

Management Fundamentals 6e (Lussier)

Chapter 2 The Environment: Culture, Ethics, and Social Responsibility

Multiple Choice

1. _____ includes the factors that affect the organization's performance from within its boundaries.

- a. Internal Environment
- b. External Environment
- c. Organizational Culture
- d. External Factors

Ans: A

Learning objective: LO 2-1

Cognitive domain: Knowledge

Difficulty Level: 1

Answer location: Page 36

Question type: MC

AACSB standard: Analytical thinking

2. What does one call the organization's purpose or reason for being?

- a. Culture
- b. Mission
- c. Environment
- d. Stakeholders

Ans: B

Learning objective: LO 2-1

Difficulty Level: 1

Cognitive domain: Comprehension

Answer location: Page 36

Question type: MC

AACSB standard: Analytical thinking

3. _____ are people whose interests are affected by organizational behavior.

- a. Managers
- b. Employees
- c. Stakeholders
- d. Customers

Ans: C

Learning objective: LO 2-1

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 36

Question type: MC

AACSB standard: Analytical thinking

4. Which of the following consists of the values, beliefs, and assumptions about appropriate behavior that members of an organization share?

- a. Organizational Culture
- b. Management Culture
- c. Mission Statement
- d. Internal Environment

Ans: A

Learning objective: LO 2-1

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 36

Question type: MC

AACSB standard: Analytical thinking

5. _____ is/are the technology used to transform inputs into outputs.

- a. Physical Resources
- b. Management Tools
- c. System Process
- d. Human Resources

Ans: C

Learning objective: LO 2-1

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 37

Question type: MC

AACSB standard: Analytical thinking

6. Which of the following provides a means of control to ensure that the inputs and transformation process are producing the desired results?

- a. Transformation
- b. Outputs
- c. Inputs
- d. Feedback

Ans: D

Learning objective: LO 2-1

Difficulty Level: 2

Cognitive domain: Knowledge

Answer location: Page 37

Question type: MC

AACSB standard: Analytical thinking

7. Kim interviewed prospective new employees for ten new jobs in her company. Which internal environmental factor was Kim utilizing?

a. management and culture

b. mission

c. resources

d. systems process

Ans: C

Learning objective: LO 2-1

Difficulty Level: 2

Cognitive domain: Analysis

Answer location: Page 37

Question type: MC

AACSB standard: Analytical thinking

8. McDonald's transformation of bread and hamburger meat into one of the best-selling products in the world is an example of utilizing which internal environmental factor?

a. management and culture

b. mission

c. resources

d. systems process

Ans: D

Learning objective: LO 2-1

Difficulty Level: 2

Cognitive domain: Analysis

Answer location: Page 37

Question type: MC

AACSB standard: Analytical thinking

9. Which of the following is not part of the systems process?

a. Inputs

b. Outputs

c. Feedback

d. Structure

Ans: D

Learning objective: LO 2-1

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 37

Question type: MC

AACSB standard: Analytical thinking

10. Jim is the logistics manager and a large portion of his position requires him to utilize computer driven data to keep track of orders and inventory. Which part of the systems process is Jim most likely exhibiting?

a. Transformation

b. Feedback

c. Inputs

d. Outputs

Ans: B

Learning objective: LO 2-1

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 37

Question type: MC

AACSB standard: Analytical thinking

11. Robert works for Nordstrom and loves coming to his job. He attributes the love for his job to the values and beliefs that the company shares with its employees. Robert's affinity for his job is most likely due to the company's _____

a. Organizational Culture

b. Organizational Structure

c. Mission Statement

d. Management Team

Ans: A

Learning objective: LO 2-1

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 36

Question type: MC

AACSB standard: Analytical thinking

12. Kevin has recently graduated from college and is applying for a new job. What might Kevin look at if he wants to find out more information about the company?

