

## Chapter 2: Understanding the Legal and Environmental Context of HRM

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### TRUE/FALSE

1. EEO laws designed to eradicate employment discrimination based on race, sex, religion, national origin, age, and disability are categorized as protected classifications.

ANS: T

Federal EEO laws prohibit discrimination on the basis of race, sex, religion, national origin, age, and disability.

PTS: 1                    DIF: Easy                    REF: 2-1a

2. The 1991 amendments to the 1964 Civil Rights Act extended the rights of claimants to receive punitive damages.

ANS: T

The 1991 amendments to the 1964 Civil Rights Act extends the rights of claimants to receive punitive damages. It also provides a detailed description of the evidence needed to prove a discrimination claim.

PTS: 1                    DIF: Easy                    REF: 2-1a

3. Title VII of the 1964 Civil Rights Act covers organizations that employ 15 or more workers for at least 20 weeks during the year.

ANS: T

Employers must employ 15 or more employees for at least 20 weeks during the year to be subject to Title VII.

PTS: 1                    DIF: Easy                    REF: 2-1a

4. The 1991 amendments to Title VII reduced the impact of EEO regulations on employers.

ANS: F

1991 amendments put more teeth into the law by allowing punitive and compensatory damages.

PTS: 1                    DIF: Moderate                    REF: 2-1a

5. A disparate impact case of discrimination may be established if a company uses an employment practice that causes a disparate impact and cannot demonstrate that the challenged practice is job-related and consistent with business necessity.

ANS: T

This is one of the two conditions to be met to establish a disparate impact case of discrimination.

PTS: 1                    DIF: Moderate                    REF: 2-1a

6. Under the 1991 amendments to Title VII, employers are permitted to use different cut-off scores on the basis of race on employment tests.

ANS: F

The 1991 amendments to Title VII prohibit using different cut-off scores on the basis of race, color, religion, sex, or national origin.

PTS: 1                    DIF: Difficult            REF: 2-1a

7. Under the Pregnancy Discrimination Act of 1978, employees who are unable to perform their jobs because of a pregnancy-related condition must be treated in the same manner as employees who are temporarily disabled for other reasons.

ANS: T

The Pregnancy Discrimination Act amended Title VII by specifically including discrimination against women on the basis of pregnancy, childbirth, or related medical conditions.

PTS: 1                    DIF: Moderate            REF: 2-1a

8. The Age Discrimination in Employment Act includes protection for workers under 40 years of age.

ANS: F

Only workers 40 years of age and older are protected by the act.

PTS: 1                    DIF: Moderate            REF: 2-1a

9. An employer may not discriminate against a 57-year-old by giving preference to a 45-year-old.

ANS: T

The ADEA prohibits employers from giving preference to individuals within the 40 or older group.

PTS: 1                    DIF: Difficult            REF: 2-1a

10. Under the Americans with Disabilities Act, an employer cannot require an employee to demonstrate that they can perform the essential functions with or without a reasonable accommodation.

ANS: F

Under the ADA, an employer can require that an employee demonstrate that he or she can perform the essential functions with or without reasonable accommodation.

PTS: 1                    DIF: Difficult            REF: 2-1a

11. Under the disparate treatment theory of discrimination, the plaintiff is not required to prove that the employer intentionally discriminated against them.

ANS: F

Plaintiff is required to prove a discriminatory motive or intent under this theory of discrimination.

PTS: 1                    DIF: Moderate            REF: 2-1a

12. When a plaintiff establishes a *prima facie* case, it means that the complainant has been able to establish the merits of the case sufficiently enough for the courts to agree to look into the matter further.

ANS: T

To establish a *prima facie* case, the plaintiff must present evidence that makes the employer's actions appear discriminatory.

PTS: 1                    DIF: Moderate            REF: 2-1a

13. Once a plaintiff establishes a *prima facie* case, the court will automatically find the employer guilty.

ANS: F

When a plaintiff establishes a *prima facie* case, the court does not automatically find the employer guilty. The burden shifts to the employer who is given an opportunity to rebut the case by presenting evidence that justifies the fairness of its actions.

PTS: 1                    DIF: Moderate            REF: 2-1a

14. If a plaintiff can prove that a company has a policy that restricts the selection of an entire protected group, he or she automatically establishes a *prima facie* case of disparate treatment discrimination.

ANS: T

This is referred to as evidence of a restricted company policy.

PTS: 1                    DIF: Moderate            REF: 2-1a

15. Plaintiffs in disparate impact cases are required to use the McDonnell-Douglas test to establish a *prima facie* case of discrimination.

