

Chapter 02 The Changing Environment of Organizations

TRUEFALSE

1. In 2014, the volume of international trade in current dollars was more than 50 times greater than the amount in 1960.

(A) True

(B) False

Answer : (A)

2. More and more firms are moving back to domestic markets to control costs, especially to reduce labor costs.

(A) True

(B) False

Answer : (B)

3. The environment of business is expected to continue changing in the future.

(A) True

(B) False

Answer : (A)

4. Some of the growth of international business can be attributed to communication and transportation advances.

(A) True

(B) False

Answer : (A)

5. Cultural diversity can enhance synergy in an organization.

(A) True

(B) False

Answer : (A)

6. Culture helps a group understand which actions are acceptable and which are unacceptable.

(A) True

(B) False

Answer : (A)

7. An employee in a collectivistic culture would be much more concerned about her work than about her relationships with others.

(A) True

(B) False

Answer : (B)

8. In Mexico, people prefer to be in a situation in which authority is not emphasized and lines of authority are overlooked or deemphasized.

(A) True

(B) False

Answer : (B)

9. A culture low in masculinity is not aggressive and is not concerned with the acquisition of money and other possessions.

(A) True

(B) False

Answer : (A)

10. Workforce diversity refers to the important similarities and differences among the employees of the organization.

(A) True

(B) False

Answer : (A)

11. A prejudice is a generalization about a person or a group of persons based on certain characteristics or traits.

(A) True

(B) False

Answer : (B)

12. Differences in age, gender, ethnicity, and physical ability are all considered to be components of diversity.

(A) True

(B) False

Answer : (A)

13. The white male segment of the workforce is expected to decrease as a proportion of the workforce in the next decade.

(A) True

(B) False

Answer : (A)

14. Workforce diversity is mostly occurring in the United States, rather than in other countries around the world.

(A) True

(B) False

Answer : (B)

15. Today, the workplace in the United States might be regarded as more of a "tossed salad" made up of a mosaic of different flavors, colors, and textures.

(A) True

(B) False

Answer : (A)

16. Valuing diversity means appreciating the varying ideas and perspectives that are provided by a heterogeneous workforce.

(A) True

(B) False

Answer : (A)

17. Four Seasons Hotels is an example of a manufacturing organization.

(A) True

(B) False

Answer : (B)

18. The most effective service organizations produce intangible outcomes for their customers.

(A) True

(B) False

Answer : (A)

19. Businesses have found that they can be more competitive if they can greatly decrease cycle times.

(A) True

(B) False

Answer : (A)

20. Advances in information technology have resulted in communication at work that is less personal in nature.

(A) True

(B) False

Answer : (A)

21. Board independence is an issue when a board of directors includes members from related or partner firms.

(A) True

(B) False

Answer : (A)

22. Knowledge workers include scientists, engineers, product designers, and video game developers.

(A) True

(B) False

Answer : (A)

23. Globalization is one of the most significant sources of change for organizations today.

(A) True

(B) False

Answer : (A)

24. The culture of the United States has a more long-term orientation than that of Japan or Germany.

(A) True

(B) False

Answer : (B)

25. Rapid change in business relationships, organizational structures, and financial systems has made it easier to keep accurate track of a company's financial position.

(A) True

(B) False

Answer : (B)

26. Regardless of differences in religion, language, or politics, countries that are located near each other tend to have similar societal cultures.

(A) True

(B) False

Answer : (B)

27. Diversity training and diversity education need to communicate that bias is not a part of being human.

(A) True

(B) False

Answer : (B)

28. It is not realistic to claim or to pursue an "I'm totally unbiased" stance with regard to diversity.

(A) True

(B) False

Answer : (A)

MULTICHOICE

29. The environment of all organizations is changing at a(n) ____ rate.

- (A) decreased
- (B) slowing
- (C) unprecedented
- (D) moderate
- (E) inelastic

Answer : (C)

30. Understanding and addressing the environment of a business has traditionally been the purview of

- (A) supervisors
- (B) stockholders
- (C) workers and line managers
- (D) stakeholders
- (E) top managers

Answer : (E)

31. The most significant source of change impacting many organizations today is increasing

- (A) cultural change
- (B) corporate governance
- (C) globalization
- (D) business ethics
- (E) technological knowledge

Answer : (C)

32. Which of the following statements regarding cross-cultural differences and similarities is *not* true?

- (A) Cultures and national boundaries always coincide.
- (B) Culture is a set of values that is often taken for granted.
- (C) A manager behaves differently in different cultural settings.
- (D) There are profound cultural differences between Southern California and Texas.
- (E) Japanese and U.S. workers are likely to have different attitudes toward work.