- a. Mission Statement
- b. Organization Structure
- c. Management Team
- d. Stakeholders in the Company

Ans: A

Learning objective: LO 2-1

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 36

Question type: MC

AACSB standard: Analytical thinking

13. Products and services offered to customers are _____

- a. Resources
- b. Physical Inputs
- c. Outputs
- d. Internal Factors

Ans: C

Learning objective: LO 2-1

Difficulty Level: 1

Cognitive domain:

Answer location: Page 37

Question type: MC

AACSB standard: Analytical thinking

14. Which of the following answers the question "Who we are as an organization?"

- a. Organizational Culture
- b. Mission Statement
- c. Internal Environment
- d. Organizational Structure

Ans: B

Learning objective: LO 2-1

Difficulty Level: 1

Cognitive domain: Comprehension

Answer location: Page 36

Question type: MC

AACSB standard: Analytical thinking

15. _____ is the process that involves everyone in an organization focusing on the customer to continually improve product value.

- a. Quality
- b. Customer Value
- c. Systems Process
- d. Total Quality Management

Ans: D

Learning objective: LO 2-2

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 38-39

Question type: MC

AACSB standard: Analytical thinking

16. The Japanese term for continuous improvement is _____.

- a. Keisatsu
- b. Kaizen
- c. Kiken
- d. Kaishain

Ans: B

Learning objective: LO 2-2

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 39

Question type: MC

AACSB standard: Analytical thinking

17. What are the 2 primary principles of TQM?

- a. Focusing on delivering customer value and continually improving the system and its processes
- b. Focusing on delivering customer value and disregarding the system and its processes
- c. Not focusing on delivering customer value and continually improving the system and its processes
- d. Not focusing on delivering customer value and disregarding the system and its processes

Ans: A

Learning objective: LO 2-2

Difficulty Level: 2

Cognitive domain: Knowledge

Answer location: Page 39

Question type: MC

AACSB standard: Analytical thinking

18. ____ is what motivates us to buy products.

- a. Quality
- b. Envy
- c. Value
- d. Wealth

Ans: C

Learning objective: LO 2-2

Difficulty Level: 1

Cognitive domain: Comprehension

Answer location: Page 38

Question type: MC

AACSB standard: Analytical thinking

19. ____ can be considered founders or others who have made outstanding contribution to their organizations.

- a. Heroes
- b. Slogans
- c. Stories
- d. C.E.O.

Ans: A

Learning objective: LO 2-2

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 40

Question type: MC

AACSB standard: Analytical thinking

20. What are the five artifacts of organizational culture?

- a. Stories, Heroes, Slogans, Ceremonies and Behavior
- b. Symbols, Customers, Competition, Heroes and Stories
- c. Stories, Value, Ceremonies, Money and Heroes
- d. Heroes, Slogans, Ceremonies, Symbols and Stories

Ans: D

Learning objective: LO 2-2

Difficulty Level: 3

Cognitive domain: Knowledge

Answer location: Page 40

Question type: MC

AACSB standard: Analytical thinking

21. Recruiters seek employees who fit their _____.

- a. Mission
- b. Needs
- c. Culture
- d. Structure

Ans: C

Learning objective: LO 2-2

Difficulty Level: 1

Cognitive domain: Comprehension

Answer location: Page 39

Question type: MC

AACSB standard: Analytical thinking

22. The 5 components of the internal environment include: management and culture, mission, system processes, structure and _____.

- a. Resources
- b. Value
- c. Quality
- d. Competition

Ans: A

Learning objective: LO 2-2

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 38

Question type: MC

AACSB standard: Analytical thinking

23. An example of a company's mission would be which of the following?

- a. Internet systems and telecommunications
- b. We focus on bringing the best customer service to anyone in the world
- c. Customer product orders that are filled and shipped to the customer
- d. Have a U.S. headquarters and subsidiaries in other countries

Ans: B

Learning objective: LO 2-2

Difficulty Level: 1

Cognitive domain: Application

Answer location: Page 39

Question type: MC

AACSB standard: Analytical thinking

24. _____ is the perceived benefit of a product, used by customers to determine whether to buy the product.

- a. Customer quality
- b. Customer wealth
- c. Customer value
- d. Customer thought process

Ans: C

Learning objective: LO 2-2

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 38

Question type: MC

AACSB standard: Analytical thinking

25. Peter is starting his own delivery company called "Ding Dong Delivery". He is currently starting the company just in his home town and surrounding area (20 mile radius). Peter currently has \$500,000 in capital along with an office space with internet and telephones, as well as 10 delivery trucks, but no employees. What resource is Peter missing that is crucial for his business to get running?

