corporations and business enterprises tend to subscribe to:
- cultural relativism
  - universal moralism
  - consequential ethics
  - rule-based ethics

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 28  
OBJ: 4                      NAT: AACSB Ethics | Ethical Responsibilities  
TOP: Consequential Theories of Ethics                      MSC: Knowledge & Comprehension

38. Crude comments or sexual jokes and behaviors that disparage someone's sex or convey hostility is considered which type of sexual harassment?
- sexual coercion
  - exploitation
  - gender harassment
  - sexual abuse

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 30  
OBJ: 5                      NAT: AACSB Ethics | HRM                      TOP: Sexual Harassment  
MSC: Knowledge & Comprehension

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

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 30  
OBJ: 5                      NAT: AACSB Ethics | HRM                      TOP: Sexual Harassment  
MSC: Knowledge & Comprehension

40. Which of the following would not be considered sexual harassment?
- A male department head is propositioned by a female employee who has bid for a different job that carries a high rate of pay.
  - When congratulating employees for their good work, a male supervisor pats male workers on the shoulder and female workers on their behinds.
  - 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.
  - 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                      REF: p. 30  
OBJ: 5                      NAT: AACSB Analytic | Ethical Responsibilities  
TOP: Sexual Harassment                      MSC: Application

41. 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:
- sexual harassment
  - procedural justice
  - uniform standards
  - distributive justice

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 30  
OBJ: 5                      NAT: AACSB Ethics | HRM                      TOP: Organizational Justice  
MSC: Application

42. When the Japanese questioned the salaries of American CEOs during a time when many companies were having difficulty and laying off workers, they were making their judgments based upon:
- utilitarian justice
  - distributive justice
  - procedural justice
  - rule-based justice

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 30  
OBJ: 5                      NAT: AACSB Ethics | HRM                      TOP: Organizational Justice  
MSC: Application

43. Whistle-blowing is:
- an example of white-collar crime
  - a powerful influence on corporate America
  - an illustration of distributive justice
  - unethical

ANS: B                      PTS: 1                      DIF: Hard                      REF: p. 31  
OBJ: 5                      NAT: AACSB Ethics | Ethical Responsibilities | Legal Responsibilities  
TOP: Whistle-Blowing                      MSC: Knowledge & Comprehension

44. The obligation of an organization to behave in ethical ways is known as:
- social environmentalism
  - organizational morality
  - social responsibility
  - ethical imperative

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 31  
OBJ: 5                      NAT: AACSB Ethics | Ethical Responsibilities  
TOP: Social Responsibility                      MSC: Knowledge & Comprehension

### 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                      DIF: Easy                      REF: p. 17  
OBJ: 1                      NAT: AACSB Reflective Thinking | Environmental Influence  
TOP: Competing in the Global Economy                      MSC: Knowledge & Comprehension

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

ANS: F  
Transnational organizations operate across long distances and employ a multicultural mix of workers.

PTS: 1                      DIF: Easy                      REF: p. 17                      OBJ: 1  
NAT: AACSB Reflective Thinking | Environmental Influence  
TOP: Competing in the Global Economy                      MSC: Knowledge & Comprehension

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

ANS: F  
An organization in which the *global* viewpoint supersedes the *national* viewpoint is a transnational organization.

PTS: 1                      DIF: Moderate                      REF: p. 17                      OBJ: 1  
NAT: AACSB Reflective Thinking | Environmental Influence  
TOP: Competing in the Global Economy                      MSC: Knowledge & Comprehension

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

ANS: F  
Americans can learn to build their own *guanxi*; understand the Chinese chain of command; and negotiate slow, general agreements in order to interact effectively with Chinese managers.

PTS: 1                      DIF: Moderate                      REF: p. 18                      OBJ: 1  
NAT: AACSB Diversity | Environmental Influence                      TOP: Social and Political Changes  
MSC: Knowledge & Comprehension

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

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 19  
OBJ: 1                      NAT: AACSB Reflective Thinking | HRM  
TOP: Cultural Differences                      MSC: Application

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

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 19  
OBJ: 1                      NAT: AACSB Diversity | HRM                      TOP: Cultural Differences  
MSC: Knowledge & Comprehension

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

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 20  
OBJ: 2                      NAT: AACSB Diversity | Group Dynamics  
TOP: Individualism versus Collectivism                      MSC: Knowledge & Comprehension

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  
In cultures where *individualism* predominates, the social framework is loose. Collectivistic cultures are tightly knit social frameworks.

PTS: 1                      DIF: Easy                      REF: p. 20                      OBJ: 2  
NAT: AACSB Diversity | Individual Dynamics  
TOP: Individualism versus Collectivism                      MSC: Knowledge & Comprehension

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

ANS: F  
Cultures with high uncertainty avoidance are concerned with security and tend to avoid conflict. High risk taking is associated with low uncertainty avoidance.

