Chapter 01

Introduction

**True / False Questions**

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| 1. | The basis for the practice of labor relations within a unionized employer is a contract negotiated by the parties.    True    False |

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| 2. | Stock markets create the opportunity to make ownership highly liquid by providing an institutionalized mechanism for the purchase and sale of shares.    True    False |

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| 3. | Operational decisions are made by the managers hired by the shareholders' elected board of directors.    True    False |

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| 4. | Unions are developed to take over companies.    True    False |

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| 5. | In democracies, laws and regulations ultimately reflect the will of the electorate.    True    False |

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| 6. | Unions can exist without employers, but employers cannot exist without unions.    True    False |

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| 7. | A lockout occurs when a unionized employment practice is adopted by nonunion employers in order to avoid unionization by copying what unions have won for their members.    True    False |

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| 8. | Unionization provides employees a voice in how the employment relationship is implemented in their workplace.    True    False |

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| 9. | Spillover is a pervasive phenomenon that occurs when a group perceives danger.    True    False |

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| 10. | Workers in companies with innovative human resource management practices are less likely to desire unions.    True    False |

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| 11. | Employees are more likely to vote for unions due to job task characteristics rather than dissatisfaction with employment conditions.    True    False |

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| 12. | Dissatisfaction is consistently associated with turnover.    True    False |

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| 13. | Local community attitudes have no effect on union power.    True    False |

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| 14. | Union action cannot influence public policy decisions on potentially favorable tax abatements for employers.    True    False |

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| 15. | The policies of large national unions are influenced strongly by the actions of majorities of local union members.    True    False |

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| 16. | Satisfaction of nonunion employees has drastically decreased when compared to that of unionized workers, thereby eliminating the motivation to organize.    True    False |

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| 17. | Prices, and ultimately wages, are controlled by collective bargaining rather than by the market.    True    False |

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| 18. | If the middle class perceives income distribution as fair, then support for collective bargaining will not be strong.    True    False |

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| 19. | Groups of employees coalesce around common interests or group membership to pressurize their employers to address employment issues of particular interest to their groups.    True    False |

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| 20. | Increasing unionization in the industry where one is employed negatively influences wages.    True    False |

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| 21. | Bargaining power is very low for unions that represent workers who deliver services directly to the consumer.    True    False |

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| 22. | One of the greatest challenges facing private sector unions is the continued increase in the globalization of production.    True    False |

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| 23. | While major employers have increasingly exercised global options, unions around the world have maintained jurisdictions largely within their own countries.    True    False |

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| 24. | Traditionally, union membership depended on employment in a workplace governed by a collective bargaining agreement.    True    False |

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| 25. | Unions have generally benefited much from a Democratic president and/or the Congress.    True    False |

**Multiple Choice Questions**

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| 26. | \_\_\_\_\_ is the ongoing interchange between the union and the employer that identifies their common and specific interests and creates mechanisms to clarify, manage, reduce, and resolve conflicts over their specific interests.      |  |  | | --- | --- | | A. | Monopoly power |  |  |  | | --- | --- | | B. | Labor relations |  |  |  | | --- | --- | | C. | Spillover |  |  |  | | --- | --- | | D. | Voice power | |

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| 27. | Why are contracts renegotiated periodically?      |  |  | | --- | --- | | A. | To lead employees into believing that they are individually unable to influence a change in the conditions causing their dissatisfaction |  |  |  | | --- | --- | | B. | To lead employees into believing that changing jobs would improve conditions more than collective bargaining |  |  |  | | --- | --- | | C. | To take into account changes in the economy and society |  |  |  | | --- | --- | | D. | To take into account changing goals and objectives of the government | |

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| 28. | Which of the following is a feature of individual investors in a corporation?      |  |  | | --- | --- | | A. | They have limited liability. |  |  |  | | --- | --- | | B. | They can lose more than their original investments. |  |  |  | | --- | --- | | C. | They are prohibited from selling their shares to new owners at any time. |  |  |  | | --- | --- | | D. | They cannot own the corporation collectively. | |

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| 29. | Who are responsible for making operational decisions for corporations?      |  |  | | --- | --- | | A. | Managers hired by the shareholders through their elected board of directors |  |  |  | | --- | --- | | B. | Shareholders |  |  |  | | --- | --- | | C. | Investors and directors of the company |  |  |  | | --- | --- | | D. | The managing directors and the partners of the company | |

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| 30. | What do shareholders do when they are dissatisfied with corporate performance?      |  |  | | --- | --- | | A. | They fire the management team. |  |  |  | | --- | --- | | B. | They disassociate themselves from the corporate problems. |  |  |  | | --- | --- | | C. | They sell their shares. |  |  |  | | --- | --- | | D. | They ignore corporate problems totally. | |

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| 31. | What are shareholders' primary interests?      |  |  | | --- | --- | | A. | Altering the terms and conditions of employment |  |  |  | | --- | --- | | B. | The introduction of democracy into the employment relationship |  |  |  | | --- | --- | | C. | The financial performance of the corporation |  |  |  | | --- | --- | | D. | Countering employers' powers to unilaterally change employment conditions | |

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| 32. | High profitability, high returns on investment capital, and high growth rates lead to \_\_\_\_\_.      |  |  | | --- | --- | | A. | higher share prices |  |  |  | | --- | --- | | B. | overflow of money in the market |  |  |  | | --- | --- | | C. | scarcity of certain products |  |  |  | | --- | --- | | D. | greater tax rates | |

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| 33. | Which of the following is a reason behind employers' choice of complete freedom to alter the terms and conditions of employment in their workplaces?      |  |  | | --- | --- | | A. | Eliminate their responsibilities to shareholders |  |  |  | | --- | --- | | B. | Maximize control on employees |  |  |  | | --- | --- | | C. | Maximize returns on investment |  |  |  | | --- | --- | | D. | Recede from the attainment of organizational goals | |

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| 34. | While labor is somewhat mobile, with workers able to move between employers as opportunities occur, it is less mobile than \_\_\_\_\_.      |  |  | | --- | --- | | A. | shareholder wealth |  |  |  | | --- | --- | | B. | the company itself |  |  |  | | --- | --- | | C. | information |  |  |  | | --- | --- | | D. | financial capital | |