Answer : (A)

33. Which of the following is true about employees working in the same company but in different locations?

- (A) Their behaviors may differ within and across countries.
- (B) Their behaviors will be the same regardless of their location.
- (C) Their behaviors at work are not important.
- (D) Their behaviors will have nothing to do with their locations.
- (E) Their behaviors will be the same within single countries, but may differ from one country to the next.

Answer : (A)

34. All of the following are considered cultural dimensions EXCEPT

- (A) individualism/collectivism.
- (B) uncertainty avoidance.
- (C) power distance.
- (D) masculinity.
- (E) open-mindedness.

Answer : (E)

35. Which of the following statements is NOT true about individualistic cultures?

- (A) It is important to stand out in the crowd.
- (B) It is important to fit in with the group.
- (C) Tasks are more important than relationships.
- (D) Promotion is based on skills and rules.

(E) People are more concerned with themselves than with their work groups.

Answer : (B)

36. Another term for power distance is ____.

(A) deontology

(B) teleology

(C) individualism

(D) orientation to authority

(E) collectivism

Answer : (D)

37. The dimension of uncertainty avoidance is the extent to which

(A) workers prefer unambiguous situations.

(B) workers focus on the future.

(C) acquisition of money and things is emphasized.

(D) women are allowed to work in society.

(E) men maintain a glass ceiling.

Answer : (A)

38. Masculinity

(A) gives employees a sense of autonomy.

(B) is the extent to which workers focus on the future.

(C) enhances organizational effectiveness.

(D) emphasizes assertiveness.

(E) is the extent to which workers prefer clear situations.

Answer : (D)

39. Which of the following is a cultural dimension identified by Hofstede?

(A) ethical idealism

(B) groupthink

- (C) power distance
- (D) workforce diversity
- (E) consumer behavior

Answer : (C)

40. All of the following are true about stereotypes EXCEPT

- (A) they lead to an appreciation of individual differences
- (B) they are based on certain characteristics or traits
- (C) they ignore the specific person
- (D) they are generalizations
- (E) they ignore the current situation

Answer : (A)

41. Stereotypes can best be defined as

- (A) favoring people similar to you.
- (B) focusing on differences among people.
- (C) grouping people into different categories.
- (D) judgments about others that reinforce beliefs about superiority and inferiority.
- (E) making generalizations about groups of people.

Answer : (E)

42. Which of the following is NOT an example of a dimension of diversity?

- (A) age
- (B) gender
- (C) sexual orientation
- (D) mental abilities
- (E) marital status

Answer : (E)

43. Which of the following is a component of surface-level diversity?

- (A) ethnicity
- (B) pay differences
- (C) knowledge
- (D) work experience
- (E) personality

Answer : (A)

44. Which of the following is a component of deep-level diversity?

- (A) physical abilities
- (B) goals
- (C) age
- (D) gender
- (E) ethnicity

Answer : (B)

45. ____ refers to the variety of observable and unobservable similarities and differences among people.

- (A) Diversity
- (B) Race
- (C) Ethnocentrism
- (D) Ethnicity
- (E) Stereotyping

Answer : (A)

46. Which of the following workforce groups will increase the LEAST in size between 2006 and 2016?

- (A) 25 to 54 year olds
- (B) 55 to 64 year olds
- (C) 65 to 74 year olds
- (D) 75 years and older

(E) Total, 16 years and older

Answer : (A)

47. Not paying attention to diversity can be costly to organizations in all of the following ways EXCEPT

- (A) it can decrease turnover.
- (B) it can lower productivity.
- (C) it can block minority involvement in decision making.
- (D) it can increase tensions among workers.
- (E) it can increase lawsuits.