ANS: F

Plaintiffs in these cases generally use the four-fifths rule.

PTS: 1                    DIF: Difficult            REF: 2-1a

16. When utilizing a BFOQ defense, the employer is admitting to intentionally discriminating against all members of a protected group.

ANS: T

When utilizing a BFOQ defense, the employer is admitting to intentionally discriminating against all members of a protected group for reasons including authenticity, propriety, and safety among others.

PTS: 1                    DIF: Moderate            REF: 2-1a

17. In defending itself against a violation of the four-fifths rule, an employer is not required to demonstrate that the procedure in question is a business necessity.

ANS: F

Numerous court decisions and EEOC guidelines require that the employer demonstrate business necessity in these cases.

PTS: 1                    DIF: Moderate            REF: 2-1a

18. Disparate impact discrimination is defined as any practice without business justification that has unequal consequences for people of different protected groups.

ANS: T

Definition adopted by the EEOC and federal courts.

PTS: 1                    DIF: Easy                    REF: 2-1a

19. EEO initiatives are “color conscious” whereas affirmative action initiatives are “color blind.”

ANS: F

Affirmative action initiatives are color conscious whereas EEO initiatives are color blind.

PTS: 1                    DIF: Moderate            REF: 2-1b

20. A utilization analysis is a statistical procedure that compares the percentage of each protected group for each job category within the organization to that of the available labor market.

ANS: T

As defined, it is a key procedure in the affirmative action planning process.

PTS: 1                    DIF: Moderate            REF: 2-1b

21. Affirmative action programs must be designed to correct for past employer discrimination or, in some cases, correct for past disparate impact.

ANS: T

AAP plans must be remedial in nature and correct for past discrimination.

PTS: 1                    DIF: Moderate            REF: 2-1b

22. Diversity training is designed to make employees aware of their biases or stereotyped views regarding various minority groups and then convince them to change their views.

ANS: F

Diversity training attempts first to make employees aware of their biases or stereotyped views regarding various minority groups and then teaches them ways to overcome these biases in their day-to-day dealings with such individuals.

PTS: 1                    DIF: Difficult            REF: 2-2a

23. There is little that organizations can do to help older workers compensate for their diminishing skills.

ANS: F

A number of recommendations have been made to help older workers compensate for their diminishing skills including increased sound amplification or lighting to accommodate those who have begun to experience hearing and vision problems.

PTS: 1                    DIF: Moderate            REF: 2-2a

24. To manage diversity effectively, an organization must be sensitive to the needs of new workers.

ANS: T

To manage diversity effectively, an organization must be sensitive to the needs of new workers and seek to identify and eliminate barriers standing in their way.

PTS: 1                    DIF: Easy                REF: 2-2a

25. The workplace has been experiencing a dramatic decrease in the number of dual-income families in recent years.

ANS: F

According to recent research, the number of dual-income families has been increasing dramatically in recent years.

PTS: 1                    DIF: Easy                    REF: 2-2a

26. Younger managers generally do not feel uncomfortable directing the work of people who are old enough to be their parents and grandparents.

ANS: F  
Research cited in the text reports just the opposite.

PTS: 1                    DIF: Moderate                    REF: 2-2a

27. Telecommuting is a nontraditional work-at-home arrangement in which employees have an office set up in their home similar to that at the office.

ANS: T  
Telecommuting is a nontraditional work arrangement in which employees work at home.

PTS: 1                    DIF: Moderate                    REF: 2-2a

28. An invisible barrier in many organizations that has hindered the advancement of women and minorities is called the glass ceiling.

ANS: T  
Definition of the term.

PTS: 1                    DIF: Easy                    REF: 2-2a

29. An important factor accounting for a great deal of downsizing can be traced to advances in technology.

ANS: T  
Research cited in the text supports this conclusion.

PTS: 1                    DIF: Easy                    REF: 2-2d

30. Organizational restructuring generally involves a firm cutting out a layer of middle management to become less hierarchical.

ANS: T  
Organizational restructuring is a form of corporate downsizing in which the structure of a firm is modified to become less hierarchical by cutting out a layer of middle management.

PTS: 1                    DIF: Difficult                    REF: 2-2d

## **MULTIPLE CHOICE**

1. Categories based on race, color, sex, religion, national origin, age, and disability that are protected from discrimination by EEO laws are called:
  - a. preserved groups.
  - b. protected classifications.
  - c. reserved categories.
  - d. protected categories.