PTS: 1                      DIF: Easy                      REF: p. 22                      OBJ: 2  
NAT: AACSB Diversity | Individual Dynamics                      TOP: Uncertainty Avoidance  
MSC: Knowledge & Comprehension

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

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 23  
OBJ: 2                      NAT: AACSB Diversity | Group Dynamics  
TOP: What About Culture?                      MSC: Knowledge & Comprehension

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

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 24  
OBJ: 3                      NAT: AACSB Diversity | Individual Dynamics  
TOP: Gender Diversity                      MSC: Knowledge & Comprehension

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

ANS: F  
The glass ceiling is a *global* phenomenon, although the roles of women in leadership positions are improving.

PTS: 1                      DIF: Easy                      REF: p. 24-25                      OBJ: 3  
NAT: AACSB Diversity | HRM                      TOP: Gender Diversity  
MSC: Knowledge & Comprehension

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

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 27  
OBJ: 3                      NAT: AACSB Diversity | Individual Dynamics  
TOP: Valuing Diversity                      MSC: Knowledge & Comprehension

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

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 28  
OBJ: 4                      NAT: AACSB Ethics | Ethical Responsibilities  
TOP: Consequential Theories of Ethics                      MSC: Knowledge & Comprehension

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

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 28  
OBJ: 4                      NAT: AACSB Ethics | Ethical Responsibilities  
TOP: Consequential Theories of Ethics                      MSC: Knowledge & Comprehension

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

ANS: F  
Companies *are liable* for any sexual harassment action that an employee takes. Victims of sexual harassment can sue a company for compensatory and punitive damages in addition to back pay. As a result, many corporations have put into place comprehensive sexual harassment programs.

PTS: 1                      DIF: Moderate                      REF: p. 30                      OBJ: 5  
NAT: AACSB Ethics | Legal Responsibilities                      TOP: Sexual Harassment  
MSC: Knowledge & Comprehension

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

ANS: F  
This is the definition for *procedural justice*. Distributive justice concerns the fairness of outcomes individuals receive.

PTS: 1                      DIF: Moderate                      REF: p. 30                      OBJ: 5  
NAT: AACSB Ethics | Ethical Responsibilities                      TOP: Organizational Justice  
MSC: Knowledge & Comprehension

## 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 acceptance of unequal distribution of power.
- 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. Power Distance
3. Globalization



- OBJ: 3  
 NAT: AACSB Diversity | AACSB Ethics | Ethical Responsibilities | Legal Responsibilities  
 TOP: Age Diversity MSC: Knowledge & Comprehension
11. ANS: C PTS: 1 DIF: Easy REF: p. 23  
 OBJ: 3  
 NAT: AACSB Diversity | AACSB Ethics | Ethical Responsibilities | Legal Responsibilities  
 TOP: The Diverse Workforce MSC: Knowledge & Comprehension

*Match the following:*

- a. A collection of rule-based guides to ethical behavior.
  - b. An ethical perspective that focuses 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. Fairness of outcomes received by organizational members.
  - f. Suggests that right and wrong is determined by the consequences of the action.
12. Distributive Justice  
 13. Social Responsibility  
 14. Cultural Relativism  
 15. Bible  
 16. Consequential Theory  
 17. Utilitarianism

12. ANS: E PTS: 1 DIF: Moderate REF: p. 30  
 OBJ: 5 NAT: AACSB Ethics | Ethical Responsibilities  
 TOP: Organizational Justice MSC: Knowledge & Comprehension
13. ANS: C PTS: 1 DIF: Moderate REF: p. 31  
 OBJ: 5 NAT: AACSB Ethics | Ethical Responsibilities  
 TOP: Cultural Relativism MSC: Knowledge & Comprehension
14. ANS: D PTS: 1 DIF: Moderate REF: p. 29  
 OBJ: 4 NAT: AACSB Ethics | Ethical Responsibilities  
 TOP: Cultural Relativism MSC: Knowledge & Comprehension
15. ANS: A PTS: 1 DIF: Moderate REF: p. 29  
 OBJ: 4 NAT: AACSB Ethics | Ethical Responsibilities  
 TOP: Rule-Based Theories of Ethics MSC: Knowledge & Comprehension
16. ANS: B PTS: 1 DIF: Moderate REF: p. 28  
 OBJ: 4 NAT: AACSB Ethics | Ethical Responsibilities  
 TOP: Consequential Theories MSC: Knowledge & Comprehension
17. ANS: F PTS: 1 DIF: Moderate REF: p. 28  
 OBJ: 4 NAT: AACSB Ethics | Ethical Responsibilities  
 TOP: Consequential Theories MSC: Knowledge & Comprehension