- a. Physical
- b. Human
- c. Informational
- d. Financial

Ans: B

Learning objective: LO 2-2

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 39

Question type: MC

AACSB standard: Analytical thinking

26. Wanda was the owner of a local amusement park which went out of business several years ago. Though closed, _____ of the park continue to be shared by the locals.

- a. Slogan
- b. Symbol
- c. Stories
- d. Heroes

Ans: C

Learning objective: LO 2-2

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 40

Question type: MC

AACSB standard: Analytical thinking

27. Keeshawn has hired a local advertising firm to create a new sign for his restaurant using the restaurant name. The new sign will be a _____ of the restaurant.

- a. Slogan
- b. Symbol
- c. Story
- d. Jacket

Ans: B

Learning objective: LO 2-2

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 40

Question type: MC

AACSB standard: Analytical thinking

28. _____ includes the observable things that people do and say or the actions employees take.

- a. Assumption
- b. Behavior
- c. Value
- d. Evaluation

Ans: B

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 40

Question type: MC

AACSB standard: Analytical thinking

29. The Levels of Culture pyramid are comprised of all except _____.

- a. Values and beliefs
- b. Environment
- c. Behavior
- d. Assumptions

Ans: B

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Comprehension

Answer location: Page 40

Question type: MC

AACSB standard: Analytical thinking

30. How many levels are there in the Levels of Organizational Culture?

- a. One
- b. Two
- c. Three
- d. Four

Ans: C

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 40

Question type: MC

AACSB standard: Analytical thinking

31. ____ are values and beliefs that are so deeply ingrained that they are considered unquestionably true and taken for granted.

- a. Pressures
- b. Directions
- c. Mission statements
- d. Assumptions

Ans: D

Learning objective: LO 2-3

Difficulty Level: 2

Cognitive domain: Knowledge

Answer location: Page 41

Question type: MC

AACSB standard: Analytical thinking

32. Organizations with many employees who do not behave as expected have ____ cultures.

- a. Uneducated
- b. Strong
- c. Learning
- d. Weak

Ans: D

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 41

Question type: MC

AACSB standard: Analytical thinking

33. Jan, an employee of a distribution company, never speaks to anyone in her office. From when she arrives to when she leaves, no one around her talks during the work day. Though she has never been told she cannot mingle with her coworkers, Jan feels as though she is not allowed since no one ever does. Jan made her decision based on a(n) _____.

- a. Objective
- b. Goal
- c. Assumption
- d. Mission

Ans: C

Learning objective: LO 2-3

Difficulty Level: 3

Cognitive domain:

Answer location: Page 41

Question type: MC

AACSB standard: Analytical thinking

34. _____ articulate a vision for an organization and reinforce the culture through slogans, symbols, and ceremonies.

- a. Mid-level managers
- b. Symbolic leaders
- c. Salespeople
- d. Consumers

Ans: B

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 41

Question type: MC

AACSB standard: Analytical thinking

35. Symbolic leaders do all of the following except _____.

- a. Manage, change and merge cultures
- b. Articulate a vision for an organization
- c. Reinforce the culture through slogans

d. Impose cultural values

Ans: D

Learning objective: LO 2-3

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 41

Question type: MC

AACSB standard: Analytical thinking

36. Alan Mulally changed Ford's organizational culture after the company was close to bankruptcy. Ford's goal in bringing in Mulally as CEO was to instill a new cultural _____.

a. Workforce

b. Logo

c. Vision

d. Alliance

Ans: C

Learning objective: LO 2-3

Difficulty Level: 2

Cognitive domain: Analysis

Answer location: Page 42

Question type: MC

AACSB standard: Analytical thinking

37. A learning organization has a culture that values sharing _____ so as to adapt to the changing environment and continuously improve.

a. Customers

b. Knowledge

c. Beliefs

d. Jokes

Ans: B

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 42

Question type: MC

AACSB standard: Analytical thinking

38. In a _____ culture, the group peer pressures nonconformists to behave as expected.

a. Strong

- b. Weak
- c. Mediocre
- d. Non-existent

Ans: A

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 41

Question type: MC

AACSB standard: Analytical thinking

39. Organizations with strong cultures do all of the following except _____.

- a. Have employees who subconsciously know the shared assumptions
- b. Consciously know the values and beliefs
- c. Agree with the shared assumptions, values, and beliefs
- d. Have many employees

Ans: D

Learning objective: LO 2-3

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 41

Question type: MC

AACSB standard: Analytical thinking

40. Bob has been worried about his job security in the company he's been with for 13 years. The company has acquired a new CEO which has begun subtle positive changes for the culture of the organization. Though he still feels there is a lot to change, Bob is becoming more confident in the success of his company. The new CEO is the company's way to implement a (n) _____ to improve the culture.

