

## Chapter 2—THE GLOBAL ENVIRONMENT: CULTURE, ETHICS, SOCIAL RESPONSIBILITY, AND SUSTAINABILITY

### TRUE/FALSE (Concepts)

1. The internal environment includes the factors that affect an organization's performance from within its home country.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 48  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

2. The five internal environmental factors are management and culture, mission, resources, the systems process, and structure.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 48  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

3. An organization's mission is its purpose or reason for being.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 48  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

4. Stakeholders are people who have an ownership position in a company.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 48  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

5. The systems process is the method used to transform inputs into outputs.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 49  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

6. FedEx's package tracking system is an example of feedback.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 49  
OBJ: 2-1 C                      NAT: AACSB Analytic Thinking | Management Leadership Principles

7. Quality is determined by comparing a product's actual functioning to their requirements to determine value.

ANS: T                      PTS: 1                      DIF: Hard                      REF: pp. 49-50  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

8. Customer value is the perceived benefit of a product, used by customers to determine whether or not to buy the product.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 50  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

9. Total quality management (TQM) is the process that involves managers in an organization focusing on the customer to continually improve product value.

ANS: F                      PTS: 1                      DIF: Hard                      REF: p. 50  
OBJ: 2-2 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

10. “Focusing on delivering customer value” and “continually improving the system and its processes” are the two primary principles of total quality management (TQM).

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 50  
OBJ: 2-2 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

11. Fostering the right organizational culture is one of the most important responsibilities of a first-line manager.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 52  
OBJ: 2-3 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

12. Organizational stories about company founders seldom impact the corporate culture.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 52  
OBJ: 2-3 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

13. McDonald’s slogan, “Q, S, C, V” is an example of how employees learn about organizational culture.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 52  
OBJ: 2-3 C                      NAT: AACSB Analytic Thinking | Management Leadership Principles

14. Heroes, stories, slogans, symbols, and ceremonies are all part of behavior-level culture.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 52  
OBJ: 2-3 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

15. Values and beliefs are often the most stable and enduring part of culture.

ANS: F                      PTS: 1                      DIF: Hard                      REF: p. 53  
OBJ: 2-3 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

16. Organizations with strong cultures have employees who consciously know the shared values and beliefs and behave as expected.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 53  
OBJ: 2-3 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

17. A learning organization has a culture that values sharing knowledge so as to adapt to the changing environment and continually improve.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 55  
OBJ: 2-3 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

18. The organization's external environment includes the factors outside its boundaries that affect its performance.
- ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 56  
 OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence
19. Customers, competition, suppliers, labor force, shareholders, society, technology, the systems process, and governments are the factors which comprise the external environment.
- ANS: F                      PTS: 1                      DIF: Hard                      REF: p. 56  
 OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence
20. As a business grows, the complexity of its internal and external environments increases.
- ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 58  
 OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence
21. Ethnocentrism means seeing things solely from one's own perspective.
- ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 59  
 OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence
22. When the dollar is weak, foreign goods are less expensive in the United States.
- ANS: F                      PTS: 1                      DIF: Hard                      REF: p. 61  
 OBJ: 2-4 C                      NAT: AACSB Analytic Thinking | Management Environmental Influence
23. The World Trade Organization (WTO) establishes and enforces world trade laws.
- ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 61  
 OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence
24. The North American Free Trade Agreement (NAFTA) called for immediately eliminating duties on the majority of tariffs on products traded among the United States, Canada, and Europe.
- ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 62  
 OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence
25. A domestic business conducts business in only one country.
- ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 63  
 OBJ: 2-5 C                      NAT: AACSB Diversity | Management Environmental Influence
26. An international business has significant operations in more than one country.
- ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 63  
 OBJ: 2-5 C                      NAT: AACSB Diversity | Management Environmental Influence

27. A multinational corporation (MNC) has significant operations in more than one country.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 63  
OBJ: 2-5 C                      NAT: AACSB Diversity | Management Environmental Influence

28. Importing and exporting is the lowest-risk way to take a business global, whereas direct investment is the highest-risk way to take a business global.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 63  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

29. Global sourcing is the use of worldwide resources.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 63  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

30. A joint venture is created when one company hires another to help provide a new product/service.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 64  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

31. Direct investment occurs when a company buys back shares of its own stock on the open market.

ANS: F                      PTS: 1                      DIF: Hard                      REF: p. 65  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

32. Many small business owners turn to the Ex-Im Bank when they are ready to go global.

ANS: T                      PTS: 1                      DIF: Hard                      REF: p. 66  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

33. As a global manager, you should expect new employees to adapt to your home culture and ways of doing things.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 67  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

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

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 69  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

35. Moral development refers to distinguishing right from wrong and choosing to do the right thing.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 69  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

36. At the preconventional level of moral development, behavior is motivated by the desire to live up to others' expectations.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 71  
 OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

37. Leaders at the preconventional level of moral development often are autocratic toward others.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 71  
 OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

38. At the conventional level of moral development, behavior is motivated by universal principles of right and wrong, regardless of the expectations of leaders or one's group.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 71  
 OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

39. Leaders at the conventional level of moral development tend to be visionary.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 71  
 OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

40. At the postconventional level of moral development, self-interest motivates behavior.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 71  
 OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

41. Leaders at the postconventional level of moral development tend to use a leadership style similar to those of higher-level managers.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 71  
 OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