6. Title VII of the 1964 Civil Rights Act prohibits discrimination in employment for all but which of the following bases?
- Race
  - Sex
  - Age
  - Religion

ANS: C

Age discrimination is prohibited under the Age Discrimination in Employment Act.

PTS: 1                    DIF: Moderate            REF: 2-1a

7. Which of the following acts provides a very detailed description of the evidence needed to prove a discrimination claim?
- Age Discrimination in Employment Act
  - Americans with Disabilities Act
  - Civil Rights Act of 1991
  - Immigration Reform and Control Act

ANS: C

The Civil Rights Act of 1991, which is an amendment to the Civil Rights Act of 1964, extends the rights of claimants to receive punitive damages. It provides a more detailed description of the evidence needed to prove a discrimination claim.

PTS: 1                    DIF: Moderate            REF: 2-1a

8. The 1991 amendments to the 1964 Civil Rights Act expose employers to the possibility of being liable for all but which of the following?
- Fines and imprisonment
  - Punitive damages
  - Compensatory damages
  - Legal fees and back pay

ANS: A

The 1991 amendments do not include provisions for fines or imprisonment for violations of the act.

PTS: 1                    DIF: Easy                    REF: 2-1a

9. Under the 1991 amendments to the 1964 Civil Rights Act, an employer may be liable for \_\_\_\_ if the discriminatory practices were engaged in with malice or reckless indifference.
- limited punitive damages
  - unlimited punitive damages
  - finances and imprisonment
  - limited back pay and legal fees

ANS: A

Amendments allow for punitive damages that are limited by the number of employees employed by the employer.

PTS: 1                    DIF: Difficult            REF: 2-1a

10. Which of the following is not included in the Civil Rights Act of 1991?
- Provision to provide appropriate remedies for intentional discrimination in the workplace.
  - Provision to provide appropriate remedies for unlawful harassment in the workplace.
  - Provision to provide statutory guidelines for the adjudication of disparate impact suits.

d. Provision to reduce the scope of relevant civil rights statutes in cases of discrimination.

ANS: D

The Civil Rights Act of 1991 aims to expand the scope of relevant civil rights statutes in order to provide adequate protection to victims of discrimination.

PTS: 1                    DIF: Easy                    REF: 2-1a

11. The main provisions of the 1991 amendments to the Civil Rights Act of 1964 included all but which of the following?
- Compensatory damages
  - Caps on damages based on the number of employees employed by the employer
  - Jury trial if either party demands one
  - Punitive damages in disparate impact cases

ANS: D

Punitive damages are not available to plaintiffs in disparate impact cases.

PTS: 1                    DIF: Difficult                    REF: 2-1a

12. The 1991 amendments to the Civil Rights Act of 1964 made it unlawful for employers:
- to show job relatedness.
  - to use different cut-off scores for employment-related tests on the basis of race.
  - to demonstrate business necessity.
  - to demonstrate that it would have taken the same action in the absence of an impermissible motivating factor.

ANS: B

The 1991 amendments outlawed this practice.

PTS: 1                    DIF: Difficult                    REF: 2-1a

13. The type of discrimination case in which an employment decision is based partially on a “legitimate” motive and partially on a discriminatory one is known as a(n):
- prima facie* case.
  - adverse impact case.
  - mixed-motive case.
  - disparate impact case.

ANS: C

Definition of mixed-motive case.

PTS: 1                    DIF: Moderate                    REF: 2-1a

14. In cases of intentional discrimination, the total damages shall not exceed \_\_\_\_ for firms employing 201–500 employees.
- \$50,000
  - \$100,000
  - \$200,000
  - \$300,000

ANS: C

In cases of intentional discrimination, the total damages shall not exceed \$200,000 for firms employing 201–500 employees.

PTS: 1                    DIF: Easy                    REF: 2-1a

15. What type of discrimination case is established if an employer refuses to adopt an alternative employment practice suggested by the complaining party?
- Disparate impact
  - Disparate treatment
  - Adverse impact
  - Mixed-motive

ANS: A

A disparate impact case of discrimination is established if an employer refuses to adopt an alternative employment practice suggested by the complaining party.

PTS: 1                    DIF: Moderate                    REF: 2-1a

16. In which of the following cases may an employer not use a business necessity defense?
- Disparate impact
  - Disparate treatment
  - Adverse impact
  - Mixed-motive

ANS: B

The business necessity defense may not be used by an employer in a disparate treatment case.