- a. Cost-cutting strategy
- b. Symbolic leader
- c. Information technology system
- d. Marketing campaign

Ans: B

Learning objective: LO 2-3

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 41

Question type: MC

AACSB standard: Analytical thinking

41. _____ has a culture that values sharing knowledge so as to adapt to the changing environment and continuously improve.

- a. Managing organization
- b. Learning organization
- c. Changing organization
- d. Values organization

Ans: B

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 42

Question type: MC

AACSB standard: Analytical thinking

42. Which of the following is not critical to continuous improvements in learning organizations?

- a. Integrating opportunities
- b. Solving problems
- c. Identifying opportunities
- d. Exploiting opportunities

Ans: A

Learning objective: LO 2-4

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 42

Question type: MC

AACSB standard: Analytical thinking

43. _____ includes the factors outside its boundaries that affect a business's performance.

- a. Business environment
- b. Internal environment
- c. External environment
- d. Competitive environment

Ans: C

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 42

Question type: MC

AACSB standard: Analytical thinking

44. Julia runs a sporting goods business that supplies equipment for the schools in her area. She is forced to delay her shipment of equipment this week because some of the tennis balls were shipped late from the factory. What major external environmental factor is to blame?

- a. Competition
- b. Suppliers
- c. Labor Force
- d. Technology

Ans: B

Learning objective: LO 2-4

Difficulty Level: 2

Cognitive domain: Analysis

Answer location: Page 43

Question type: MC

AACSB standard: Analytical thinking

45. Which of these is not a general external environmental factor?

- a. Customers
- b. Society
- c. Technology
- d. Governments

Ans: A

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Comprehension

Answer location: Page 43

Question type: MC

AACSB standard: Analytical thinking

46. What is the most important area of competitor value?

- a. Purchasing
- b. Pressuring
- c. Producing
- d. Pricing

Ans: D

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 43

Question type: MC

AACSB standard: Analytical thinking

47. ____ is searching for important events or issues that might affect the firm.

- a. Opportunity scanning
- b. Environmental turbulence
- c. Maintaining competitiveness
- d. Environmental scanning

Ans: D

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 44

Question type: MC

AACSB standard: Analytical thinking

48. Which managers make changes only when forced to by external forces?

- a. Proactive Managers
- b. Reactive Managers
- c. Responsive Managers
- d. Interactive Managers

Ans: B

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 44

Question type: MC

AACSB standard: Analytical thinking

49. _____ try to adapt to the environment by predicting and preparing for change before they are required to do so.

- a. Proactive Managers
- b. Reactive Managers
- c. Responsive Managers
- d. Interactive Managers

Ans: C

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 44

Question type: MC

AACSB standard: Analytical thinking

50. The standards of right and wrong that influence behavior is/are _____.

- a. Morals
- b. Society
- c. The environment
- d. Ethics

Ans: D

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 47

Question type: MC

AACSB standard: Analytical thinking

51. Environments generally change at a ____ pace.

- a. Steady
- b. Slow
- c. Fast
- d. Consistent

Ans: C

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 44

Question type: MC

AACSB standard: Analytical thinking

52. Research studies have reported a _____ relationship between ethical behavior and leadership effectiveness.

- a. Positive
- b. Negative
- c. Non-existent
- d. Mediocre

Ans: A

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 47

Question type: MC

AACSB standard: Analytical thinking

53. When an employee reports an unethical behavior up the chain of command, _____ protect them from suffering any negative consequences within their organization.