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| 35. | \_\_\_\_\_ offers employees a method for countering employers' powers to unilaterally change employment conditions.      |  |  | | --- | --- | | A. | Spillover |  |  |  | | --- | --- | | B. | Unionization |  |  |  | | --- | --- | | C. | Certification |  |  |  | | --- | --- | | D. | Picketing | |

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| 36. | What does unionization introduce into the workplace?      |  |  | | --- | --- | | A. | Democracy into the employment relationship |  |  |  | | --- | --- | | B. | An institutionalized mechanism for the purchase and sale of shares |  |  |  | | --- | --- | | C. | The risk of diversifying ownership across several corporations |  |  |  | | --- | --- | | D. | Complete freedom to the employer to alter the terms and conditions of employment | |

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| 37. | Which of the following is a reason for the development of unions?      |  |  | | --- | --- | | A. | To take over companies |  |  |  | | --- | --- | | B. | To eliminate management |  |  |  | | --- | --- | | C. | To counter employer power |  |  |  | | --- | --- | | D. | To assert power of top management | |

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| 38. | Which of the following is true about shareholders?      |  |  | | --- | --- | | A. | Large corporations consist of a single shareholder, who participates in the corporation's day-to-day business. |  |  |  | | --- | --- | | B. | Operational decisions are made by workers hired by the shareholders. |  |  |  | | --- | --- | | C. | Shareholders who are dissatisfied with corporate performance cannot sell their shares or combine with others to oust the current board and its managers. |  |  |  | | --- | --- | | D. | Shareholders may decide, collectively, to sell their interests to another company that seeks to acquire its assets. | |

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| 39. | In democracies, labor laws and regulations ultimately reflect the will of the \_\_\_\_\_.      |  |  | | --- | --- | | A. | corporations |  |  |  | | --- | --- | | B. | managers |  |  |  | | --- | --- | | C. | electorate |  |  |  | | --- | --- | | D. | shareholders | |

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| 40. | A corporation's \_\_\_\_\_ ultimately control decisions about its direction, investments, and existence depending on which best meets their interests.      |  |  | | --- | --- | | A. | managers |  |  |  | | --- | --- | | B. | shareholders |  |  |  | | --- | --- | | C. | board of directors |  |  |  | | --- | --- | | D. | employees | |

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| 41. | As economic actors, what do unions seek to control?      |  |  | | --- | --- | | A. | The supply of labor to the employers |  |  |  | | --- | --- | | B. | The changing goals and objectives of the government |  |  |  | | --- | --- | | C. | The changes in the economy and society |  |  |  | | --- | --- | | D. | The purchase and sale of investors' shares | |

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| 42. | Which of the following factors is responsible for the decline in unionized employment, in both the proportion and number of workers?      |  |  | | --- | --- | | A. | A shift from services toward manufacturing |  |  |  | | --- | --- | | B. | The decreasing intellectual content of jobs |  |  |  | | --- | --- | | C. | The globalization of manufacturing |  |  |  | | --- | --- | | D. | An overall increase in union organizing activity | |

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| 43. | Global competition, free trade, and an emphasis on corporate financial performance have strongly influenced employment patterns and reduced \_\_\_\_\_.      |  |  | | --- | --- | | A. | intellectual content of jobs |  |  |  | | --- | --- | | B. | union bargaining power |  |  |  | | --- | --- | | C. | the overall decline in union organizing activity |  |  |  | | --- | --- | | D. | economic relations | |

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| 44. | What must unions generate in order to survive?      |  |  | | --- | --- | | A. | Limited liability for individual investors |  |  |  | | --- | --- | | B. | Global economic development |  |  |  | | --- | --- | | C. | Economic benefits for their members |  |  |  | | --- | --- | | D. | Global competition | |

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| 45. | Which of the following needs to be done by unions to achieve gains?      |  |  | | --- | --- | | A. | Decrease the intellectual content of jobs |  |  |  | | --- | --- | | B. | Encourage the purchase and sale of investors' shares |  |  |  | | --- | --- | | C. | Provide limited liability to individual investors |  |  |  | | --- | --- | | D. | Exert bargaining power through some degree of labor supply control | |

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| 46. | What is the reason behind the statement, "Today's global economy, combined with the elimination of anticompetitive regulations in several major industries, has reduced union bargaining power"?      |  |  | | --- | --- | | A. | The costs of increased benefits cannot readily be passed on to consumers. |  |  |  | | --- | --- | | B. | Jobs in the global economy are associated with decreasing intellectual content. |  |  |  | | --- | --- | | C. | Unions exert the highest influence on employment practices through spillovers than they did in the past. |  |  |  | | --- | --- | | D. | The unions control labor supply on an international basis. | |

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| 47. | Union representation has declined from 35 percent in 1955 to a little more than 11 percent now, indicating that unions exert less influence on employment practices through \_\_\_\_\_.      |  |  | | --- | --- | | A. | voice power |  |  |  | | --- | --- | | B. | spillovers |  |  |  | | --- | --- | | C. | collective bargaining |  |  |  | | --- | --- | | D. | monopoly power | |

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| 48. | When an employment practice in unionized companies is adopted by nonunion employers to avoid unionization, a \_\_\_\_\_ occurs.      |  |  | | --- | --- | | A. | boycott |  |  |  | | --- | --- | | B. | spillover |  |  |  | | --- | --- | | C. | strike |  |  |  | | --- | --- | | D. | lockout | |

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| 49. | Which of the following is true about unionization?      |  |  | | --- | --- | | A. | There are no differences in the degree of unionization across industries and occupations. |  |  |  | | --- | --- | | B. | It is more prevalent where jobs require employee-specific knowledge. |  |  |  | | --- | --- | | C. | It creates monopoly power by fixing wages through contracts. |  |  |  | | --- | --- | | D. | It is more prevalent where internal workplace rules have no influence on employee outcomes. | |

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| 50. | Union monopoly power costs less than \_\_\_\_\_ percent of gross domestic product (GDP).      |  |  | | --- | --- | | A. | 1 |  |  |  | | --- | --- | | B. | 5 |  |  |  | | --- | --- | | C. | 10 |  |  |  | | --- | --- | | D. | 15 | |