PTS: 1                    DIF: Moderate                    REF: 2-1a

17. All the following are true about mixed-motive cases EXCEPT:
- The employment decision, such as hiring or promotion, is based partly on a “legitimate” motive.
  - The employment decision is partly based on a discriminatory motive.
  - The CRA of 1991 states that mixed-motive decisions are lawful.
  - It is a form of employment discrimination.

ANS: C

The CRA of 1991 states that mixed-motive decisions are unlawful.

PTS: 1                    DIF: Moderate                    REF: 2-1a

18. The Immigration Reform and Control Act (IRCA) of 1986 prohibits discrimination on the basis of:
- color and national origin.
  - color and citizenship.
  - citizenship and national origin.
  - national origin and religion.

ANS: C

Prohibits employers from discriminating on the basis of a person’s national origin or citizenship status.

PTS: 1                    DIF: Moderate                    REF: 2-1a

19. In addition to being an anti-discrimination statute, IRCA requires employers to:
- obtain proof that the person offered the job is not an illegal alien.
  - develop an affirmative action plan.
  - conduct utilization analysis.
  - use different cut-off scores on employment-related tests on the basis of national origin.



24. What type of discrimination occurs if an arbitrary selection practice resulted in the selection of a disproportionately low number of people belonging to a particular protected group?
- Disparate treatment
  - Disparate impact
  - Mixed-motive
  - Intentional discrimination

ANS: B

For example, disparate impact discrimination would occur if an arbitrary selection practice resulted in the selection of a disproportionately low number of females or African-Americans.

PTS: 1                    DIF: Moderate            REF: 2-1a

25. What type of case is established if an employee presents evidence that makes the employer's actions appear discriminatory?
- Mixed-motive
  - Unintentional discrimination
  - Disparate impact
  - Prima facie*

ANS: D

A *prima facie* case is established if an employee presents evidence that makes the employer's actions appear discriminatory.

PTS: 1                    DIF: Easy                    REF: 2-1a

26. A supervisor that denies a female employee promotion to a high-pressure job because he feels that women do not work well under pressures is an example of a potential \_\_\_\_ case.
- disparate treatment
  - disparate impact
  - affirmative action
  - unfair labor practice

ANS: A

If a supervisor's decision is based on their bias toward women, it is an example of a discriminatory motive.

PTS: 1                    DIF: Difficult            REF: 2-1a

27. Which process is used to determine whether between-group differences in hiring rates are large enough to be important in a disparate impact case?
- McDonnell-Douglas test
  - Four-fifths rule
  - Utilization analysis
  - Quota analysis

ANS: B

The four-fifths rule helps the courts determine whether between-group differences in hiring rates are large enough to be important.

PTS: 1                    DIF: Easy                    REF: 2-1a

28. A *prima facie* case of disparate treatment may be established in all but which of the following ways?
- Show a restricted company policy
  - Show that discriminatory remarks were being used

- c. The McDonnell-Douglas test
- d. The four-fifths rule

ANS: D

The four-fifths rule is used for disparate impact cases.

PTS: 1                    DIF: Moderate            REF: 2-1a

29. The McDonnell-Douglas test requires that plaintiffs show all but which of the following to establish a *prima facie* case of discriminatory treatment?
- a. Individual belongs to the protected group in question.
  - b. Adoption of an arbitrary selection practice.
  - c. Individual was rejected even though qualified for a specific job that he/she applied for.
  - d. After rejection, the position was filled by someone who was not a member of that protected group.

ANS: B

Adoption of an arbitrary selection practice is a disparate impact discrimination.

PTS: 1                    DIF: Difficult            REF: 2-1a

30. A case of *prima facie* discrimination is established if the hiring rate of a disadvantaged group is less than \_\_\_\_ of the advantaged group.
- a. half
  - b. three-fourths
  - c. four-fifths
  - d. one-third

ANS: C

To determine whether the hiring rate of a protected group satisfies the four-fifths rule, an employer should identify the protected group with the highest hiring rate and multiply that rate by .8.

PTS: 1                    DIF: Easy                    REF: 2-1a

31. To defend itself against a violation of the four-fifths rule, a firm must demonstrate that the procedure in question is a(n):
- a. business necessity.
  - b. reasonable accommodation.
  - c. authentic characteristic.
  - d. traditional characteristic.

ANS: A

Business necessity must be demonstrated if the employer is to rebut a *prima facie* case of unintentional discrimination.