- a. The Foreign Corrupt Practices Act
- b. Codes of Conduct
- c. Whistle-Blowing laws
- d. Corporate Social Responsibility

Ans: C

Learning objective: LO 2-6

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 51

Question type: MC

AACSB standard: Analytical thinking

54. When Walmart stated that it would cut nearly 20 million metric tons of greenhouse gas emissions from its supply chain, it pressured all of the suppliers to meet its _____ standards.

- a. Ethical
- b. Sustainability
- c. Performance
- d. LEED

Ans: B

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 53

Question type: MC

AACSB standard: Analytical thinking

55. After the oil spill by BP in the Gulf of Mexico, BP began cleaning up the shores and investing their time and money in the affected ports, cities, and businesses in order to regain more customers again. This is an example of _____

- a. Corporate Social Responsibility
- b. Total Quality Management
- c. Ethical Relations
- d. Social Quality Management

Ans: A

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Analysis

Answer location: Page 52

Question type: MC

AACSB standard: Analytical thinking

56. _____ hold(s) the ultimate responsibility for the ethical behaviors in an organization.

- a. Management
- b. The Employees
- c. Human Resources
- d. Stakeholders

Ans: A

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 51

Question type: MC

AACSB standard: Analytical thinking

57. The collective behavior by _____ establishes a company's ethical conduct.

- a. Top Management
- b. Stakeholders
- c. Employees
- d. Stockholders

Ans: C

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 51

Question type: MC

AACSB standard: Analytical thinking

58. Social Responsibility is the conscious effort to operate in a manner that creates a win-win situation for_____.

- a. All shareholders
- b. All stakeholders
- c. All employees
- d. The organization

Ans: B

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 52

Question type: MC

AACSB standard: Analytical thinking

59. _____ meets the needs of the present world without compromising the ability of future generations to meet their own needs.

- a. A green company
- b. Sustainability
- c. Global sourcing
- d. Social responsibility

Ans: B

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 53

Question type: MC

AACSB standard: Analytical thinking

60. Charlie is a Human Resource Manager for a midsize corporate firm. He recently had improvements done to his offices that has saved the company more than 25% of operating costs due to the energy saving upgrades. Charlie is now trying to convince the rest of the department managers to commit to similar improvements. Charlie is advocating for company _____.

- a. Transformation
- b. Sustainability
- c. LEED
- d. Customer value

Ans: B

Learning objective: LO 2-6

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 53

Question type: MC

AACSB standard: Analytical thinking

61. Charlie, the Human Resource Manager for his company, is reviewing current laws and ethics with three of his employees who will be travelling overseas for a nine month

business partnership with a foreign company. The laws they are reviewing are only accountable to U.S. companies regarding bribery. What act is Charlie reviewing with his employees?

- a. FICA
- b. SPCA
- c. TQMA
- d. FCPA

Ans: D

Learning objective: LO 2-6

Difficulty Level: 2

Cognitive domain: Knowledge

Answer location: Page 51

Question type: MC

AACSB standard: Analytical thinking

62. Charlie is a Human Resource Manager for a midsize corporate firm. The recent construction project that was completed in his department has been approved by the rest of the corporation because of his energy savings improvements which are providing an overall reduction of natural resources by the firm. The project was a win-win for all the stakeholders. This is considered to be _____.

- a. Social responsibility
- b. TQM
- c. Resource optimization
- d. Competitive advantage

Ans: A

Learning objective: LO 2-6

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 52

Question type: MC

AACSB standard: Analytical thinking

63. Creating a win-win situation for all relevant stakeholders so that everyone benefits from the decision is _____.

- a. Code of ethics
- b. Stakeholders approach to ethics
- c. The golden rule
- d. Social responsibility

Ans: B

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 50

Question type: MC

AACSB standard: Analytical thinking

64. It takes _____ to be a whistle blower.

- a. Low Social Development
- b. Low Moral Responsibility
- c. High Social Development
- d. High Moral Responsibility

Ans: D

Learning objective: LO 2-5

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 48

Question type: MC

AACSB standard: Analytical thinking

65. When we behave unethically we often justify the behavior to protect our _____ so that we do not have to feel bad.

- a. Personal Gain
- b. Self-Concept
- c. Personal Ability
- d. Self-Awareness

Ans: B

Learning objective: LO 2-5

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 48

Question type: MC

AACSB standard: Analytical thinking

66. At which level of moral development do leaders use their position to gain personal advantages?

- a. Preconventional behavior
- b. Conventional behavior
- c. Nonconventional behavior
- d. Postconventional behavior