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| 51. | Where is unionization more prevalent?      |  |  | | --- | --- | | A. | Where jobs require employee-specific knowledge |  |  |  | | --- | --- | | B. | Where external workplace rules influence employee outcomes |  |  |  | | --- | --- | | C. | Where jobs require employer-specific knowledge |  |  |  | | --- | --- | | D. | Where internal workplace rules have no influence on employee outcomes | |

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| 52. | Voice option refers to people expressing dissent about their workplace by \_\_\_\_\_.      |  |  | | --- | --- | | A. | quitting |  |  |  | | --- | --- | | B. | trying to reform it |  |  |  | | --- | --- | | C. | boycotting |  |  |  | | --- | --- | | D. | trying to take over | |

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| 53. | Forming a \_\_\_\_\_ enables use of a collective voice in influencing change at work.      |  |  | | --- | --- | | A. | union |  |  |  | | --- | --- | | B. | worker advisory board |  |  |  | | --- | --- | | C. | board of directors |  |  |  | | --- | --- | | D. | top management team | |

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| 54. | A phenomenon that occurs when a group perceives a threat is known as \_\_\_\_\_.      |  |  | | --- | --- | | A. | groupthink |  |  |  | | --- | --- | | B. | collective bargaining |  |  |  | | --- | --- | | C. | wagon circling |  |  |  | | --- | --- | | D. | spillover | |

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| 55. | Which of the following statements about cohesiveness is true?      |  |  | | --- | --- | | A. | A cohesive group is characterized by a high degree of heterogeneity in the behavior of its members. |  |  |  | | --- | --- | | B. | Cohesive groups do not display class consciousness. |  |  |  | | --- | --- | | C. | Cohesive groups usually have a group of leaders that strongly reflect the values of the group. |  |  |  | | --- | --- | | D. | Unions ignore the need for cohesiveness to members through calls for solidarity during periods of threat. | |

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| 56. | How do unions emphasize the need for cohesiveness?      |  |  | | --- | --- | | A. | Through calls for solidarity to members during periods of threat |  |  |  | | --- | --- | | B. | By finding alternative employment for the members |  |  |  | | --- | --- | | C. | By quitting or bringing reforms |  |  |  | | --- | --- | | D. | Through exerting collective pressure on the members | |

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| 57. | Which of the following statements about class consciousness is true?      |  |  | | --- | --- | | A. | Class consciousness may be a catalyst for the formation of worker classes. |  |  |  | | --- | --- | | B. | If mobility between classes is perceived as unlikely, class consciousness is less likely to develop. |  |  |  | | --- | --- | | C. | Large differences between managers and workers within the same organization in terms of employment security, increases class consciousness. |  |  |  | | --- | --- | | D. | American unions have generally emphasized class consciousness. | |

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| 58. | Which of the following is a reason why unions cannot ensure similar backgrounds among their members?      |  |  | | --- | --- | | A. | Employees and employers come from the same social classes. |  |  |  | | --- | --- | | B. | Income inequality between employees and employers is low. |  |  |  | | --- | --- | | C. | Management makes hiring decisions and unions are obligated to admit all employees who want to join. |  |  |  | | --- | --- | | D. | The cost of membership outweighs the benefits perceived from remaining a group member. | |

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| 59. | How do unions maintain cohesiveness?      |  |  | | --- | --- | | A. | By emphasizing the costs of memberships to outweigh the benefits perceived from remaining a group member |  |  |  | | --- | --- | | B. | By continually convincing employees they will receive greater employment benefits through continued unionization |  |  |  | | --- | --- | | C. | By casting management in the best image |  |  |  | | --- | --- | | D. | By ensuring similar background among their members irrespective of the management's hiring decisions | |

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| 60. | Workers that are LEAST likely to desire unions are those with:      |  |  | | --- | --- | | A. | lower satisfaction with career prospects. |  |  |  | | --- | --- | | B. | jobs in companies with innovative HR management practices. |  |  |  | | --- | --- | | C. | lower education and lower personal income. |  |  |  | | --- | --- | | D. | higher perceptions of job stress. | |

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| 61. | Which of the following conditions results in employees voting more likely for unions?      |  |  | | --- | --- | | A. | Discontent with employment conditions |  |  |  | | --- | --- | | B. | Job task characteristics |  |  |  | | --- | --- | | C. | Co-worker friction |  |  |  | | --- | --- | | D. | Political unrest in the country | |

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| 62. | Which of the following is a condition in predicting the outcomes of organization attempts and union successes?      |  |  | | --- | --- | | A. | Employees have to be dissatisfied and believe that they are individually unable to influence a change in the conditions causing their dissatisfaction. |  |  |  | | --- | --- | | B. | A majority of employers have to believe that collective bargaining would improve conditions more than changing jobs, and its benefits outweigh the costs. |  |  |  | | --- | --- | | C. | Employees in a unit covered by a collective bargaining agreement may decide to join unions. |  |  |  | | --- | --- | | D. | Satisfaction with employment conditions and a desire to make things even better than they currently are. | |

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| 63. | Identify a condition that has to exist in order to predict organizing attempts and union wins.      |  |  | | --- | --- | | A. | Employers have to be dissatisfied and believe that they are individually unable to influence a change in the conditions causing their dissatisfaction. |  |  |  | | --- | --- | | B. | A majority of employees have to believe that collective bargaining would improve conditions more than changing jobs, and its benefits outweigh the costs. |  |  |  | | --- | --- | | C. | Employees in a unit covered by a collective bargaining agreement may decide to join unions. |  |  |  | | --- | --- | | D. | Satisfaction with employment conditions and a desire to make things even better than they currently are. | |

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| 64. | What does a unionization model suggest?      |  |  | | --- | --- | | A. | Employees have to be dissatisfied and believe that they are individually unable to influence a change in the conditions causing their dissatisfaction. |  |  |  | | --- | --- | | B. | A majority of employees have to believe that collective bargaining would improve conditions more than changing jobs, and its benefits outweigh the costs. |  |  |  | | --- | --- | | C. | The gaps between expectations and achievements motivate employees to find ways to eliminate them. |  |  |  | | --- | --- | | D. | Differences among members of a bargaining unit after unionization may be substantial and must be considered by the union in its representational activities. | |