42. The stakeholders' approach to ethics is deciding which stakeholders have the most influence and then catering to them.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 73  
 OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

43. The stakeholders' approach to ethics involves creating a win-win situation for all relevant stakeholders so that everyone benefits from the decision.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 73  
 OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

44. Codes of ethics state the importance of conducting business in an ethical manner and provide guidelines for ethical behavior.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 74  
 OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

45. Whistle-blowing occurs when employees expose what they believe to be unethical behavior by their fellow employees.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 74  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

46. Whistle-blowing should begin externally, and information should go up the chain of command.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 74  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

47. Social responsibility is the conscious effort to operate in a manner that creates a win-win situation for all stakeholders.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 74  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

48. A social audit is a measure of a firm's social behavior.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 76  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

49. Sustainability is meeting the needs of future generations without compromising the ability of the present world to meet their own needs.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 76  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

50. A green company acts in a way that minimizes damage to the environment.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 77  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

### **MULTIPLE CHOICE (Concepts)**

1. All of the following are internal environmental factors EXCEPT:
- management and culture.
  - mission.
  - resources.
  - competition.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 48  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

2. The five internal environmental factors are:
- management and culture, mission, resources, the systems process, and structure.
  - management and culture, mission, people, the systems process, and structure.
  - management and culture, mission, people, resources, and structure.
  - management and culture, mission, resources, the control systems, and structure.

ANS: A                      PTS: 1                      DIF: Hard                      REF: p. 48  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

3. An organization's mission is its:
- purpose or reason for being.
  - human and informational inputs.
  - method used to transform inputs into outputs.
  - grouping of resources.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 48  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

4. All of the following are true regarding the organization's mission EXCEPT:
- it is the organization's reason for being.
  - developing it is the responsibility of first-line management.
  - it should be relevant to all stakeholders.
  - it is an expression of the ends the organization strives to attain.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 48  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

5. Stakeholders are:
- people with an ownership position in the business.
  - government regulators who must regulate the business.
  - people whose interests are affected by organizational behavior.
  - people not affected by organizational behavior.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 48  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

6. \_\_\_\_\_ is the method used to transform inputs into outputs.
- Quality
  - The systems process
  - Customer value
  - Structure

ANS: B                      PTS: 1                      DIF: Easy                      REF: p. 49  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

7. Which of the following is NOT a component of the systems process?
- feedback
  - transformation
  - quality
  - inputs

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 49  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

8. Customer value is:
- comparing a product's actual functioning to their requirements to determine value.
  - the process that involves everyone in the organization focusing on the customer to continually improve product value.
  - the method used to transform inputs into outputs.
  - the perceived benefit of a product, used by customers to determine whether or not to buy the product.

ANS: D                      PTS: 1                      DIF: Hard                      REF: p. 50  
OBJ: 2-1 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

9. Total quality management (TQM) is:
- comparing a product's actual functioning to their requirements to determine value.
  - the process that involves everyone in the organization focusing on the customer to continually improve product value.
  - the method used to transform inputs into outputs.
  - the perceived benefit of a product, used by customers to determine whether or not to buy the product.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 50  
OBJ: 2-2 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

10. The two primary principles of total quality management (TQM) are:
- focusing on delivering customer value and focusing on managing processes rather than people.
  - focusing on managing processes rather than people and working in teams to execute processes efficiently and effectively.
  - focusing on delivering customer value and continually improving the system and its processes.
  - focusing on managing processes rather than people and continually improving the system and its processes.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 50  
OBJ: 2-2 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

11. Structure refers to:
- an organization's purpose or reason for being.
  - the values, beliefs, and assumptions about appropriate behavior that members of an organization share.
  - the ends the organization strives to attain.
  - the way in which an organization groups its resources to accomplish its mission.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 50  
OBJ: 2-2 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

12. Which of the following is NOT a level of culture?
- assumptions
  - values and beliefs
  - ethics
  - behavior

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 52  
OBJ: 2-3 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles



13. A \_\_\_\_\_ organization has a culture that values sharing knowledge so as to adapt to the changing environment and continuously improve.
- a. strong
  - b. weak
  - c. learning
  - d. knowledge

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 55  
OBJ: 2-3 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

14. Which of the following is NOT an element of a learning organization?
- a. open information
  - b. a strong adaptive culture
  - c. a participative strategy
  - d. autocratic leadership

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 55  
OBJ: 2-3 C                      NAT: AACSB Reflective Thinking | Management Leadership Principles

15. All of the following are external environmental factors EXCEPT:
- a. customers.
  - b. competition.
  - c. the systems process.
  - d. suppliers.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 56  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

16. In an organization's external environment, task factors include all of the following EXCEPT:
- a. customers.
  - b. competition.
  - c. suppliers.
  - d. the economy.

ANS: D                      PTS: 1                      DIF: Hard                      REF: p. 56  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

17. In an organization's external environment, general factors include all of the following EXCEPT:
- a. governments.
  - b. technology.
  - c. labor force.
  - d. society.