Ans: A

Learning objective: LO 2-5

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 49

Question type: MC

AACSB standard: Analytical thinking

67. Moral Justification is _____.

- a. The process of reinterpreting immoral behavior in terms of a higher purpose
- b. Conduct that is considered contrary to community standards of justice, honesty, or good morals
- c. When one person takes more risks because someone else has agreed to bear the burden of those risks
- d. Motivated by universal principals of right and wrong

Ans: A

Learning objective: LO 2-5

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 49

Question type: MC

AACSB standard: Analytical thinking

68. What is the process of minimizing the harm caused by the unethical behavior?

- a. Displacement of responsibility
- b. Diffusion of responsibility
- c. Disregard of consequences
- d. Attribution of blame

Ans: C

Learning objective: LO 2-5

Difficulty Level: 2

Cognitive domain: Knowledge

Answer location: Page 50

Question type: MC

AACSB standard: Analytical thinking

69. Which of the following is not a justification of moral development?

- a. Advantages comparison
- b. Personal Advantages
- c. Distortion of consequences
- d. Euphemistic labeling

Ans: B

Learning objective: LO 2-5

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 50

Question type: MC

AACSB standard: Analytical thinking

70. _____ refers to distinguishing right from wrong and choosing to do the right thing.

- a. Ethical choices
- b. Personality traits
- c. Moral development
- d. Golden rule

Ans: C

Learning objective: LO 2-5

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 48

Question type: MC

AACSB standard: Analytical thinking

71. William works for a company that creates parts for playground slides. He noticed that during production, several parts were not passing necessary tests to ensure top notch safety requirements. When he told his manager, she said not to worry about it because it was only a few of them and no one would notice. William believed this to be wrong and went to the media with this information. William is an example of _____.

- a. displacement of responsibility
- b. a whistle-blower
- c. diffusion of responsibility
- d. attribution of blame

Ans: B

Learning objective: LO 2-5

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 48

Question type: MC

AACSB standard: Analytical thinking

72. Taylor works in a retail store and a manager caught her giving her employee discount to her friends. When asked why she would do this she said, "All of the other employees give their friends discounts, so I did too." This is an example of _____.

- a. Pre-conventional behavior

- b. Conventional behavior
- c. Nonconventional behavior
- d. Post-conventional behavior

Ans: B

Learning objective: LO 2-5

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 49

Question type: MC

AACSB standard: Analytical thinking

73. ____ occurs when those in a group behave unethically and no one person is held responsible.

- a. Diffusion of responsibility
- b. Displacement of responsibility
- c. Advantages comparison
- d. Attribution of blame

Ans: A

Learning objective: LO 2-5

Difficulty Level: 2

Cognitive domain: Knowledge

Answer location: Page 49

Question type: MC

AACSB standard: Analytical thinking

74. ____ is the process of using “cosmetic” words to make a behavior sound acceptable.

- a. Disregard of consequences
- b. Advantageous comparison
- c. Attribution of blame
- d. Euphemistic behavior

Ans: D

Learning objective: LO 2-5

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 50

Question type: MC

AACSB standard: Analytical thinking

75. Which of the following is the first of the four questions in the Four-Way Test?

- a. Is it fair to all concerned?

- b. Will it be beneficial to all concerned?
- c. Is it the truth?
- d. Will it build goodwill and better friendship?

Ans: C

Learning objective: LO 2-5

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 50

Question type: MC

AACSB standard: Analytical thinking

True/False

1. The 5 components of internal environment include mission, value, system processes, resources and organization.

Ans: False

Learning objective: LO 2-2

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 38

Question type: TF

AACSB standard: Analytical thinking

2. Stakeholders are people whose interests are affected by organization behavior.

Ans: True

Learning objective: LO 2-1

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 36

Question type: TF

AACSB standard: Analytical thinking

3. Stakeholders are responsible for the organization's performance.

Ans: False

Learning objective: LO 2-1

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 36

Question type: TF

AACSB standard: Analytical thinking

4. An organization's culture is manifested in the core values and principles that leaders preach and practice and in its employees' attitudes and behavior.