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| 65. | Bargaining units are not organized until all of the following occur EXCEPT:      |  |  | | --- | --- | | A. | a majority of employees desire representation. |  |  |  | | --- | --- | | B. | officers are elected by majorities of local union members. |  |  |  | | --- | --- | | C. | contracts are vetoed by a majority of union members in the bargaining unit. |  |  |  | | --- | --- | | D. | officers are defeated by majorities of local union members. | |

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| 66. | Which of the following is a condition that prevented union empowerment in the United States?      |  |  | | --- | --- | | A. | Employers fiercely protected, and unions ceded to them, the capitalistic, market-driven system that was embraced by the United States. |  |  |  | | --- | --- | | B. | With the exception of the skilled construction trades, employees have always controlled the content of jobs. |  |  |  | | --- | --- | | C. | Employers have absolutely no connection with the U.S. educational system. |  |  |  | | --- | --- | | D. | The small middle class in the United States has had no interest in efficiency and productivity. | |

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| 67. | Prices, and ultimately wages, are controlled by \_\_\_\_\_.      |  |  | | --- | --- | | A. | collective bargaining |  |  |  | | --- | --- | | B. | administrative orders |  |  |  | | --- | --- | | C. | the government |  |  |  | | --- | --- | | D. | the market | |

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| 68. | Which of the following occurs when an employer decides to outsource or move production abroad?      |  |  | | --- | --- | | A. | Elimination of any kind of internal competition among employees to retain jobs. |  |  |  | | --- | --- | | B. | Unionized workers from two different local unions of the same national will be forced to end operations. |  |  |  | | --- | --- | | C. | Increase in job security and union bargaining power on a companywide basis. |  |  |  | | --- | --- | | D. | Companies may seek tax concessions from governments representing a particular country in deciding where to locate. | |

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| 69. | Which of the following is true about union memberships?      |  |  | | --- | --- | | A. | Usually, membership is independent of employment in a workplace governed by a collective bargaining agreement. |  |  |  | | --- | --- | | B. | Only in the building trades and some entertainment unions does membership terminate after employment with a particular employer ends. |  |  |  | | --- | --- | | C. | Traditionally, if employment was lost, membership often terminated. |  |  |  | | --- | --- | | D. | Unions can ensure a similar background among the members, irrespective of the management's hiring decisions. | |

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| 70. | What was the reason for membership to survive in the building trades, the maritime unions, and some entertainment unions after employment with a particular employer ended?      |  |  | | --- | --- | | A. | The industrial unions acted as collective bargaining agents. |  |  |  | | --- | --- | | B. | The industrial unions found it increasingly difficult to attract members in a transient employment environment. |  |  |  | | --- | --- | | C. | The employees preferred to have temporary ties to an employer. |  |  |  | | --- | --- | | D. | Union hiring halls were the primary source of employees in these industries. | |

**Short Answer Questions**

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| 71. | What is meant by labor relations? |

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| 72. | Does unionization introduce democracy into the employment relationship? Explain. |

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| 73. | Explain how unions are simultaneously economic and political organizations. |

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| 74. | What is a spillover? |

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| 75. | Explain group cohesiveness. |

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| 76. | What are the three ways by which employees can become union members? |

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| 77. | What are the conditions required to predict the outcomes of organizing attempts and a union success? |

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| 78. | How do local community attitudes affect union power? |

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| 79. | Briefly explain the median voter concept. |

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| 80. | Describe several historical conditions which have prevented the accumulation of union power in the United States over the past two centuries. |

Chapter 01 Introduction Answer Key

**True / False Questions**

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| 1. *(p. 1)* | The basis for the practice of labor relations within a unionized employer is a contract negotiated by the parties.    **TRUE** |

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| 2. *(p. 1)* | Stock markets create the opportunity to make ownership highly liquid by providing an institutionalized mechanism for the purchase and sale of shares.    **TRUE** |

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| 3. *(p. 2)* | Operational decisions are made by the managers hired by the shareholders' elected board of directors.    **TRUE** |

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| 4. *(p. 2)* | Unions are developed to take over companies.    **FALSE** |

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| 5. *(p. 3)* | In democracies, laws and regulations ultimately reflect the will of the electorate.    **TRUE** |

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| 6. *(p. 3)* | Unions can exist without employers, but employers cannot exist without unions.    **FALSE** |

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| 7. *(p. 5)* | A lockout occurs when a unionized employment practice is adopted by nonunion employers in order to avoid unionization by copying what unions have won for their members.    **FALSE** |

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| 8. *(p. 5)* | Unionization provides employees a voice in how the employment relationship is implemented in their workplace.    **TRUE** |

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| 9. *(p. 7)* | Spillover is a pervasive phenomenon that occurs when a group perceives danger.    **FALSE** |

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| 10. *(p. 9)* | Workers in companies with innovative human resource management practices are less likely to desire unions.    **TRUE** |

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| 11. *(p. 9)* | Employees are more likely to vote for unions due to job task characteristics rather than dissatisfaction with employment conditions.    **FALSE** |

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| 12. *(p. 10)* | Dissatisfaction is consistently associated with turnover.    **TRUE** |

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| 13. *(p. 16)* | Local community attitudes have no effect on union power.    **FALSE** |

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| 14. *(p. 16)* | Union action cannot influence public policy decisions on potentially favorable tax abatements for employers.    **FALSE** |

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| 15. *(p. 17)* | The policies of large national unions are influenced strongly by the actions of majorities of local union members.    **TRUE** |

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| 16. *(p. 18)* | Satisfaction of nonunion employees has drastically decreased when compared to that of unionized workers, thereby eliminating the motivation to organize.    **FALSE** |

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| 17. *(p. 19)* | Prices, and ultimately wages, are controlled by collective bargaining rather than by the market.    **FALSE** |

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| 18. *(p. 19)* | If the middle class perceives income distribution as fair, then support for collective bargaining will not be strong.    **TRUE** |

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| 19. *(p. 19)* | Groups of employees coalesce around common interests or group membership to pressurize their employers to address employment issues of particular interest to their groups.    **TRUE** |

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| 20. *(p. 20)* | Increasing unionization in the industry where one is employed negatively influences wages.    **FALSE** |

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| 21. *(p. 21)* | Bargaining power is very low for unions that represent workers who deliver services directly to the consumer.    **FALSE** |

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| 22. *(p. 21)* | One of the greatest challenges facing private sector unions is the continued increase in the globalization of production.    **TRUE** |