ANS: C                      PTS: 1                      DIF: Hard                      REF: p. 56  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

18. In many industries, the environment is changing at such an incredibly fast pace that it is commonly referred to as being “in chaos.” The type of manager who can thrive in such an environment is called a(n) \_\_\_\_\_ manager.
- reactive
  - responsive
  - interactive
  - chaotic

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 58  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

19. \_\_\_\_\_ refers to companies conducting business worldwide without boundaries.
- Ethnocentrism
  - International business
  - The global village
  - A joint venture

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 59  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

20. Regarding one’s own ethnic group or culture as superior to others is known as:
- parochialism.
  - ethnocentrism.
  - the global village.
  - none of these

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 59  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

21. The \_\_\_\_\_ is the difference between the value of the products (including services) that a country exports and the trade of the products it imports.
- trade surplus
  - trade deficit
  - balance of trade
  - exchange rate

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 60  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

22. You’re selling a product in Finland for 200 euros with an exchange rate of .80 euros to 1 dollar. If the exchange rate changes to .90 euros to 1 dollar,:
- you get more money for your product.
  - you get less money for your product.
  - your product’s price automatically changes.
  - none of these

ANS: B                      PTS: 1                      DIF: Hard                      REF: p. 61  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

23. All of the following are primary protection methods in a global environment EXCEPT:
- a. tariffs.
  - b. dumping.
  - c. quotas.
  - d. embargoes.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 61  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

24. The \_\_\_\_\_ is the single European currency that makes conducting business and traveling much easier in the European Union.
- a. franc
  - b. mark
  - c. euro
  - d. none of these

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 62  
OBJ: 2-4 C                      NAT: AACSB Reflective Thinking | Management Environmental Influence

25. A business based primarily in one country that transacts business in other countries is a(n):
- a. international business.
  - b. multinational corporation.
  - c. global business.
  - d. worldwide business.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 63  
OBJ: 2-5 C                      NAT: AACSB Diversity | Management Environmental Influence

26. A business with significant operations in more than one country is a(n):
- a. international business.
  - b. multinational corporation.
  - c. global business.
  - d. worldwide business.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 63  
OBJ: 2-5 C                      NAT: AACSB Diversity | Management Environmental Influence

27. All of the following are ways to take a business global EXCEPT:
- a. global sourcing.
  - b. importing and exporting.
  - c. licensing.
  - d. global advertising.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 63  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

28. Global sourcing is:
- selling products in other countries.
  - obtaining resources from other countries.
  - the use of worldwide resources.
  - hiring people from other countries.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 63  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

29. With \_\_\_\_\_, one company allows another to use its assets (intellectual property), such as a brand name, a trademark, a particular technology, a patent, or a copyright.
- a joint venture
  - direct investment
  - contract manufacturing
  - licensing

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 64  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

30. With \_\_\_\_\_, a company has a foreign firm manufacture the goods that it sells as its own.
- a joint venture
  - direct investment
  - contract manufacturing
  - licensing

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 64  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

31. A(n) \_\_\_\_\_ is created when firms share ownership of a new enterprise.
- conglomerate
  - corporation
  - international business
  - joint venture

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 64  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

32. \_\_\_\_\_ is the construction or purchase of operating facilities (subsidiaries) in a foreign country.
- A joint venture
  - Direct investment
  - Contract manufacturing
  - A conglomerate

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 65  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

33. Which of the following is the most common small business global strategy?
- a. importing and exporting
  - b. joint ventures
  - c. strategic alliances
  - d. direct investment

ANS: A                      PTS: 1                      DIF: Hard                      REF: p. 65  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

34. Which of the following countries would rank the highest in the GLOBE dimension of gender differences?
- a. Denmark
  - b. Italy
  - c. United States
  - d. China

ANS: D                      PTS: 1                      DIF: Hard                      REF: p. 68  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

35. Which of the following countries would rank the highest in the GLOBE dimension of performance orientation?
- a. Russia
  - b. United States
  - c. England
  - d. Denmark

ANS: B                      PTS: 1                      DIF: Hard                      REF: p. 68  
OBJ: 2-6 C                      NAT: AACSB Diversity | Management Environmental Influence

36. Ethics is defined as:
- a. the standards of right and wrong that influence behavior.
  - b. creating a win-win situation for all stakeholders.
  - c. adhering to legal limits.
  - d. what top management thinks is right.

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 69  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

37. \_\_\_\_\_ refers to distinguishing right from wrong and choosing to do the right thing.
- a. Personality
  - b. Moral development
  - c. Ethics
  - d. Social responsibility

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 69  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

38. At the preconventional level of moral development, behavior is motivated by:
- the desire to live up to others' expectations.
  - universal principles of right and wrong.
  - self-interest.
  - personality.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 71  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

39. Leaders at the preconventional level of moral development tend to:
- be autocratic toward others.
  - use a leadership style similar to those of higher-level managers.
  - be visionary.
  - be committed to serving others.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 71  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

40. At the conventional level of moral development, behavior is motivated by:
- the desire to live up to others' expectations.
  - universal principles of right and wrong.
  - self-interest.
  - personality.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 71  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

41. Leaders at the conventional level of moral development tend to:
- use their position to gain personal advantages.
  - use a leadership style similar to those of higher-level managers.
  - be visionary.
  - be committed to serving others.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 71  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

42. At the postconventional level of moral development, behavior is motivated by:
- the desire to live up to others' expectations.
  - universal principles of right and wrong.
  - self-interest.
  - personality.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 71  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

43. Leaders at the postconventional level of moral development tend to:
- be autocratic toward others.
  - use a leadership style similar to those of higher-level managers.
  - be visionary.
  - use their position to gain personal advantages.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 71  
OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

44. When we behave unethically, we often justify the behavior to protect our \_\_\_\_\_ so that we don't have a guilty conscience or feel remorse.
- personality
  - ego
  - self-concept
  - job

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 72  
 OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

45. People at the preconventional and conventional levels of moral development might use all of the following justifications for unethical behavior EXCEPT:
- displacement of responsibility.
  - diffusion of responsibility.
  - the Four-Way Test.
  - advantageous comparison.