PTS: 1                    DIF: Moderate            REF: 2-1a

32. A \_\_\_\_ case of sex discrimination can be established if the court determines that an employer's hiring rate for women workforce is less than four-fifths of the hiring rate for men.
- a. disparate impact
  - b. disparate treatment
  - c. *prima facie*
  - d. mixed-motive

ANS: C

A *prima facie* case of sex discrimination is established if the court determines that an employers hiring rate for women workforce is less than four-fifths of the hiring rate for men.

PTS: 1                    DIF: Moderate            REF: 2-1a

33. Employment criteria must directly relate to a prospective employee's ability to perform the job effectively to be justified as a:
- business necessity.
  - reasonable accommodation.
  - prima facie* case.
  - mixed-motive case.

ANS: A

Employment criteria must directly relate to a prospective employee's ability to perform the job effectively to be justified as a business necessity.

PTS: 1                    DIF: Moderate            REF: 2-1a

34. \_\_\_\_ is defined as any practice without business justification that has unequal consequences for people of different groups.
- Disparate impact
  - Disparate treatment
  - Affirmative action
  - Remedial action

ANS: A

This is the definition advanced by courts and the EEOC for disparate impact.

PTS: 1                    DIF: Moderate            REF: 2-1a

35. \_\_\_\_ is defined as treating people unfairly based on their membership in a protected group.
- Disparate treatment
  - Disparate impact
  - Affirmative action
  - Remedial action

ANS: A

Definition adopted by courts and the EEOC for disparate treatment.

PTS: 1                    DIF: Moderate            REF: 2-1a

36. A(n) \_\_\_\_ is a written statement that specifies how the organization plans to increase the utilization of targeted groups.
- reasonable accommodation plan
  - remedial action plan
  - affirmative action plan
  - utilization plan

ANS: C

Affirmative action plan is a written statement that specifies how the organization plans to increase the utilization of targeted groups.

PTS: 1                    DIF: Easy                    REF: 2-1b

37. Which of the following is not an element of an affirmative action plan?

- a. Goal
- b. Action step
- c. Appraisal
- d. Timetable

ANS: C

An affirmative action plan consists of three elements: goals, timetables, and action steps.

PTS: 1                    DIF: Easy                    REF: 2-1b

38. Which of the following should be carried out before developing a remedial plan during affirmative action implementation?
- a. Remedial analysis
  - b. Utilization analysis
  - c. Strategic analysis
  - d. Quota analysis

ANS: B

Affirmative action implementation consists of utilization analysis to identify the underutilized protected groups and development of a remedial plan that targets these underutilized groups.

PTS: 1                    DIF: Moderate                    REF: 2-1b

39. An affirmative action plan \_\_\_\_ specifies the percentage of protected group representation it seeks to reach.
- a. goal
  - b. timetable
  - c. strategy
  - d. reach

ANS: A

An AAP goal specifies the percentage of protected group representation it seeks to reach.

PTS: 1                    DIF: Easy                    REF: 2-1b

40. Which of the following is not an example of an action step in an affirmative action implementation?
- a. Meet with protected group employees to request suggestions.
  - b. Review current selection and promotion procedures to determine job relatedness.
  - c. Design and implement a career counseling program for lower-level employees.
  - d. Install a more subjective performance appraisal system.

ANS: D

Affirmative action involves implementing less subjective performance appraisal systems.

PTS: 1                    DIF: Moderate                    REF: 2-1b

41. \_\_\_\_ is a statistical procedure that compares the percentage of each protected group for each job category within the organization to that in the available labor market.
- a. Utilization analysis
  - b. Remedial analysis
  - c. Quota analysis
  - d. Affirmative analysis

ANS: A

It is how the organization identifies the under-utilized protected groups within its various job categories.

PTS: 1                    DIF: Moderate            REF: 2-1b

42. All the following are true about an affirmative action plan EXCEPT:
- It aim to redress past discrimination against protected classes.
  - It attempts to accomplish its aims through initiatives that are “color-blind.”
  - It aims to correct racial and gender imbalances in the workforce.
  - The overall aim of affirmative action is identical to that of EEO.

ANS: B

Affirmative action is an approach to eliminating employment discrimination by taking proactive initiatives to ensure proper minority group representation within an organization.

PTS: 1                    DIF: Moderate            REF: 2-1b

43. The practice of giving members of underutilized groups some advantage over others in the employment process is called:
- remedial action.
  - affirmative action.
  - preferential treatment.
  - intentional discrimination.

ANS: C

The practice of giving members of underutilized groups some advantage over others in the employment process is called preferential treatment.