Answer : (A)

48. Which of the following is NOT a benefit of valuing diversity?

- (A) Access to more perspectives on a problem
- (B) Fresh perspectives
- (C) Less interpersonal conflict
- (D) Greater homogeneity
- (E) Richer ideas

Answer : (D)

49. A form of business that combines and transforms resources into tangible outcomes that are then sold to others is called a(n)

- (A) manufacturing organization.
- (B) biotechnology firm.
- (C) information technology firm.
- (D) service organization.
- (E) hybrid organization.

Answer : (A)

50. A form of business that transforms resources into an intangible output and creates time or place utility for its customers is called a(n)

- (A) manufacturing organization.
- (B) biotechnology firm.
- (C) information technology firm.
- (D) service organization.
- (E) hybrid organization.

Answer : (D)

51. AMD makes computer chips that are installed in various computers. AMD is an example of a(n)

- (A) manufacturing organization.
- (B) biotechnology firm.
- (C) information technology firm.
- (D) service organization.
- (E) hybrid organization.

Answer : (A)

52. Which of the following statements about technology is NOT true?

- (A) Technology is a major driver for organizational change.
- (B) It has widespread effects on the behavior of people in the organization.
- (C) Technology provides a competitive advantage
- (D) It combines and transforms resources into outcomes.
- (E) It is causing shift toward a service-based economy.

Answer : (D)

53. Car makers design and produce new model cars much more quickly now than they did in the past. This is an example of

- (A) effective leadership.
- (B) decreased cycle time.
- (C) increased employee morale.
- (D) valued diversity.
- (E) low-cost production.

Answer : (B)

54. An ice cream maker requires approximately two months from the time a new flavor is decided on in the corporate board room to the time it is produced and available to consumers in stores. This time is called

- (A) competitive advantage time.
- (B) information technology time.
- (C) cycle time.
- (D) production time.
- (E) made-to-order time.

Answer : (C)

55. Which of the following statements about information technology is NOT true?

- (A) It has resulted in leaner organizations.
- (B) It provides more flexible operations.
- (C) It has provided more down time for employees.
- (D) It has increased collaboration among employees.
- (E) It has improved management processes.

Answer : (C)

56. Which statement accurately describes a *downside* of information technology?

- (A) It has increased personal communication.
- (B) It has increased a sense of urgency vis- -vis decision-making.
- (C) It has increased ethical decision-making for managers.
- (D) It has resulted in more down time for managers.
- (E) It has created inflexible worksites.

Answer : (B)

57. The duty of the board of directors of a public corporation is to

- (A) audit the company's financial statements for accuracy.
- (B) recommend new products and services.

(C) control the day-to-day operations of the firm.

(D) protect the company from harsh overseas competition and lower labor costs.

(E) ensure decisions by senior managers are in the best interests of the shareholders.

Answer : (E)

58. The oversight of a public corporation by its board of directors is called ____.

(A) board isolation

(B) deontological overview

(C) corporate governance

(D) pricing policy

(E) profit maximization

Answer : (C)

59. One way to address privacy concerns on the Internet is to

(A) keep all information collected confidential.

(B) publicly display any information collected by the company.

(C) post a privacy policy on the company's web site.

(D) avoid collecting any private information.

(E) share collected information only with respectable firms.

Answer : (C)

60. Which of the following statements about knowledge workers is NOT true?

(A) Knowledge workers include computer scientists.

(B) Knowledge workers require highly specialized training.

(C) Compensation is specially tailored for the knowledge worker.

(D) Knowledge workers do not add value to the organization.

(E) Knowledge workers are video game developers.

Answer : (D)

61. A knowledge worker's career path may run parallel to a management career path. The benefit of

this path for the worker is

- (A) the chance to take on substantial management responsibilities.
- (B) more frequent training in management tasks.
- (C) less highly specialized training.
- (D) compensation that is equivalent to that available to management.
- (E) freedom from specialized technical work.