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 72  
 OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

46. \_\_\_\_\_ is the process of claiming unethical behavior was caused by someone else's behavior.
- Diffusion of responsibility
  - Attribution of blame
  - Euphemistic labeling
  - Displacement of responsibility

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 72  
 OBJ: 2-7 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

47. Creating a win-win situation for all relevant stakeholders so that everyone benefits from the decision is known as:
- ethics.
  - morality.
  - a compromise.
  - the stakeholders' approach to ethics.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 73  
 OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

48. \_\_\_\_\_ states the importance of conducting business in an ethical manner and provides guidelines for ethical behavior.
- Social responsibility
  - A social audit
  - A code of ethics
  - The stakeholders' approach to ethics

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 74  
 OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

49. \_\_\_\_\_ occurs when employees expose what they believe to be unethical behavior by their fellow employees.
- Social responsibility
  - A social audit
  - A code of ethics
  - Whistle-blowing

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 74  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

50. The conscious effort to operate in a manner that creates a win-win situation for all stakeholders is known as:
- social responsibility.
  - a social audit.
  - a code of ethics.
  - the stakeholders' approach to ethics.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 74  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

51. \_\_\_\_\_ is meeting the needs of the present world without compromising the ability of the future generations to meet their own needs.
- Social responsibility
  - The stakeholders' approach to ethics
  - Sustainability
  - Environmental responsibility

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 76  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

52. Which of the following is a way in which companies are going green?
- upgrading recycling systems
  - using renewable energy
  - constructing energy-efficient buildings
  - all of these

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 77  
OBJ: 2-8 C                      NAT: AACSB Ethics | Management Ethical Responsibilities

### LEARNING OUTCOMES (Concepts)

1. Explain the five internal environmental factors.

ANS:

Management refers to the people responsible for an organization's performance. Mission is the organization's purpose or reason for being. The organization has human, physical, financial, and informational resources to accomplish its mission. The 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.

PTS: 1                      OBJ: LO 2-1 C  
NAT: AACSB Reflective Thinking | Management Leadership Principles



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 don't have a business.

PTS: 1

OBJ: LO 2-2 C

NAT: AACSB Reflective Thinking | Management Leadership Principles

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

ANS:

Level 1 of culture is behavior—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—values and beliefs that are deeply ingrained as unquestionably true. Values, beliefs, and assumptions provide the operating principles that guide decision making and behavior.

PTS: 1

OBJ: LO 2-3 C

NAT: AACSB Reflective Thinking | Management Leadership Principles

4. Describe how the nine external environmental factors—customers, competition, suppliers, labor force, shareholders, society, technology, the economy, and governments—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.

PTS: 1

OBJ: LO 2-4 C

NAT: AACSB Reflective Thinking | Management Environmental Influence

5. Contrast the classification of businesses in the global village.

ANS:

A domestic firm does business in only one country. An international firm is based primarily in one country but transacts business in other countries. MNCs have significant operations in more than one country.

PTS: 1

OBJ: LO 2-5 C

NAT: AACSB Diversity | Management Environmental Influence

6. List the six activities that make a business a global one, in order from lowest to highest cost and risk.

ANS:

A business can become a global one by participating in global sourcing, importing and exporting, licensing, contracting, joint ventures, and direct investment. Global sourcing is the least expensive and risky of these activities, and it can be a part of any of the others.

PTS: 1

OBJ: LO 2-6 C

NAT: AACSB Diversity | Management Environmental Influence

7. Compare the three levels of moral development.

ANS:

At the lowest level of moral development, the preconventional 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 postconventional 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.

PTS: 1

OBJ: LO 2-7 C

NAT: AACSB Ethics | Management Ethical Responsibilities

8. 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.

PTS: 1

OBJ: LO 2-8 C

NAT: AACSB Ethics | Management Ethical Responsibilities

### REVIEW QUESTIONS (Concepts)

1. What are the factors within the internal environment?

ANS:

The five internal environmental factors are management and culture, mission, resources, the systems process, and structure.

PTS: 1

OBJ: RQ 2-1 C

NAT: AACSB Reflective Thinking | Management Leadership Principles

2. What are the components of the systems process?

ANS:

The systems process has four components: (1) inputs, (2) transformation, (3) outputs, and (4) feedback.

PTS: 1

OBJ: RQ 2-1 C

NAT: AACSB Reflective Thinking | Management Leadership Principles

3. How is quality determined, and why do people buy products?

ANS:

Customers determine quality by comparing a product's actual functioning to their requirements to determine value. People don't simply buy a product itself. They buy the benefit they expect to derive from that product.

PTS: 1

OBJ: RQ 2-1 C

NAT: AACSB Reflective Thinking | Management Leadership Principles

4. What are the five artifacts of organizational culture?

ANS:

The five artifacts of culture are: (1) heroes, (2) stories, (3) slogans, (4) symbols, and (5) ceremonies.

PTS: 1

OBJ: RQ 2-3 C

NAT: AACSB Reflective Thinking | Management Leadership Principles

5. What are the levels of culture?

ANS:

The three levels of culture are behavior, values and beliefs, and assumptions.