PTS: 1                    DIF: Easy                    REF: 2-1b

44. The U.S. Supreme Court has ruled that preferential treatment is legal if engaged in as part of a bona fide affirmative action plan that conforms to all of the following EXCEPT:
- it is designed to remedy underutilization.
  - it is flexible in nature.
  - it is on a permanent basis.
  - it is reasonable in nature.

ANS: C

The affirmative action program must be designed to remedy underutilization and must be temporary, flexible, and reasonable.

PTS: 1                    DIF: Easy                    REF: 2-1b

45. Which form of preferential treatment is practiced when a firm increases minority representation by hiring one minority for each nonminority hired?
- One-for-one hiring
  - Extra consideration in hiring
  - Minority positions
  - Differential standards

ANS: A

In one-for-one hiring, a firm increases minority representation by hiring one minority for each nonminority hired.

PTS: 1                    DIF: Moderate            REF: 2-1b

46. Firms using the practice of \_\_\_\_ consider only members from underutilized groups when filling a particular position.
- differential standards
  - one-for-one hiring
  - minority positions
  - extra consideration in hiring

ANS: C

Firms using the practice of minority positions consider only members from underutilized groups when filling a particular position.

PTS: 1                    DIF: Easy                    REF: 2-1b

47. Under which of the following conditions is preferential treatment considered illegal?
- The applicant hired must meet the minimum qualifications for the job.
  - The AAP must be temporary in nature.
  - The numerical hiring goals must be reasonable.
  - The protected group status must be the only factor considered in the hiring decision.

ANS: D

One of the conditions under which preferential treatment is considered legal is that the protected group status must not be the only factor considered in the hiring decision.

PTS: 1                    DIF: Moderate                    REF: 2-1b

48. Which of the following forms of preferential treatment is forbidden by the CRA of 1991 and is thus illegal?
- Preferential layoffs
  - One-for-one hiring
  - Extra consideration in hiring
  - Differential standards

ANS: D

The use of different hiring standards for members of different protected groups is forbidden by the CRA of 1991 and is thus illegal.

PTS: 1                    DIF: Easy                    REF: 2-1b

49. Which of the following forms of preferential treatment is illegal if it violates the provisions of a collective bargaining agreement?
- Minority positions
  - Differential standards
  - Preferential layoffs
  - Extra consideration in hiring

ANS: C

The practice of preferential layoffs is illegal if it violates the provisions of a collective bargaining agreement.

PTS: 1                    DIF: Moderate                    REF: 2-1b

50. Which of the following forms of preferential treatment is used to remedy a severe case of underutilization?
- One-for-one hiring

- b. Extra consideration in hiring
- c. Recruitment efforts
- d. Preferential layoffs

ANS: A

A one-for-one hiring strategy could be used for resolving severe cases of underutilization.

PTS: 1                    DIF: Easy                    REF: 2-1b

51. Which of the following forms of preferential treatment give hiring preference to members of underutilized groups?
- a. Minority positions
  - b. One-for-one hiring
  - c. Differential standards
  - d. Extra consideration in hiring

ANS: D

Extra consideration in hiring is considered, at present, to be legal. However, the employer must be able to prove that all else is equal.

PTS: 1                    DIF: Moderate                    REF: 2-1b

52. Which of the following is not a recommended step for creating a diversity-friendly workplace?
- a. Make diversity a corporate goal.
  - b. Single out employees of a particular race or ethnicity to handle diversity issues.
  - c. Start a mentoring program that pairs employees of diverse backgrounds.
  - d. Establish an internal procedure for employees to report incidents of harassment or discrimination.

ANS: B

Most experts recommend that you try to avoid singling out employees of a particular race to handle diversity issues.

PTS: 1                    DIF: Easy                    REF: 2-2a

53. \_\_\_\_ is a nontraditional work-at-home arrangement in which employees typically have an office set up in their home similar to that at the office.
- a. Flextime
  - b. Downtime
  - c. Telecommuting
  - d. Hometime

ANS: C

Refers to a non-traditional work-at-home arrangement.

PTS: 1                    DIF: Moderate                    REF: 2-2a

54. In which nontraditional work arrangement does success depend on employee self-discipline because of lack of supervision?
- a. Flextime
  - b. Telecommuting
  - c. Job sharing
  - d. Outsourcing

ANS: B

In telecommuting, employees work at home, and there is no supervisor present to monitor the employee's job behavior. Thus, success depends on employee self-discipline.