*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. An organization's obligation to behave ethically in its social environment.
  - e. Fairness of outcomes individual receive.
18. Social responsibility  
 19. Procedural Justice  
 20. Distributive Justice

21. Code of Ethics
22. Whistle-blower

- |                             |  |           |            |
|-----------------------------|--|-----------|------------|
| 18. ANS: D                  | PTS: 1                                       | DIF: Easy | REF: p. 31 |
| OBJ: 5                      | NAT: AACSB Ethics   Ethical Responsibilities |           |            |
| TOP: Social Responsibility  | MSC: Knowledge & Comprehension               |           |            |
| 19. ANS: B                  | PTS: 1                                       | DIF: Easy | REF: p. 30 |
| OBJ: 5                      | NAT: AACSB Ethics   Ethical Responsibilities |           |            |
| TOP: Organizational Justice | MSC: Knowledge & Comprehension               |           |            |
| 20. ANS: E                  | PTS: 1                                       | DIF: Easy | REF: p. 30 |
| OBJ: 5                      | NAT: AACSB Ethics   Ethical Responsibilities |           |            |
| TOP: Organizational Justice | MSC: Knowledge & Comprehension               |           |            |
| 21. ANS: C                  | PTS: 1                                       | DIF: Easy | REF: p. 31 |
| OBJ: 5                      | NAT: AACSB Ethics   Ethical Responsibilities |           |            |
| TOP: Codes of Ethics        | MSC: Knowledge & Comprehension               |           |            |
| 22. ANS: A                  | PTS: 1                                       | DIF: Easy | REF: p. 31 |
| OBJ: 5                      | NAT: AACSB Ethics   Ethical Responsibilities |           |            |
| TOP: Whistle-Blowing        | MSC: Knowledge & Comprehension               |           |            |

## 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	DIF: Moderate	REF: p. 18	OBJ: 1
NAT: AACSB Diversity   Environmental Influence			TOP: Social and Political Changes
MSC: Analysis			

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	DIF: Difficult	REF: p. 19	OBJ: 1
NAT: AACSB Diversity   Environmental Influence			TOP: Cultural Differences
MSC: Analysis			

3. What are some (mention at least five) of the significant workforce composition changes that have been taking place since the second World War?

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. 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 2004, 58% of U.S. women were employed. The most rapidly expanding minority segment of the workforce is Hispanic; Asian Americans are also rapidly increasing their workforce numbers. Finally, the workforce is aging for two reasons: the population is aging and people are working longer as there is not mandatory retirement age.

PTS: 1                    DIF: Moderate            REF: p. 23-26            OBJ: 3  
NAT: AACSB Diversity | HRM  
TOP: Ethnic Diversity, Gender Diversity, and Age Diversity            MSC: Analysis

4. Are legal requirements and ethical standards synonymous?

ANS:

They are close but not the same. Staying just within the law could also border on being unethical. In other words, a person could be found to have met legal technical requirements but their behavior might be considered unacceptable from an ethical viewpoint.

PTS: 1                    DIF: Moderate            REF: p. 29                OBJ: 4  
NAT: AACSB Ethics | AACSB Analytic | Ethical Responsibilities | Legal Responsibilities  
TOP: Character Theories of Ethics            MSC: Analysis

5. Imagine that you are working for an organization that produces a highly controlled and experimental drug that is targeted for the treatment of a rare virus. Unfortunately, someone close to you has contracted the disease, and it appears that the only hope this person has is to obtain the experimental drug. At this time, however, there is absolutely no way you could obtain the drug under legal means. Using each of the three classifications of ethical theories (consequential, rule-based, and cultural), briefly describe what you would do.

ANS:

Consequential - Under this perspective you could argue that the greatest good will be served (saving your friend), and you may rationalize stealing the drug to save the life. Here, good consequences do not always follow from right actions. Rule-based theory - Under this perspective the character of the act would not allow you to steal the drug. The character of the act, not the effect, is the driving force. Under Kant's categorical imperative, it simply wrong to steal, a necessary universal standard. The self-interest of human beings is God's providence, or there are rule-based guides to moral behavior. Cultural relativism - Here, you would do what is right given the context. If a more consequential base was the norm, then you would likely take the drug.

PTS: 1                    DIF: Moderate            REF: p. 29                OBJ: 4  
NAT: AACSB Ethics | AACSB Analytic | Ethical Responsibilities  
TOP: Rule-Based Theories of Ethics, Character Theories of Ethics, and Cultural Relativism  
MSC: Analysis