PTS: 1

OBJ: RQ 2-3 C

NAT: AACSB Reflective Thinking | Management Leadership Principles

6. What is a learning organization?

ANS:

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

PTS: 1

OBJ: RQ 2-3 C

NAT: AACSB Reflective Thinking | Management Leadership Principles

7. What is the external environment?

ANS:

The organization's external environment includes the factors outside its boundaries that affect its performance.

PTS: 1

OBJ: RQ 2-4 C

NAT: AACSB Reflective Thinking | Management Environmental Influence

8. What is protectionism, and what methods are used to protect domestic businesses from foreign competitors?

ANS:

Protectionism is giving an advantage to domestic businesses in competing with foreign competitors. The three primary protection methods are tariffs, quotas, and embargoes.

PTS: 1

OBJ: RQ 2-4 C

NAT: AACSB Reflective Thinking | Management Environmental Influence

9. What is the role of the World Trade Organization (WTO)?

ANS:

The role of the WTO is to establish and enforce world trade laws.

PTS: 1

OBJ: RQ 2-4 C

NAT: AACSB Reflective Thinking | Management Environmental Influence

10. How are businesses classified in the global village?

ANS:

Businesses in the global village are classified as a domestic business, international business, or multinational corporation (MNC).

PTS: 1

OBJ: RQ 2-5 C

NAT: AACSB Diversity | Management Environmental Influence

11. What activities make a business global?

ANS:

The six activities that make a business global are: global sourcing, importing and exporting, licensing, contracting, joint ventures, and direct investment.

PTS: 1

OBJ: RQ 2-6 C

NAT: AACSB Diversity | Management Environmental Influence

12. What is GLOBE?

ANS:

GLOBE stands for Global Leadership and Organizational Behavior Effectiveness, which is an ongoing cross-cultural investigation of leadership and national culture.

PTS: 1

OBJ: RQ 2-6 C

NAT: AACSB Diversity | Management Environmental Influence

13. What are the levels of moral development?

ANS:

The three levels of moral development are preconventional, conventional, and postconventional.

PTS: 1

OBJ: RQ 2-7 C

NAT: AACSB Ethics | Management Ethical Responsibilities

14. How do people justify unethical behavior?

ANS:

People justify unethical behavior by using moral justification for the behavior, including displacement of responsibility, diffusion of responsibility, advantageous comparison, disregard or distortion of consequences, attribution of blame, and euphemistic labeling.

PTS: 1

OBJ: RQ 2-7 C

NAT: AACSB Ethics | Management Ethical Responsibilities

15. What is the stakeholders' approach to ethics?

ANS:

Under the stakeholders' approach to ethics, when making decisions, you try to create a win-win situation for all relevant stakeholders so that everyone benefits from the decision.

PTS: 1

OBJ: RQ 2-8 C

NAT: AACSB Ethics | Management Ethical Responsibilities

16. What is social responsibility?

ANS:

Social responsibility is the conscious effort to operate in a manner that creates a win-win situation for all stakeholders.

PTS: 1

OBJ: RQ 2-8 C

NAT: AACSB Ethics | Management Ethical Responsibilities

17. What are some ways in which businesses are going “green”?

ANS:

Firms are going green by constructing energy-efficient buildings, installing or upgrading recycling systems, using renewable energy, purchasing environmentally preferable equipment and supplies, and working with one another and with surrounding communities to advance sustainability values.

PTS: 1

OBJ: RQ 2-8 C

NAT: AACSB Ethics | Management Ethical Responsibilities

### **APPLYING THE CONCEPTS (Applications)**

1. Kim interviewed prospective new employees for ten new jobs in her company. Which internal environmental factor was Kim utilizing?
- management and culture
  - mission
  - resources
  - systems process

ANS: C

PTS: 1

OBJ: AC 2-1 A

NAT: AACSB Reflective Thinking | Management Leadership Principles

2. 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?
- management and culture
  - mission
  - resources
  - systems process

ANS: D

PTS: 1

OBJ: AC 2-1 A

NAT: AACSB Reflective Thinking | Management Leadership Principles

3. A small local college is trying to decide if they should change from a women’s college to a co-educational college which accepts both men and women. This would be a change in which internal environmental factor?
- mission
  - resources
  - systems process
  - structure

ANS: A

PTS: 1

OBJ: AC 2-1 A

NAT: AACSB Reflective Thinking | Management Leadership Principles

4. Sara works at a corporation that starts each morning with a 10-minute team meeting in which a different member of the organization gives a short motivational speech each meeting. These motivational speeches really inspire the employees to achieve the organization's goals and builds teamwork at the same time. Sara works at a corporation that has a:
- strong and healthy culture.
  - strong and unhealthy culture.
  - weak and healthy culture.
  - weak and unhealthy culture.

ANS: A                      PTS: 1                      OBJ: AC 2-3 A  
 NAT: AACSB Reflective Thinking | Management Leadership Principles

5. Brad's organization just had the best year it has ever had in terms of profits. Brad and his fellow employees were expecting raises at the end of the year as a result of their hard work; however, management did not give the employees raises. As a result, many of Brad's fellow employees formed a union and went on strike. Brad works at an organization that has a:
- strong and healthy culture.
  - strong and unhealthy culture.
  - weak and healthy culture.
  - weak and unhealthy culture.