PTS: 1                    DIF: Moderate            REF: 2-2a

55. Which nontraditional work arrangement allows employees the flexibility of working alternate months or seasons?
- Flextime
  - Telecommuting
  - Job sharing
  - Outsourcing

ANS: C

Job sharing is a form of alternative work scheduling in which a full-time job is shared by two people, thus providing the flexibility of working alternative days, weeks, or months.

PTS: 1                    DIF: Easy                    REF: 2-2a

56. A consequence of mergers and takeovers is increased \_\_\_\_ because of employees seeking to protect their own jobs at the expense of others.
- organizational commitment
  - organizational conflict
  - voluntary turnover
  - organizational restructuring

ANS: B

A consequence of mergers and takeovers is a rise in organizational conflict as employees seek to protect their own jobs at the expense of others.

PTS: 1                    DIF: Moderate            REF: 2-2c

57. Research has identified all but which of the following as a trigger of corporate downsizing?
- Decreased demand for the firm's products
  - Technological advances
  - Corporate culture
  - Organizational restructuring

ANS: C

Downsizing is a management action taken to drastically reduce the size of a company's workforce.

PTS: 1                    DIF: Moderate            REF: 2-2d

58. All but which of the following might be an alternative to employee layoffs?
- Job sharing
  - Restricting overtime
  - Using a longer workweek
  - Implementing early retirement programs

ANS: C

Using a shorter workweek has been suggested as an alternative to layoffs of employees.

PTS: 1                    DIF: Difficult            REF: 2-2d

59. \_\_\_\_ occurs when the structure of a firm is modified to become less hierarchical by cutting out the layer of middle management.

- a. Organizational restructuring
- b. Organizational upsizing
- c. Organizational enrichment
- d. Organizational enlargement

ANS: A

Organizational restructuring is a form of corporate downsizing in which the structure of a firm is modified to become less hierarchical by cutting out the layer of middle management.

PTS: 1                    DIF: Moderate            REF: 2-2d

60. Which of the following tasks would a management find difficult to carry out in a post-layoff scenario?
- a. Retrain employees
  - b. Reestablish motivation
  - c. Redeploy employees
  - d. Retain competencies

ANS: B

One of management's most difficult tasks is to reestablish morale and motivation following layoffs.

PTS: 1                    DIF: Easy                    REF: 2-2d

## ESSAY

1. Summarize the major (equal employment opportunity) EEO laws.

ANS:

The major EEO laws differ from one another primarily in terms of the specific protected classifications covered. (1) 1964—Civil Rights Act (Title VII): Prohibits employment discrimination on the basis of race, color, religion, sex, and national origin. It covers most employers of 15 or more employees. (2) 1967—Age Discrimination in Employment Act: Prohibits discrimination based on age. (3) 1978—Pregnancy Discrimination Act: Prohibits discrimination because of a woman's pregnancy-related condition. (4) 1986—Immigration Reform and Control Act: Prohibits employers from knowingly hiring aliens who are not authorized to work in the United States. (5) 1990—Americans with Disabilities Act: Prohibits discrimination based on an employee's disability. (6) 1991—Civil Rights Act of 1991: Extends the rights of claimants to receive punitive damages. (7) 2008—Genetic Information Nondiscrimination Act: Prohibits employers from discriminating against applicants or employees on the basis of genetic information gleaned from the individual or family members.

PTS: 1                    DIF: Difficult            REF: 2-1a

2. Describe the major provisions of the 1964 Civil Rights Act as amended.

ANS:

Title VII applies to employers with 15 or more employees. The law makes it unlawful for employers to discriminate on the basis of race, color, religion, national origin, and sex. The act is enforced by the Equal Employment Opportunity law. Remedies for violation of the law include punitive and compensatory damages, back-pay, and legal costs.

PTS: 1                    DIF: Moderate            REF: 2-1a

3. Discuss the major provisions of the Americans with Disabilities Act of 1990.

ANS:

The Americans with Disabilities Act (ADA) of 1990 “provides a clear and comprehensive national mandate for the elimination of discrimination against individuals with disabilities.” The employment implications of the act, which are delineated in Titles I (private sector) and II (public sector) of the ADA, affect nearly all organizations employing 15 or more workers. According to the act, an individual is considered disabled if he or she has a physical or mental impairment that substantially limits one or more of the individual’s major life activities, such as walking, seeing, hearing, breathing, and learning, as well as the ability to secure or retain employment.