Answer : (D)

62. In the past, Karson Photography Studios directly hired and managed its own custodial staff. Now, Karson contracts this work to a cleaning company. This is an example of

- (A) corporate governance.
- (B) offshoring.
- (C) outsourcing.
- (D) nearshoring.
- (E) insourcing.

Answer : (C)

63. Examples of organizational functions to outsource include all of the following EXCEPT

- (A) The organization's payroll function.
- (B) The organization's human resource training program.
- (C) The organization's corporate governance program.
- (D) The organization's facility maintenance program.
- (E) The organization's food service facility.

Answer : (C)

64. Marcos believes that men make better managers than women. Marcos's attitude is an example of

- (A) stereotyping
- (B) prejudice
- (C) cultural competence

- (D) ethnocentrism
- (E) the "like me" bias

Answer : (B)

65. _____ workers are hired because of what they know.

- (A) Contingent
- (B) Tiered
- (C) Knowledge
- (D) Offshore
- (E) Outsourced

Answer : (C)

66. The oversight of a public corporation by its board of directors is called corporate _____.

- (A) ethics
- (B) malfeasance
- (C) lollygagging
- (D) responsibility
- (E) governance

Answer : (A)

67. A(n) _____ worker is employed in a company on an impermanent or part-time basis.

- (A) tiered
- (B) knowledge
- (C) contingent
- (D) offshore
- (E) illegal

Answer : (C)

68. What term refers to employer and employee expectations of the employment relationship that operate over and above the formal contract of employment?

- (A) psychological contract
- (B) informed consent
- (C) emotional intelligence
- (D) emotional contract
- (E) prenuptial agreement

Answer : (A)

69. Psychological contracts create _____ promises and obligations between employees and the employer.

- (A) ethical
- (B) unethical
- (C) implicit
- (D) explicit
- (E) absolute

Answer : (C)

70. The defining characteristic of a tiered workforce is that different employees are paid _____ wages for doing _____ work.

- (A) different, the same
- (B) different, different
- (C) the same, different
- (D) the same, the same
- (E) some of the, all of them

Answer : (A)

71. Title VII prohibits employee discrimination based on a variety of characteristics. Which of the following is NOT included?

- (A) sexual orientation
- (B) race
- (C) sex
- (D) religion

(E) national origin

Answer : (A)

72. _____ allows monetary damages in cases of intentional employment discrimination.

(A) Title VII of the Civil Rights Act of 1964

(B) Title V of the Civil Rights Act of 1954

(C) The Emancipation Proclamation

(D) The Bill of Rights

(E) The Civil Rights Act of 1991

Answer : (E)

73. One of the largest employment discrimination lawsuits was settled for more than \$11.7 million against Walmart and Sam's Club. What was the main group that was discriminated in this case?

(A) blacks

(B) whites

(C) women

(D) Hispanics

(E) Asians

Answer : (C)

74. The ethnic and cultural mix of the U.S. workforce is _____.

(A) constant

(B) becoming more homogenous

(C) decreasing

(D) small compared to other nations

(E) changing

Answer : (E)

75. What level of the corporate ladder is least diverse?

(A) lowest level

- (B) assembly line workers
- (C) lower management
- (D) middle management
- (E) top management (i.e. CEO)

Answer : (E)

76. The U.S. Bureau of Labor Statistics projects a dramatic increase in workers ____ during the next decade.

- (A) age 16-20
- (B) age 20-30
- (C) age 30-40
- (D) age 40-50
- (E) age 65 and older

Answer : (E)

77. As the age diversity of work groups increases, it becomes increasingly likely that

- (A) a non-minority will be the supervisor of a minority
- (B) a minority will be the supervisor of a non-minority
- (C) there will be conflicts because of age differences
- (D) a younger employee will report to an older supervisor
- (E) an older employee will report to a younger supervisor

Answer : (E)

78. Mismanaging diversity is likely to result in all of the following EXCEPT

- (A) reduced innovation.
- (B) reduced motivation.
- (C) increased absenteeism.
- (D) costly lawsuits.
- (E) reduced turnover.

Answer : (E)

79. Stereotypes can be based on all of the following characteristics EXCEPT

- (A) race.
- (B) religion.
- (C) disability.
- (D) nationality.
- (E) ethics.