ANS: B                      PTS: 1                      OBJ: AC 2-3 A  
 NAT: AACSB Reflective Thinking | Management Leadership Principles

6. Libraries across the nation have found they need to utilize an increasing number of computers to provide information to visitors to the library. Which of the following external environmental factors does this most represent?
- customers
  - society
  - technology
  - the economy

ANS: C                      PTS: 1                      OBJ: AC 2-4 A  
 NAT: AACSB Reflective Thinking | Management Environmental Influence

7. The stock market has had an amazing streak of higher prices for the past few years. Managers need to be aware of their own company's stock price to evaluate their performance. This is an example of which of the following external environment factors?
- competition
  - society
  - the economy
  - governments

ANS: C                      PTS: 1                      OBJ: AC 2-4 A  
 NAT: AACSB Reflective Thinking | Management Environmental Influence

8. Johnson & Johnson was forced to recall over 40 different children's medicines made by McNeil Consumer Healthcare due to manufacturing problems. This is an example of which of the following external environmental factors?
- a. competition
  - b. suppliers
  - c. labor force
  - d. governments

ANS: B                      PTS: 1                      OBJ: AC 2-4 A  
NAT: AACSB Reflective Thinking | Management Environmental Influence

9. American company Advanced Security Systems has always had a Japanese company make its alarms so it can focus on the sales and service of security systems. Advanced has taken its business global by using which of the following activities?
- a. global sourcing
  - b. importing/exporting
  - c. licensing
  - d. contracting

ANS: D                      PTS: 1                      OBJ: AC 2-6 A  
NAT: AACSB Diversity | Management Environmental Influence

10. Toyota makes many of its Japanese cars in its U.S. factories. Toyota has taken its business global by using which of the following activities?
- a. global sourcing
  - b. licensing
  - c. contracting
  - d. direct investment

ANS: D                      PTS: 1                      OBJ: AC 2-6 A  
NAT: AACSB Diversity | Management Environmental Influence

11. Disney character toys being made and sold all over Western Europe is an example of taking a business global by using which of the following activities?
- a. global sourcing
  - b. importing/exporting
  - c. licensing
  - d. contracting

ANS: C                      PTS: 1                      OBJ: AC 2-6 A  
NAT: AACSB Diversity | Management Environmental Influence

12. At John's organization where he works, the top-level managers are foreign nationals. This organization is most likely represented by which of the following types of global companies?
- a. large MNCs
  - b. small international companies

ANS: A                      PTS: 1                      OBJ: AC 2-6 A  
NAT: AACSB Diversity | Management Environmental Influence



13. Ted works at an electronics firm. Their primary business strategy is outsourcing work. Ted's organization is most likely represented by which of the following types of global companies?
- a. large MNCs
  - b. small international companies

ANS: B                      PTS: 1                      OBJ: AC 2-6 A  
NAT: AACSB Diversity | Management Environmental Influence

14. At Bill's organization where he works, teamwork is highly encouraged. Which dimension of cultural diversity does this organization exemplify?
- a. assertiveness
  - b. gender differences
  - c. societal collectivism
  - d. humane orientation

ANS: C                      PTS: 1                      OBJ: AC 2-6 A  
NAT: AACSB Diversity | Management Environmental Influence

15. At Suzie's organization where she works, managers place great importance on status symbols such as reserved parking spaces and office size. Which dimension of cultural diversity does this organization exemplify?
- a. future orientation
  - b. gender differences
  - c. power distance
  - d. performance orientation

ANS: C                      PTS: 1                      OBJ: AC 2-6 A  
NAT: AACSB Diversity | Management Environmental Influence

16. At Juanita's organization where she works, employees take pride in being members of teams. Which dimension of cultural diversity does this organization exemplify?
- a. future orientation
  - b. societal collectivism
  - c. in-group collectivism
  - d. performance orientation

ANS: C                      PTS: 1                      OBJ: AC 2-6 A  
NAT: AACSB Diversity | Management Environmental Influence

**WORK APPLICATIONS (Applications)**

1. State the mission of an organization, preferably an organization you work for or have worked for.

ANS:  
Answers will vary.

PTS: 1                      OBJ: WA 2-1 A  
NAT: AACSB Reflective Thinking | Management Leadership Principles

2. Illustrate the systems process for an organization you work for or have worked for.

ANS:

Answers will vary.

PTS: 1 OBJ: WA 2-1 A

NAT: AACSB Reflective Thinking | Management Leadership Principles

3. Identify the quality and value of a product you purchased recently.

ANS:

Answers will vary.

PTS: 1 OBJ: WA 2-1 A

NAT: AACSB Reflective Thinking | Management Leadership Principles

4. Identify the cultural heroes, stories, slogans, symbols, and ceremonies for an organization you are/were a member of.

ANS:

Answers will vary.

PTS: 1 OBJ: WA 2-3 A

NAT: AACSB Reflective Thinking | Management Leadership Principles

5. Describe the organizational culture at all three levels for a firm you work for or have worked for. Does the organization have a strong or a weak and a healthy or an unhealthy culture?

ANS:

Answers will vary.

PTS: 1 OBJ: WA 2-3 A

NAT: AACSB Reflective Thinking | Management Leadership Principles

6. Give an example of how one firm's competitors have affected that business.

ANS:

Answers will vary.

PTS: 1 OBJ: WA 2-4 A

NAT: AACSB Reflective Thinking | Management Environmental Influence

7. Give an example of how technology has affected one or more organizations, preferably one you work for or have worked for.

ANS:

Answers will vary.