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| 23. *(p. 21)* | While major employers have increasingly exercised global options, unions around the world have maintained jurisdictions largely within their own countries.    **TRUE** |

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| 24. *(p. 22)* | Traditionally, union membership depended on employment in a workplace governed by a collective bargaining agreement.    **TRUE** |

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| 25. *(p. 23)* | Unions have generally benefited much from a Democratic president and/or the Congress.    **FALSE** |

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**Multiple Choice Questions**

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| 26. *(p. 1)* | \_\_\_\_\_ is the ongoing interchange between the union and the employer that identifies their common and specific interests and creates mechanisms to clarify, manage, reduce, and resolve conflicts over their specific interests.      |  |  | | --- | --- | | A. | Monopoly power |  |  |  | | --- | --- | | **B.** | Labor relations |  |  |  | | --- | --- | | C. | Spillover |  |  |  | | --- | --- | | D. | Voice power | |

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| 27. *(p. 1)* | Why are contracts renegotiated periodically?      |  |  | | --- | --- | | A. | To lead employees into believing that they are individually unable to influence a change in the conditions causing their dissatisfaction |  |  |  | | --- | --- | | B. | To lead employees into believing that changing jobs would improve conditions more than collective bargaining |  |  |  | | --- | --- | | **C.** | To take into account changes in the economy and society |  |  |  | | --- | --- | | D. | To take into account changing goals and objectives of the government | |

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| 28. *(p. 1)* | Which of the following is a feature of individual investors in a corporation?      |  |  | | --- | --- | | **A.** | They have limited liability. |  |  |  | | --- | --- | | B. | They can lose more than their original investments. |  |  |  | | --- | --- | | C. | They are prohibited from selling their shares to new owners at any time. |  |  |  | | --- | --- | | D. | They cannot own the corporation collectively. | |

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| 29. *(p. 2)* | Who are responsible for making operational decisions for corporations?      |  |  | | --- | --- | | **A.** | Managers hired by the shareholders through their elected board of directors |  |  |  | | --- | --- | | B. | Shareholders |  |  |  | | --- | --- | | C. | Investors and directors of the company |  |  |  | | --- | --- | | D. | The managing directors and the partners of the company | |

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| 30. *(p. 2)* | What do shareholders do when they are dissatisfied with corporate performance?      |  |  | | --- | --- | | A. | They fire the management team. |  |  |  | | --- | --- | | B. | They disassociate themselves from the corporate problems. |  |  |  | | --- | --- | | **C.** | They sell their shares. |  |  |  | | --- | --- | | D. | They ignore corporate problems totally. | |

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| 31. *(p. 2)* | What are shareholders' primary interests?      |  |  | | --- | --- | | A. | Altering the terms and conditions of employment |  |  |  | | --- | --- | | B. | The introduction of democracy into the employment relationship |  |  |  | | --- | --- | | **C.** | The financial performance of the corporation |  |  |  | | --- | --- | | D. | Countering employers' powers to unilaterally change employment conditions | |

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| 32. *(p. 2)* | High profitability, high returns on investment capital, and high growth rates lead to \_\_\_\_\_.      |  |  | | --- | --- | | **A.** | higher share prices |  |  |  | | --- | --- | | B. | overflow of money in the market |  |  |  | | --- | --- | | C. | scarcity of certain products |  |  |  | | --- | --- | | D. | greater tax rates | |

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| 33. *(p. 2)* | Which of the following is a reason behind employers' choice of complete freedom to alter the terms and conditions of employment in their workplaces?      |  |  | | --- | --- | | A. | Eliminate their responsibilities to shareholders |  |  |  | | --- | --- | | B. | Maximize control on employees |  |  |  | | --- | --- | | **C.** | Maximize returns on investment |  |  |  | | --- | --- | | D. | Recede from the attainment of organizational goals | |

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| 34. *(p. 2)* | While labor is somewhat mobile, with workers able to move between employers as opportunities occur, it is less mobile than \_\_\_\_\_.      |  |  | | --- | --- | | A. | shareholder wealth |  |  |  | | --- | --- | | B. | the company itself |  |  |  | | --- | --- | | C. | information |  |  |  | | --- | --- | | **D.** | financial capital | |

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| 35. *(p. 2)* | \_\_\_\_\_ offers employees a method for countering employers' powers to unilaterally change employment conditions.      |  |  | | --- | --- | | A. | Spillover |  |  |  | | --- | --- | | **B.** | Unionization |  |  |  | | --- | --- | | C. | Certification |  |  |  | | --- | --- | | D. | Picketing | |

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| 36. *(p. 2)* | What does unionization introduce into the workplace?      |  |  | | --- | --- | | **A.** | Democracy into the employment relationship |  |  |  | | --- | --- | | B. | An institutionalized mechanism for the purchase and sale of shares |  |  |  | | --- | --- | | C. | The risk of diversifying ownership across several corporations |  |  |  | | --- | --- | | D. | Complete freedom to the employer to alter the terms and conditions of employment | |

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| 37. *(p. 2)* | Which of the following is a reason for the development of unions?      |  |  | | --- | --- | | A. | To take over companies |  |  |  | | --- | --- | | B. | To eliminate management |  |  |  | | --- | --- | | **C.** | To counter employer power |  |  |  | | --- | --- | | D. | To assert power of top management | |

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| 38. *(p. 2)* | Which of the following is true about shareholders?      |  |  | | --- | --- | | A. | Large corporations consist of a single shareholder, who participates in the corporation's day-to-day business. |  |  |  | | --- | --- | | B. | Operational decisions are made by workers hired by the shareholders. |  |  |  | | --- | --- | | C. | Shareholders who are dissatisfied with corporate performance cannot sell their shares or combine with others to oust the current board and its managers. |  |  |  | | --- | --- | | **D.** | Shareholders may decide, collectively, to sell their interests to another company that seeks to acquire its assets. | |

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| 39. *(p. 3)* | In democracies, labor laws and regulations ultimately reflect the will of the \_\_\_\_\_.      |  |  | | --- | --- | | A. | corporations |  |  |  | | --- | --- | | B. | managers |  |  |  | | --- | --- | | **C.** | electorate |  |  |  | | --- | --- | | D. | shareholders | |