PTS: 1                    DIF: Moderate            REF: 2-1a

4. Describe the basic differences between disparate treatment and disparate impact discrimination.

ANS:

Disparate treatment is intentional discrimination and involves treating people unfairly based on their membership in a protected group. It is often the result of an employer’s bias or prejudice toward a particular group. A plaintiff must prove that the decision was intentional. Plaintiffs may be awarded punitive and compensatory damages in addition to legal fees and costs.

Disparate impact is unintentional discrimination and is defined as any practice without business justification that has unequal consequences for people of different protected groups. Plaintiffs do not have to prove intent on the part of the employer to discriminate and victims are not entitled to punitive damages.

PTS: 1                    DIF: Moderate            REF: 2-1a

5. Explain the McDonnell-Douglas test and the four-fifths rule.

ANS:

McDonnell-Douglas test: The Supreme Court has developed a test that is used to infer the presence of discriminatory intent when more direct evidence of discrimination is lacking. It requires the plaintiff to show that he/she: (1) belongs to the protected group in question, (2) has applied for and is qualified for the job for which the employer was seeking applicants; (3) was rejected; (4) after rejection, the position remained open or was filled by someone who was not a member of that protected group.

The four-fifths rule: The four-fifths rule helps the courts determine whether between-group differences in hiring rates are large enough to be important. It is calculated by comparing the hiring rate of the “disadvantaged” protected group (i.e., the group claiming discrimination) with the rate of the “advantaged” group. A *prima facie* case of discrimination is established when the hiring rate of the former group is less than four-fifths of the latter group.

PTS: 1                    DIF: Difficult            REF: 2-1a

6. When is the BFOQ defense used? What are the employer's arguments in this defense?

ANS:

When the employer has a policy that excludes an entire protected group, its only viable option is the use of a BFOQ defense. The term BFOQ refers to “bona fide occupational qualification.”

When using a BFOQ defense, the employer argues that it purposely discriminated against all members of a protected group for one of the following four reasons: (1) All or nearly all: All or nearly all of the members of that group are incapable of performing the job in question. (2) Authenticity: To be “authentic,” the employer must limit its hiring to members of a particular protected group, thus excluding all others. (3) Propriety: It would be improper to hire members of one or the other sex for a particular job. (4) Safety: The employment of an older worker would put the worker or others at risk.

PTS: 1                    DIF: Difficult            REF: 2-1a

7. Describe the basic components of an affirmative action plan.

ANS:

Affirmative action plans are designed to remedy past and current discrimination. Affirmative action initiatives are color-conscious in nature and involve making special provisions to recruit, train, retain, promote, or grant some other benefit to members of protected groups. Government contractors are required to have affirmative action plans in order to secure contracts and some employers who have been guilty of blatant discrimination are also required to implement plans to rectify the effects of past discrimination. Affirmative action plans consists of two primary steps: utilization analysis to identify the underutilized protected groups within various job categories and then developing a remedial plan that targets these underutilized groups.

PTS: 1                    DIF: Difficult            REF: 2-1b

8. Describe the conditions under which preferential treatment for members of protected groups in affirmative action plans may be legal.

ANS:

Conditions under which preferential treatment is legal include: the AAP must serve a remedial purpose, the goals and timetables targeted by the AAP must not be achievable by using measures which are less extreme than preferential treatment, one’s protected group status must not be the only factor considered in the hiring decision, the AAP must be temporary in nature, the numerical hiring goals must be reasonable, the AAP must not unjustly burden the rights of nonminorities, and the applicant hired must meet the minimum qualifications for the job.

PTS: 1                    DIF: Moderate            REF: 2-1b

9. Describe how an organization can create a diversity-friendly workplace.

ANS:

A firm can create a diversity-friendly workplace by taking the following steps: making diversity a corporate goal, holding talks centered around cultural diversity issues, providing employees with opportunities to attend local cultural events and exhibits, and avoiding singling out employees of a particular race or ethnicity to handle diversity issues. Employers can also start mentoring programs that pair employees of diverse backgrounds and foster an open, friendly work environment. Establishing an internal procedure for employees to report incidents of harassment or discrimination is also useful.

PTS: 1                    DIF: Moderate            REF: 2-2a

10. Describe the factors that triggered the recent trend toward downsizing.

ANS:

The recent trend toward downsizing has been triggered by three factors: (1) many organizations have found it necessary to cut the size of their workforce due to a decline or crisis in the firm; (2) the advent of technological advances, which has enabled many companies to produce more with fewer people; and, (3) organizational restructuring, in which the structure of a firm is modified to become less hierarchical by cutting out the “layer” of middle management.

PTS: 1                    DIF: Moderate            REF: 2-2d