Ans: True

Learning objective: LO 2-2

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 39

Question type: TF

AACSB standard: Analytical thinking

5. Strengthening an organizational culture is not a program with a starting and ending date; it is an ongoing process.

Ans: True

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 41

Question type: TF

AACSB standard: Analytical thinking

6. Mergers and acquisitions are strategies that big businesses use to compete in the global environment.

Ans: True

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 42

Question type: TF

AACSB standard: Analytical thinking

7. Exploiting problems and decreasing opportunities is critical to continuous improvement in learning organizations.

Ans: False

Learning objective: LO 2-3

Difficulty Level: 1

Cognitive domain: Comprehension

Answer location: Page 42

Question type: TF

AACSB standard: Analytical thinking

8. Customers, Competition, and The Economy are all task factors.

Ans: False

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 43

Question type: TF

AACSB standard: Analytical thinking

9. Ethics are the standards of right and wrong that influence behavior.

Ans: True

Learning objective: LO 2-4

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 47

Question type: TF

AACSB standard: Analytical thinking

10. Post conventional level behavior is motivated by the desire to live up to others expectations.

Ans: False

Learning objective: LO 2-5

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 49

Question type: TF

AACSB standard: Analytical thinking

11. The first level of moral development is the preconventional level.

Ans: True

Learning objective: LO 2-5

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 49

Question type: TF

AACSB standard: Analytical thinking

12. A Code of Ethics are also considered Codes of Conduct.

Ans: True

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 50

Question type: TF

AACSB standard: Analytical thinking

13. Social Responsibility is a legal obligation.

Ans: False

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 51

Question type: TF

AACSB standard: Analytical thinking

14. Whistle-blowing is a means of enforcing ethical behavior.

Ans: True

Learning objective: LO 2-6

Difficulty Level: 1

Cognitive domain: Knowledge

Answer location: Page 51

Question type: TF

AACSB standard: Analytical thinking

Essay

1. List and describe the five internal environmental factors.

Ans: Mission is the organization's purpose or reason for being.

Management is referred to as the people responsible for an organization's performance.

Resources of the organization has human, physical, financial, and informational resources to accomplish its mission.

Systems process is the method of transforming inputs into outputs as the organization accomplishes its mission.

Structure refers to the way in which the organization groups its resources to accomplish its mission.

Learning objective: LO 2-1

Difficulty Level: 3

Cognitive domain: Knowledge

Answer location: Page 36-37

Question type: ES

AACSB standard: Analytical thinking

2. List and explain the need for the two primary principles of total quality management (TQM).

Ans: The two primary principles of TQM are (1) focusing on delivering customer value and (2) continually improving the system and its processes. To be successful, businesses must continually offer value to attract and retain customers. Without customers, you do not have a business.

Learning objective: LO 2-2

Difficulty Level: 2

Cognitive domain: Comprehension

Answer location: Page 38-39

Question type: ES

AACSB standard: Analytical thinking

3. Describe the three levels of organizational culture and their relationship to each other.

Ans: Level 1 is behavior meaning the actions employees take.

Level 2 is values and beliefs. Values represent the way people believe they ought to behave and beliefs represent if-then statements.

Level 3 is assumptions meaning the values and beliefs that are deeply ingrained as unquestionably true. Values, beliefs, and assumptions provide the operating principles that guide decision making and behavior.

Learning objective: LO 2-3

Difficulty Level: 3

Cognitive domain: Knowledge

Answer location: Page 40

Question type: ES

AACSB standard: Analytical thinking

4. You have recently come on board as manager of a local non-profit which works to help adopted children find their birth parents. Though the organization serves a strong purpose and has a very high success rate, the culture of the organization is weak. Please offer a brief plan you have to increase the culture of the organization.

Ans: Answers to this question will vary greatly; however, a correct answer must be based on the use of artifacts.