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| 40. *(p. 3)* | A corporation's \_\_\_\_\_ ultimately control decisions about its direction, investments, and existence depending on which best meets their interests.      |  |  | | --- | --- | | A. | managers |  |  |  | | --- | --- | | **B.** | shareholders |  |  |  | | --- | --- | | C. | board of directors |  |  |  | | --- | --- | | D. | employees | |

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| 41. *(p. 4)* | As economic actors, what do unions seek to control?      |  |  | | --- | --- | | **A.** | The supply of labor to the employers |  |  |  | | --- | --- | | B. | The changing goals and objectives of the government |  |  |  | | --- | --- | | C. | The changes in the economy and society |  |  |  | | --- | --- | | D. | The purchase and sale of investors' shares | |

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| 42. *(p. 4)* | Which of the following factors is responsible for the decline in unionized employment, in both the proportion and number of workers?      |  |  | | --- | --- | | A. | A shift from services toward manufacturing |  |  |  | | --- | --- | | B. | The decreasing intellectual content of jobs |  |  |  | | --- | --- | | **C.** | The globalization of manufacturing |  |  |  | | --- | --- | | D. | An overall increase in union organizing activity | |

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| 43. *(p. 4)* | Global competition, free trade, and an emphasis on corporate financial performance have strongly influenced employment patterns and reduced \_\_\_\_\_.      |  |  | | --- | --- | | A. | intellectual content of jobs |  |  |  | | --- | --- | | **B.** | union bargaining power |  |  |  | | --- | --- | | C. | the overall decline in union organizing activity |  |  |  | | --- | --- | | D. | economic relations | |

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| 44. *(p. 4)* | What must unions generate in order to survive?      |  |  | | --- | --- | | A. | Limited liability for individual investors |  |  |  | | --- | --- | | B. | Global economic development |  |  |  | | --- | --- | | **C.** | Economic benefits for their members |  |  |  | | --- | --- | | D. | Global competition | |

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| 45. *(p. 4)* | Which of the following needs to be done by unions to achieve gains?      |  |  | | --- | --- | | A. | Decrease the intellectual content of jobs |  |  |  | | --- | --- | | B. | Encourage the purchase and sale of investors' shares |  |  |  | | --- | --- | | C. | Provide limited liability to individual investors |  |  |  | | --- | --- | | **D.** | Exert bargaining power through some degree of labor supply control | |

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| 46. *(p. 4)* | What is the reason behind the statement, "Today's global economy, combined with the elimination of anticompetitive regulations in several major industries, has reduced union bargaining power"?      |  |  | | --- | --- | | **A.** | The costs of increased benefits cannot readily be passed on to consumers. |  |  |  | | --- | --- | | B. | Jobs in the global economy are associated with decreasing intellectual content. |  |  |  | | --- | --- | | C. | Unions exert the highest influence on employment practices through spillovers than they did in the past. |  |  |  | | --- | --- | | D. | The unions control labor supply on an international basis. | |

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| 47. *(p. 5)* | Union representation has declined from 35 percent in 1955 to a little more than 11 percent now, indicating that unions exert less influence on employment practices through \_\_\_\_\_.      |  |  | | --- | --- | | A. | voice power |  |  |  | | --- | --- | | **B.** | spillovers |  |  |  | | --- | --- | | C. | collective bargaining |  |  |  | | --- | --- | | D. | monopoly power | |

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| 48. *(p. 5)* | When an employment practice in unionized companies is adopted by nonunion employers to avoid unionization, a \_\_\_\_\_ occurs.      |  |  | | --- | --- | | A. | boycott |  |  |  | | --- | --- | | **B.** | spillover |  |  |  | | --- | --- | | C. | strike |  |  |  | | --- | --- | | D. | lockout | |

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| 49. *(p. 5)* | Which of the following is true about unionization?      |  |  | | --- | --- | | A. | There are no differences in the degree of unionization across industries and occupations. |  |  |  | | --- | --- | | B. | It is more prevalent where jobs require employee-specific knowledge. |  |  |  | | --- | --- | | **C.** | It creates monopoly power by fixing wages through contracts. |  |  |  | | --- | --- | | D. | It is more prevalent where internal workplace rules have no influence on employee outcomes. | |

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| 50. *(p. 5)* | Union monopoly power costs less than \_\_\_\_\_ percent of gross domestic product (GDP).      |  |  | | --- | --- | | **A.** | 1 |  |  |  | | --- | --- | | B. | 5 |  |  |  | | --- | --- | | C. | 10 |  |  |  | | --- | --- | | D. | 15 | |

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| 51. *(p. 6)* | Where is unionization more prevalent?      |  |  | | --- | --- | | A. | Where jobs require employee-specific knowledge |  |  |  | | --- | --- | | B. | Where external workplace rules influence employee outcomes |  |  |  | | --- | --- | | **C.** | Where jobs require employer-specific knowledge |  |  |  | | --- | --- | | D. | Where internal workplace rules have no influence on employee outcomes | |

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| 52. *(p. 7)* | Voice option refers to people expressing dissent about their workplace by \_\_\_\_\_.      |  |  | | --- | --- | | A. | quitting |  |  |  | | --- | --- | | **B.** | trying to reform it |  |  |  | | --- | --- | | C. | boycotting |  |  |  | | --- | --- | | D. | trying to take over | |

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| *Blooms: Remember Difficulty: 1 Easy* |

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| 53. *(p. 7)* | Forming a \_\_\_\_\_ enables use of a collective voice in influencing change at work.      |  |  | | --- | --- | | **A.** | union |  |  |  | | --- | --- | | B. | worker advisory board |  |  |  | | --- | --- | | C. | board of directors |  |  |  | | --- | --- | | D. | top management team | |

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| *Blooms: Remember Difficulty: 1 Easy* |

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| 54. *(p. 7)* | A phenomenon that occurs when a group perceives a threat is known as \_\_\_\_\_.      |  |  | | --- | --- | | A. | groupthink |  |  |  | | --- | --- | | B. | collective bargaining |  |  |  | | --- | --- | | **C.** | wagon circling |  |  |  | | --- | --- | | D. | spillover | |

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| *Blooms: Remember Difficulty: 1 Easy* |