PTS: 1 OBJ: WA 2-4 A

NAT: AACSB Technology | Management Environmental Influence

8. Classify a business you work for or have researched as domestic, international, or multinational. If the business is international or an MNC, list some of the countries where it does business.

ANS:

Answers will vary.

PTS: 1

OBJ: WA 2-5 A

NAT: AACSB Diversity | Management Environmental Influence

9. Select a business and identify its globalization strategy.

ANS:

Answers will vary.

PTS: 1

OBJ: WA 2-6 A

NAT: AACSB Diversity | Management Environmental Influence

10. Select a company and identify as many of its global business practices as you can.

ANS:

Answers will vary.

PTS: 1

OBJ: WA 2-6 A

NAT: AACSB Diversity | Management Environmental Influence

11. Give an example of cultural diversity you encountered, preferably at work.

ANS:

Answers will vary.

PTS: 1

OBJ: WA 2-6 A

NAT: AACSB Diversity | Management Environmental Influence

12. Give an example from an organization where you work or have worked of behavior at each of the three levels of moral development.

ANS:

Answers will vary.

PTS: 1

OBJ: WA 2-7 A

NAT: AACSB Ethics | Management Ethical Responsibilities

13. Give at least two organizational examples of unethical behavior and the justification that was used in each instance.

ANS:

Answers will vary.

PTS: 1

OBJ: WA 2-7 A

NAT: AACSB Ethics | Management Ethical Responsibilities

14. Select a business and identify how it manages ethics.

ANS:

Answers will vary.

PTS: 1 OBJ: WA 2-8 A

NAT: AACSB Ethics | Management Ethical Responsibilities

15. Select a business and identify how it is socially responsible on a specific issue.

ANS:

Answers will vary.

PTS: 1 OBJ: WA 2-8 A

NAT: AACSB Ethics | Management Ethical Responsibilities

16. Select a business and identify its sustainability practices.

ANS:

Answers will vary.

PTS: 1 OBJ: WA 2-8 A

NAT: AACSB Ethics | Management Ethical Responsibilities

### **COMMUNICATION SKILLS (Skills)**

1. Do you believe that most organizations focus on creating customer value?

ANS:

Answers will vary.

PTS: 1 OBJ: CS 2-1 S

NAT: AACSB Reflective Thinking | Management Leadership Principles

2. Do you think that all organizations should use total quality management (TQM)? Explain your answer.

ANS:

Answers will vary, but students should realize the importance of the two TQM principles in all organizations.

PTS: 1 OBJ: CS 2-2 S

NAT: AACSB Reflective Thinking | Management Leadership Principles

3. What is the relationship among management and mission, resources, the systems process, and structure? Which of these internal factors are ends, and which are means?

ANS:

Management determines the mission, resources, systems process, and structure; all affect organizational performance. The mission is an expression of the ends the organization strives to attain. The other internal environment factors are considered the means to achieve the ends.

PTS: 1

OBJ: CS 2-2 S

NAT: AACSB Reflective Thinking | Management Leadership Principles

4. Which of the five artifacts, or important ways that employees learn about organizational culture, is the most important?

ANS:

Answers will vary.

PTS: 1

OBJ: CS 2-3 S

NAT: AACSB Reflective Thinking | Management Leadership Principles

5. What is the difference between a strong and weak organizational culture, and which is preferable?

ANS:

Organizations with strong cultures have employees who subconsciously know the shared assumptions; consciously know the values and beliefs; agree with the shared assumptions, values, and beliefs; and behave as expected. A positive strong culture is preferred.

PTS: 1

OBJ: CS 2-3 S

NAT: AACSB Reflective Thinking | Management Leadership Principles

6. What is symbolic leadership? Is it important?

ANS:

Symbolic leaders articulate a vision for the organization and reinforce the culture through slogans, symbols, and ceremonies.

Yes. As stated in the text, managing culture is an important part of top management. To successfully change or merge cultures, a strong symbolic leader is needed.

PTS: 1

OBJ: CS 2-3 S

NAT: AACSB Reflective Thinking | Management Leadership Principles

7. What is a learning organization? Should a manager create one?

ANS:

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

Yes. Managers that don't change with the environment will not be successful in the long run.

PTS: 1

OBJ: CS 2-3 S

NAT: AACSB Reflective Thinking | Management Leadership Principles

8. If you can't control the external environment, why be concerned about it anyway?

ANS:

Businesses should be concerned about the external environment because it can affect the business's performance. Although a business can't control the external environment, it needs to try to influence the external factors to their advantage, or at least adjust to them.

PTS: 1

OBJ: CS 2-4 S

NAT: AACSB Reflective Thinking | Management Environmental Influence

9. Should people in the United States make an effort to buy products made in America? If so, how should "made in America" be defined?

ANS:

Answers will vary.

PTS: 1

OBJ: CS 2-4 S

NAT: AACSB Reflective Thinking | Management Environmental Influence

10. As a business owner in the United States exporting goods to Japan, which currency do you prefer to be strong—the dollar or the yen? Why?

ANS:

The yen. A weak dollar helps to create opportunities for American global businesses.

PTS: 1

OBJ: CS 2-4 S

NAT: AACSB Reflective Thinking | Management Environmental Influence

11. Is the North American Free Trade Agreement (NAFTA) of more benefit or harm to the United States? Why?

ANS:

Answers will vary.