Learning objective: LO 2-3

Difficulty Level: 3

Cognitive domain: Application

Answer location: Page 41

Question type: ES

AACSB standard: Reflective thinking

5. Describe how the nine external environmental factors can affect the internal business environment.

Ans: Customers decide what products the business offers, and without customer value there are no customers or business. Competitors' business practices often have to be duplicated in order to maintain customer value. Poor-quality inputs from suppliers result in poor-quality outputs without customer value. Without a qualified labor force, products and services will have little or no customer value. Shareholders, through an elected board of directors, hire top managers and provide directives for the organization. Society, to a great extent, determines what are acceptable business practices and can pressure business for changes. The business must develop new technologies, or at least keep up with them, to provide customer value. Economic activity affects the organization's ability to provide customer value. For example, inflated prices lead to lower customer value. Governments set the rules and regulations that business must adhere to.

Learning objective: LO 2-4

Difficulty Level: 3

Cognitive domain:

Answer location: Page 42-43

Question type: ES

AACSB standard: Analytical thinking

6. You have been the manager of a popular night club for the past three years. The night club industry is highly vulnerable to the external environment. Please select and discuss one task factor and one general factor which you think are most important to this industry.

Ans: Answers to this question will vary greatly but should specifically address one of the five task factors (customers, competition, suppliers, labor force, shareholders) and of the four general factors (society, technology, economy, governments).

Learning objective: LO 2-4

Difficulty Level: 3

Cognitive domain: Application

Answer location: Page 42

Question type: ES

AACSB standard: Reflective thinking

7. Compare the three levels of moral development.

Ans: At the lowest level of moral development, the pre-conventional level, behavior is motivated by self-interest and people seek rewards and attempt to avoid punishment. At the second level, the conventional level, behavior is motivated by a desire to maintain expected standards and live up to the expectations of others. At the highest level, the post-conventional level, behavior is motivated by a desire to do the right thing, at the risk of alienating the group. The higher the level of moral development, the more ethical is one's behavior.

Learning objective: LO 2-5

Difficulty Level: 3

Cognitive domain: Comprehension

Answer location: Page 49

Question type: ES

AACSB standard: Analytical thinking

8. Thorton is an employee of Chapta, a major manufacturer of modular furniture. Over the past months, sales have been down a bit and Thorton has been questioned by his manager as to why. Thorton was made aware that there were problems with the shipment of lumber received which was used in the manufacturing of the last eight runs of furniture. Thorton did not sufficiently check the material until it was already used in production. Though he suspects that the decline in sales is connected to current customer complaints, Thorton tells his manager that there has been an industry wide reduction in sales. Which of the conventional levels of justification do you see Thorton is using? Support your answer.

Ans: Answers to this question will vary but should discuss either diffusion of responsibility or attribution of blame.

Learning objective: LO 2-5

Difficulty Level: 3

Cognitive domain: Analysis

Answer location: Page 49-50

Question type: ES

AACSB standard: Analytical thinking

9. Explain the stakeholders' approach to ethics.

Ans: Managers who use the stakeholders' approach to ethics create a win-win situation for the relevant parties affected by the decision. If you are proud to tell relevant stakeholders

your decision, it is probably ethical. If you are not proud to tell stakeholders or you keep rationalizing it, the decision may not be ethical.

Learning objective: LO 2-6

Difficulty Level: 3

Cognitive domain: Comprehension

Answer location: Page 50

Question type: ES

AACSB standard: Analytical thinking

10. Explain moral development.

Ans: Moral development is distinguishing right from wrong and choosing to do the right thing. People's ability to make ethical choices are related to their level of moral development. One percent of people will always be honest and one percent will always be dishonest. The other 98% will be unethical at times. The three levels of personal moral development are pre-conventional, conventional, and post-conventional.

Learning objective: LO 2-5

Difficulty Level: 3

Cognitive domain: Comprehension

Answer location: Page 48

Question type: ES

AACSB standard: Analytical thinking

11. You recently have been promoted to the position of lead manager at a local casino. In your position, you are responsible for auditing the daily intakes from all of the poker tables. Because you started as a poker dealer, you know how easy it is to pocket chips and then cash them in and since you have a good relationship with your team, you know you could take this opportunity to make some extra cash. Just in case you were tempted to run this scam, which of the five simple guides for ethical behavior would you call on to not take the chips?

Ans: Answers to this question will vary but should include discussion of the golden rule, four-way test, stakeholders approach, code of ethics, or discernment and advice.

Learning objective: LO 2-6

Difficulty Level: 3

Cognitive domain: Application

Answer location: Page 50

Question type: ES

AACSB standard: Reflective thinking