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| 55. *(p. 7)* | Which of the following statements about cohesiveness is true?      |  |  | | --- | --- | | A. | A cohesive group is characterized by a high degree of heterogeneity in the behavior of its members. |  |  |  | | --- | --- | | B. | Cohesive groups do not display class consciousness. |  |  |  | | --- | --- | | **C.** | Cohesive groups usually have a group of leaders that strongly reflect the values of the group. |  |  |  | | --- | --- | | D. | Unions ignore the need for cohesiveness to members through calls for solidarity during periods of threat. | |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 56. *(p. 7)* | How do unions emphasize the need for cohesiveness?      |  |  | | --- | --- | | **A.** | Through calls for solidarity to members during periods of threat |  |  |  | | --- | --- | | B. | By finding alternative employment for the members |  |  |  | | --- | --- | | C. | By quitting or bringing reforms |  |  |  | | --- | --- | | D. | Through exerting collective pressure on the members | |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 57. *(p. 8)* | Which of the following statements about class consciousness is true?      |  |  | | --- | --- | | A. | Class consciousness may be a catalyst for the formation of worker classes. |  |  |  | | --- | --- | | B. | If mobility between classes is perceived as unlikely, class consciousness is less likely to develop. |  |  |  | | --- | --- | | **C.** | Large differences between managers and workers within the same organization in terms of employment security, increases class consciousness. |  |  |  | | --- | --- | | D. | American unions have generally emphasized class consciousness. | |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 58. *(p. 8-9)* | Which of the following is a reason why unions cannot ensure similar backgrounds among their members?      |  |  | | --- | --- | | A. | Employees and employers come from the same social classes. |  |  |  | | --- | --- | | B. | Income inequality between employees and employers is low. |  |  |  | | --- | --- | | **C.** | Management makes hiring decisions and unions are obligated to admit all employees who want to join. |  |  |  | | --- | --- | | D. | The cost of membership outweighs the benefits perceived from remaining a group member. | |

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| 59. *(p. 9)* | How do unions maintain cohesiveness?      |  |  | | --- | --- | | A. | By emphasizing the costs of memberships to outweigh the benefits perceived from remaining a group member |  |  |  | | --- | --- | | **B.** | By continually convincing employees they will receive greater employment benefits through continued unionization |  |  |  | | --- | --- | | C. | By casting management in the best image |  |  |  | | --- | --- | | D. | By ensuring similar background among their members irrespective of the management's hiring decisions | |

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| 60. *(p. 9)* | Workers that are LEAST likely to desire unions are those with:      |  |  | | --- | --- | | A. | lower satisfaction with career prospects. |  |  |  | | --- | --- | | **B.** | jobs in companies with innovative HR management practices. |  |  |  | | --- | --- | | C. | lower education and lower personal income. |  |  |  | | --- | --- | | D. | higher perceptions of job stress. | |

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| 61. *(p. 9)* | Which of the following conditions results in employees voting more likely for unions?      |  |  | | --- | --- | | **A.** | Discontent with employment conditions |  |  |  | | --- | --- | | B. | Job task characteristics |  |  |  | | --- | --- | | C. | Co-worker friction |  |  |  | | --- | --- | | D. | Political unrest in the country | |

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| *Blooms: Remember Difficulty: 1 Easy* |

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| 62. *(p. 10)* | Which of the following is a condition in predicting the outcomes of organization attempts and union successes?      |  |  | | --- | --- | | **A.** | Employees have to be dissatisfied and believe that they are individually unable to influence a change in the conditions causing their dissatisfaction. |  |  |  | | --- | --- | | B. | A majority of employers have to believe that collective bargaining would improve conditions more than changing jobs, and its benefits outweigh the costs. |  |  |  | | --- | --- | | C. | Employees in a unit covered by a collective bargaining agreement may decide to join unions. |  |  |  | | --- | --- | | D. | Satisfaction with employment conditions and a desire to make things even better than they currently are. | |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 63. *(p. 10)* | Identify a condition that has to exist in order to predict organizing attempts and union wins.      |  |  | | --- | --- | | A. | Employers have to be dissatisfied and believe that they are individually unable to influence a change in the conditions causing their dissatisfaction. |  |  |  | | --- | --- | | **B.** | A majority of employees have to believe that collective bargaining would improve conditions more than changing jobs, and its benefits outweigh the costs. |  |  |  | | --- | --- | | C. | Employees in a unit covered by a collective bargaining agreement may decide to join unions. |  |  |  | | --- | --- | | D. | Satisfaction with employment conditions and a desire to make things even better than they currently are. | |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 64. *(p. 10)* | What does a unionization model suggest?      |  |  | | --- | --- | | A. | Employees have to be dissatisfied and believe that they are individually unable to influence a change in the conditions causing their dissatisfaction. |  |  |  | | --- | --- | | B. | A majority of employees have to believe that collective bargaining would improve conditions more than changing jobs, and its benefits outweigh the costs. |  |  |  | | --- | --- | | **C.** | The gaps between expectations and achievements motivate employees to find ways to eliminate them. |  |  |  | | --- | --- | | D. | Differences among members of a bargaining unit after unionization may be substantial and must be considered by the union in its representational activities. | |

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| 65. *(p. 16-17)* | Bargaining units are not organized until all of the following occur EXCEPT:      |  |  | | --- | --- | | A. | a majority of employees desire representation. |  |  |  | | --- | --- | | B. | officers are elected by majorities of local union members. |  |  |  | | --- | --- | | **C.** | contracts are vetoed by a majority of union members in the bargaining unit. |  |  |  | | --- | --- | | D. | officers are defeated by majorities of local union members. | |

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| 66. *(p. 19)* | Which of the following is a condition that prevented union empowerment in the United States?      |  |  | | --- | --- | | **A.** | Employers fiercely protected, and unions ceded to them, the capitalistic, market-driven system that was embraced by the United States. |  |  |  | | --- | --- | | B. | With the exception of the skilled construction trades, employees have always controlled the content of jobs. |  |  |  | | --- | --- | | C. | Employers have absolutely no connection with the U.S. educational system. |  |  |  | | --- | --- | | D. | The small middle class in the United States has had no interest in efficiency and productivity. | |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 67. *(p. 19)* | Prices, and ultimately wages, are controlled by \_\_\_\_\_.      |  |  | | --- | --- | | A. | collective bargaining |  |  |  | | --- | --- | | B. | administrative orders |  |  |  | | --- | --- | | C. | the government |  |  |  | | --- | --- | | **D.** | the market | |