PTS: 1

OBJ: CS 2-4 S

NAT: AACSB Reflective Thinking | Management Environmental Influence

12. Do you believe that ethical behavior will pay off in the long run?

ANS:

Answers will vary, but students should realize the importance of ethics in business.

PTS: 1 OBJ: CS 2-7 S

NAT: AACSB Ethics | Management Ethical Responsibilities

13. Do you have your own guide to ethical behavior that you follow now? Will you use one of the guides from the text? If yes, which one and why?

ANS:

Answers will vary.

PTS: 1 OBJ: CS 2-8 S

NAT: AACSB Ethics | Management Ethical Responsibilities

14. Can ethics be taught and learned?

ANS:

According to a study done at Harvard, the answer is yes; however, not everyone agrees. But most people realize that in learning about ethics and possible ethical situations, students are better prepared to handle ethics when the need arises on the job.

PTS: 1 OBJ: CS 2-8 S

NAT: AACSB Ethics | Management Ethical Responsibilities

15. Do you believe that companies benefit from being socially responsible? Why or why not?

ANS:

Answers will vary.

PTS: 1 OBJ: CS 2-8 S

NAT: AACSB Ethics | Management Ethical Responsibilities

16. Do you believe that all businesses should go “green”? Why or why not?

ANS:

Answers will vary.

PTS: 1 OBJ: CS 2-8 S

NAT: AACSB Ethics | Management Ethical Responsibilities

**SKILL BUILDERS (Skills)**

*Select a specific organization, preferably one you work for or have worked for, and answer the questions as they relate to the business you have selected.*

1. Identify the top managers and briefly discuss their leadership style.

ANS:

Answers will vary.

PTS: 1

OBJ: S

NAT: AACSB Reflective Thinking | Management Leadership Principles

2. State the organization's mission.

ANS:

Answers will vary.

PTS: 1

OBJ: S

NAT: AACSB Reflective Thinking | Management Leadership Principles

3. Identify some of the organization's major resources.

ANS:

Answers will vary.

PTS: 1

OBJ: S

NAT: AACSB Reflective Thinking | Management Leadership Principles

4. Explain the organization's systems process. Discuss how the organization ensures quality and customer value.

ANS:

Answers will vary.

PTS: 1

OBJ: S

NAT: AACSB Reflective Thinking | Management Leadership Principles

5. Identify the organization's structure by listing its major departments.

ANS:

Answers will vary.

PTS: 1

OBJ: S

NAT: AACSB Reflective Thinking | Management Leadership Principles



6. Identify the organization's target customers.

ANS:

Answers will vary.

PTS: 1                    OBJ: S

NAT: AACSB Reflective Thinking | Management Environmental Influence

7. Identify the organization's major competitors.

ANS:

Answers will vary.

PTS: 1                    OBJ: S

NAT: AACSB Reflective Thinking | Management Environmental Influence

8. Identify the organization's major suppliers.

ANS:

Answers will vary.

PTS: 1                    OBJ: S

NAT: AACSB Reflective Thinking | Management Environmental Influence

9. What labor force does the organization primarily recruit from?

ANS:

Answers will vary.

PTS: 1                    OBJ: S

NAT: AACSB Reflective Thinking | Management Environmental Influence

10. Does the organization have shareholders? Is its stock listed on one of the three major stock exchanges? If yes, which one?

ANS:

Answers will vary.

PTS: 1                    OBJ: S

NAT: AACSB Reflective Thinking | Management Environmental Influence

11. How does the organization affect society, and vice versa?

ANS:

Answers will vary.

PTS: 1                    OBJ: S

NAT: AACSB Reflective Thinking | Management Environmental Influence

12. Describe some of the past, present, and future technologies of the organization's industry. Is the organization a technology leader?

ANS:

Answers will vary.

PTS: 1 OBJ: S

NAT: AACSB Technology | Management Environmental Influence

13. Identify the governments that affect the organization. List some of the major laws and regulations affecting the business.

ANS:

Answers will vary.

PTS: 1 OBJ: S

NAT: AACSB Reflective Thinking | Management Environmental Influence

14. Explain how the economy affects the organization.

ANS:

Answers will vary.

PTS: 1 OBJ: S

NAT: AACSB Reflective Thinking | Management Environmental Influence

15. Discuss how the business competes in the global village.

ANS:

Answers will vary.

PTS: 1 OBJ: S

NAT: AACSB Diversity | Management Environmental Influence

16. Does the organization use all five artifacts to teach culture? Explain which are used and how.

ANS:

Answers will vary.

PTS: 1 OBJ: S

NAT: AACSB Reflective Thinking | Management Leadership Principles

17. Describe the culture at all three levels. Is it a strong or a weak culture?

ANS:

Answers will vary.

PTS: 1 OBJ: S

NAT: AACSB Reflective Thinking | Management Leadership Principles

18. Is the firm creating a learning organization? Explain why or why not.

ANS:

Answers will vary.

PTS: 1 OBJ: S

NAT: AACSB Reflective Thinking | Management Leadership Principles

19. Does the organization have any guides to ethical behavior? If yes, explain.

ANS:

Answers will vary.

PTS: 1 OBJ: S

NAT: AACSB Ethics | Management Ethical Responsibilities

20. How does the organization manage ethics? Does it have a code of ethics? If so, what does the code cover? Does top management lead by good ethical example? Are ethical behaviors enforced? If so, how?

ANS:

Answers will vary.

PTS: 1 OBJ: S

NAT: AACSB Ethics | Management Ethical Responsibilities