Answer : (E)

80. Employees who feel the need to protect their own career prospects by impeding the prospects of others are experiencing

- (A) the "like me" bias.
- (B) prejudices.
- (C) ethnocentrism.
- (D) perceived threat of loss.
- (E) unequal access to organizational networks.

Answer : (D)

81. What is the most important element in effectively leveraging the positive potential of diversity?

- (A) a clearly written policy manual
- (B) support from lower level managers
- (C) affirmative action
- (D) top management support
- (E) labor unions

Answer : (D)

82. Reciprocal mentoring: matches _____ with _____ to allow both people to learn more about a different group.

- (A) senior employees, diverse junior employees
- (B) managers, secretaries
- (C) men, women

- (D) managers, trustees
- (E) engineers, marketers

Answer : (A)

83. Which of the following terms refers to the degree of inequality that exists and that is accepted among people with and without power?

- (A) masculinity
- (B) span of control
- (C) strength differential
- (D) power distance
- (E) privilege difference

Answer : (D)

84. Which of the following best reflects low individualism?

- (A) valuing personal achievement above the achievement of the group
- (B) believing that people are incapable of making decisions on their own
- (C) valuing personal freedom above all else
- (D) valuing harmony more highly than honesty
- (E) wanting to stand out from the crowd

Answer : (D)

85. Which of the following terms refers to the degree of anxiety people feel in unfamiliar situations?

- (A) decision-making difficulty
- (B) uncertainty avoidance
- (C) social anxiety disorder
- (D) masculinity
- (E) power distance

Answer : (B)

86. Which of the following does NOT reflect individualism?

- (A) valuing personal achievement above the achievement of the group
- (B) believing that people are incapable of making decisions on their own
- (C) valuing personal freedom above all else
- (D) valuing harmony more highly than honesty
- (E) wanting to stand out from the crowd

Answer : (D)

87. Which of the following terms refers to the ability to interact effectively with people of different cultures?

- (A) tolerance
- (B) racial knowledge
- (C) egalitarianism
- (D) ethnocentrism
- (E) cultural competence

Answer : (E)

88. The fact that, consciously or subconsciously, we tend to prefer to associate with others who are like us is called

- (A) the "like me" bias.
- (B) bigotry.
- (C) ethnocentrism.
- (D) perceived threat of loss.
- (E) stereotyping.

Answer : (A)

89. The belief that one's culture is superior to all others is called

- (A) the "like me" bias.
- (B) bigotry.
- (C) ethnocentrism.
- (D) perceived threat of loss.

(E) stereotyping.

Answer : (C)

90. Which of the following groups of people is NOT increasing as a percentage of the total workforce in the United States?

(A) Hispanics

(B) Blacks

(C) Women

(D) White males

(E) Asians

Answer : (D)

91. Which of the following is considered diversity?

(A) life experiences

(B) educational background

(C) where someone is from

(D) how old someone is

(E) all of these

Answer : (E)

92. _____ refers to individual differences that cannot be seen directly, including goals, values, personalities, decision-making styles, knowledge, skills, abilities, and attitudes.

(A) Surface-level diversity

(B) All-level diversity

(C) Deep-level diversity

(D) Ethnocentrism

(E) Cultural competence

Answer : (C)

93. _____ refers to observable differences in people, including race, age, ethnicity, physical abilities, physical characteristics, and gender.

- (A) All-level diversity
- (B) Surface-level diversity
- (C) Deep-level diversity
- (D) Ethnocentrism
- (E) Cultural competence

Answer : (B)

94. ____ diversity exists within a group when there are differences in a certain type or category, including group members' expertise, knowledge, or functional background.

- (A) Variety
- (B) Disparity
- (C) Separation
- (D) Ethnocentrism
- (E) Token

Answer : (A)

95. When you notice that someone is tall, what type of diversity are you noticing?

- (A) longitudinal diversity
- (B) Surface-level diversity
- (C) Deep-level diversity
- (D) attitudinal diversity
- (E) ethnocentrism

Answer : (B)

96. ____ diversity reflects dissimilarity in attitudes or values, especially with regard to group goals or processes.