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| *Blooms: Remember Difficulty: 1 Easy* |

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| 68. *(p. 21)* | Which of the following occurs when an employer decides to outsource or move production abroad?      |  |  | | --- | --- | | A. | Elimination of any kind of internal competition among employees to retain jobs. |  |  |  | | --- | --- | | B. | Unionized workers from two different local unions of the same national will be forced to end operations. |  |  |  | | --- | --- | | C. | Increase in job security and union bargaining power on a companywide basis. |  |  |  | | --- | --- | | **D.** | Companies may seek tax concessions from governments representing a particular country in deciding where to locate. | |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 69. *(p. 22)* | Which of the following is true about union memberships?      |  |  | | --- | --- | | A. | Usually, membership is independent of employment in a workplace governed by a collective bargaining agreement. |  |  |  | | --- | --- | | B. | Only in the building trades and some entertainment unions does membership terminate after employment with a particular employer ends. |  |  |  | | --- | --- | | **C.** | Traditionally, if employment was lost, membership often terminated. |  |  |  | | --- | --- | | D. | Unions can ensure a similar background among the members, irrespective of the management's hiring decisions. | |

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| 70. *(p. 22)* | What was the reason for membership to survive in the building trades, the maritime unions, and some entertainment unions after employment with a particular employer ended?      |  |  | | --- | --- | | A. | The industrial unions acted as collective bargaining agents. |  |  |  | | --- | --- | | B. | The industrial unions found it increasingly difficult to attract members in a transient employment environment. |  |  |  | | --- | --- | | C. | The employees preferred to have temporary ties to an employer. |  |  |  | | --- | --- | | **D.** | Union hiring halls were the primary source of employees in these industries. | |

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| *Blooms: Understand Difficulty: 2 Medium* |

**Short Answer Questions**

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| 71. *(p. 1)* | What is meant by labor relations?     In unionized employers, labor relations is the ongoing interchange between the union and the employer that identifies their common and specific interests and creates mechanisms to clarify, manage, reduce, and resolve conflicts with respect to their specific interests. |

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| *Blooms: Remember Difficulty: 1 Easy* |

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| 72. *(p. 2)* | Does unionization introduce democracy into the employment relationship? Explain.     Unionization introduces democracy into the employment relationship. Employees determine, first, whether a majority desires to be represented; second, who to elect as leaders or hire as agents; third, what workplace issues are most important to them; and fourth, whether to accept a proposed contract or to collectively withhold their labor. |

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| *Blooms: Remember Difficulty: 2 Medium* |

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| 73. *(p. 4)* | Explain how unions are simultaneously economic and political organizations.     As economic actors, unions seek to control the supply of labor to employers in order to improve economic returns for their members. To accomplish this, they also seek to create and maintain power to influence the direction of laws and regulations, to provide a vehicle for advancing their leaders' and members' purposes, and to survive and grow. Conflicts may exist between union levels as national union goals may not completely agree with goals at the local level. |

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| 74. *(p. 5)* | What is a spillover?     A spillover occurs when a unionized employment practice is adopted by nonunion employers in order to avoid unionization by copying what unions have won for their members. |

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| *Blooms: Remember Difficulty: 1 Easy* |

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| 75. *(p. 7)* | Explain group cohesiveness.     One of the characteristics that defines a cohesive group is a high degree of similarity in the values and behavior of its members. One of these values may be class consciousness. Age, seniority, and other background characteristics are also probably quite similar. Cohesive groups usually have a leader or group of leaders that strongly reflect the values of the group and are deferred to by other members of the group. Cohesiveness may also be a function of a perceived external threat. Unions emphasize the need for cohesiveness to members through calls for "solidarity" during periods of threat. |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 76. *(p. 9)* | What are the three ways by which employees can become union members?     Employees become union members through one of three processes.  • First, nonunion employees may organize a union to bargain collectively for them. • Second, employees in a unit covered by a collective bargaining agreement may decide to join the union. • Third, newly hired employees may be required by the collective bargaining agreement where they work to join the union (to the extent of paying dues) as a condition of continued employment. |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 77. *(p. 10)* | What are the conditions required to predict the outcomes of organizing attempts and a union success?     Two conditions have to exist to predict the outcome of organizing attempts and union success. First, employees have to be dissatisfied and believe they are individually unable to influence a change in the conditions causing their dissatisfaction. Second, a majority of employees have to believe that collective bargaining would improve conditions more than changing jobs and that its benefits outweigh the costs. |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 78. *(p. 16)* | How do local community attitudes affect union power?     Unions influence the community's political makeup. The depth of support for the union among its members and citizens who may not be union members influences the union's ability to gain important collective bargaining outcomes. Community influence is most likely when an unfavorable outcome of a labor relations dispute threatens the community. Union action may also influence public policy decisions on potentially favorable tax abatements for employers. |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 79. *(p. 17)* | Briefly explain the median voter concept.     To obtain a majority in any decision in which the alternatives lie on a continuum, the chosen alternative must be favored by the person who occupies the middle political position on that issue since a majority requires 50 percent plus one. Thus, to predict the outcome of an election or ratification, an analyst must understand the preferences of the middle person on a continuum of attitudes toward an issue. |

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| *Blooms: Understand Difficulty: 2 Medium* |

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| 80. *(p. 19)* | Describe several historical conditions which have prevented the accumulation of union power in the United States over the past two centuries.     The relatively small proportion of the workforce belonging to unions in the U.S. strongly correlates with evolving economic conditions in the country.  • First, employers have fiercely protected the capitalistic, market-driven system embraced by the United States - a system which produces market control over prices and wages, rather than collective bargaining or administrative order. • Second, with the exception of the skilled construction trades, employers have always controlled the content of jobs. • Third, employers have historically been involved with the U.S. educational system, especially high schools, colleges, and universities that are heavily responsible for the skill development of future employees. • Fourth, business has been strongly involved with government in advocating legislation, in providing executives for public policy positions, and in using the courts to litigate labor problems. • Fifth, and probably most telling, the large middle class in the United States has had strong interests in efficiency and productivity. If the middle class perceives income distribution as fair, then support for collective bargaining will not be strong. |

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| *Blooms: Understand Difficulty: 3 Hard* |