- (A) The "like me" bias
- (B) Disparity
- (C) Ethnocentrism
- (D) Separation

(E) Token

Answer : (D)

97. ____ diversity refers differences in the concentration of valuable social assets or resources such as rank, pay, decision-making authority, and status.

(A) Variety

(B) Token

(C) Disparity

(D) Ethnocentrism

(E) Separation

Answer : (C)

98. The purpose of diversity training is to help employees ____ their biases. Select ALL of the choices that would validly complete this sentence.

(A) control

(B) hide

(C) become aware of

(D) eliminate

(E) expand

Answer :

99. Which of the following demonstrate surface-level diversity? **Select as many as apply.**

(A) The Chicago Bulls basketball team is made up of players with a variety of values and personalities.

(B) The people who volunteer for the local animal shelter have a wide variety of expertise that they use to help fundraise for the organization.

(C) The marketing team has five members, but only Gary has a title that he can put on his résumé.

(D) The manufacturing team at Revlon responsible for making and packaging makeup is comprised of people of a variety of ages, races, and nationalities.

(E) The Milwaukee Brewers baseball team has some players who are tall, some who are short, and others who are average in height.

Answer :

100. Which of the following demonstrate deep-level diversity? **Select as many as apply.**

(A) The Chicago Bulls basketball team is made up of players with a variety of values and personalities.

(B) The people who volunteer for the local animal shelter have a wide variety of expertise that they use to help fundraise for the organization.

(C) The marketing team has five members, but only Gary has a title that he can put on his résumé.

(D) The manufacturing team at Revlon responsible for making and packaging makeup is comprised of people of a variety of ages, races, and nationalities.

(E) Some of the teachers at Kaplan Test Prep have an advanced degree -- PhD, MS, MD, JD -- while others do not.

Answer :

SHORTANSWER

101. The extent to which people in a culture develop tight social frameworks is called _____ **Answer :** collectivism

102. Orientation to authority is another name for the cultural value _____ **Answer :** power distance

103. Orientation to authority is the extent to which people accept as normal an unequal distribution of _____ **Answer :** power

104. _____ orientation is tied to values that are oriented toward the past and the present and include respect for traditions and social obligations. **Answer :** Short-term

105. _____ is the extent to which people feel threatened by unknown situations and prefer to be in clear and unambiguous situations. **Answer :** Uncertainty avoidance

106. Michelle lives in a society where the focus is on the future, and where persistence and thrift are valued. Michelle's culture has a(n) _____ orientation. **Answer :** long-term

107. Parental status, religious beliefs, and military experience are examples of _____-level diversity. **Answer :** deep

108. Pureflow collects water at a natural spring, filters it, and bottles it for sale. This work process makes Pureflow an example of a(n) _____ organization. **Answer :** manufacturing

109. Powertrain is a fitness club that offers customers free personal trainers and nutrition consultants. This work process makes Powertrain an example of a(n) _____ organization. **Answer :** service

110. Breakthroughs in _____ technology have resulted in leaner organizations and more collaboration across employees, but also in less personal communication and an increased

sense of urgency in communications.**Answer** : information

MATCH

111. Match each barrier to inclusion with the scenario that most clearly illustrates it.

MATCH

112. Match each cultural dimension with the scenario that most clearly illustrates it.

ESSAY

113. Compare, contrast, and discuss the importance of ethics and corporate governance for business.

Graders Info :

Answer not provided.

114. Give an overview of Geert Hofstede's five dimensions of cultural values. How can understanding these values help managers?

Graders Info :

Answer not provided.

115. Discuss the reasons for the decline of the manufacturing sector and the reasons for the tremendous growth in the service sector.

Graders Info :

Answer not provided.

116. Discuss the growing presence of knowledge workers in today's workforce. How are knowledge workers different than traditional workers? Explain the special issues managers must deal with when employing knowledge workers.

Graders Info :

Answer not provided.

117. Discuss outsourcing by explaining its purpose, costs and benefits. Give two examples of

outsourcing.

Graders Info :

Answer not provided.