2) If your university was paying minimum wage when necessary and applying the minimum legal standards to its employees' work environment, it would be said to have fulfilled its

1. social obligation
2. social responsibility
3. social responsiveness
4. social expectation

Answer: A

# Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision.

Classification: Application

3) In the United States a company that meets, but does not exceed, federal pollution control standards and does not discriminate in hiring, promotion, and pay is generally meeting its

1. social screening requirements
2. green management requirements
3. social obligation D) social responsibility

# Answer: C

# Diff: 2

understanding Application of knowledge LO 6.1: decision.

Application

Management, 15e (Robbins/Coulter)

Chapter 6 Managing Social Responsibility and Ethics

I) Social obligation is the obligation of a business to meet its

1. social and legal responsibilities
2. economic and social responsibilities
3. social and economic responsibilities
4. economic and legal responsibilities

# Answer: D

# Diff: 3

# AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

2) If your university was paying minimum wage when necessary and applying the minimum lega standards to its employees' work environment, it would be said to have fulfilled its

1. social obligation
2. social responsibility
3. social responsiveness
4. social expectation

# Answer: A

# Diff: 2

understanding Application of knowledge LO 6.1: decision.

Application

4) Under the concept ofthe organization does what is required by the

1. social responsibility; competitive market
2. social responsiveness; government
3. socioeconomics; environment
4. social obligation; law

Answer: D

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

5) Theview of social responsibility holds that management's only social responsibility is to maximize profits.

1. socioeconomic
2. classical
3. sociocultural
4. neoclassical

Answer: B

Diff: 2

5) Theview of social responsibility holds that management's only social responsibility is to maximize profits.

1. socioeconomic
2. classical
3. sociocultural
4. neoclassical

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6. l : Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

6) The most outspoken advocate of the classical view of social responsibility is economist and

Nobel laureate

1. George Stigler
2. John McCain
3. Bernard Madoff D) Milton Friedman

Answer: D

Diff: 2

7) Under the classical view, aiding the few through philanthropy

1. benefits the whole by uplifting the downtrodden
2. grows wealth for stockholders by increasing the stock trading price
3. increases costs for consumers
4. manipulates society through social engineering

Answer: C

Diff: 3

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

8) Theview is that management's social responsibility goes beyond making profits to include protecting and improving society's welfare.

1. sociotechnical
2. socioeconomic
3. sociocultural D) sociopolitical

Answer: B

Diff: 2

8) Theview is that management's social responsibility goes beyond making profits to include protecting and improving society's welfare.

1. sociotechnical
2. socioeconomic
3. sociocultural D) sociopolitical

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

9) If your university provides job-share programs, builds a day-care facility, and only uses recycled paper, it could be said to be

1. fulfilling its social obligation
2. socially aware
3. socially responsive
4. socially image conscious

Answer: C

Diff: 2

understanding Application of knowledge LO 6.1: decision.

Application

I I ) A U.S. business that provides on-site childcare facilities for employees as part of a negotiation with its union is

A) being socially responsive B) fulfilling its social obligations C) adopting social screening

D) practicing green management

Answer: A

Diff: 1

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Application

12) When a firm advertises that it only uses recycled paper products, it is

1. meeting its social obligation
2. meeting its social screening requirements
3. being socially responsive
4. following ISO 9000 standards

Answer: C

Diff: 2

understanding Application of knowledge LO 6.1: decision.

Application

13) Years ago McDonald's switched from Styrofoam boxes for its large sandwiches to corrugated boxes made partially from recycled materials because of concerns that Styrofoam took too long to decompose in landfills. In this situation, McDonald's was

1. fulfilling its social obligation
2. socially aware
3. socially responsive
4. socially image conscious

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision.

Classification: Application

14) is defined as a business firm's intention, beyond its legal and economic obligations, to do the right things and act in ways that are good for society.

1. Social obligation
2. Social responsibility
3. Social screening
4. Values-based management

Answer: B

Diff: 1

understanding LO 6.1: decision.

Concept

10) When PETA supporters picketed Avon products because of its use of animals in the testing of its cosmetics, Avon changed its practices and stopped testing on animals. In this situation, Avon exercised

1. social obligation
2. classical responsibility
3. social responsiveness
4. social engineering

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Application

I I) A U.S. business that provides on-site childcare facilities for employees as part of a negotiation

with its union is

A) being socially responsive B) fulfilling its social obligations C) adopting social screening

D) practicing green management

Answer: A

Diff: 1

understanding Application of knowledge LO 6.1: decision.

Application

16) Which one of the following examples reflects a socially responsible action by an organization?

1. Ford Motor Company became the first automaker to endorse a federal ban on sending text messages while driving.
2. Apple has eliminated lead-lined glass monitors from its product line and pioneered reduced-sized packaging that leverages recyclable materials.
3. By 2019, Chick-fil-A will stop selling products containing meat from poultry raised with antibiotics.
4. UPS has a company-wide policy that urges employees to volunteer during natural disasters and other crises. Answer: B

Diff: 3

AACSB: Ethical understanding and reasoning; Application of knowledge; Analytical thinking Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Application

17) According to theargument on social responsibility, businesses should be socially responsible because responsible actions are the right thing to do.

1. better environment
2. ethical obligation
3. public image
4. greater good

Answer: B

Diff: 3

understanding LO 6.1: decision.

Concept

is defined as a business firm's intention, beyond its legal and economic obligations, to do the right things and act in ways that are good for society.

1. Social obligation
2. Social responsibility
3. Social screening
4. Values-based management

Answer: B

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

15) The aspect that differentiates social responsibility from other similar concepts is that it adds a(n)

1. ethical imperative
2. legal imperative
3. environmental imperative
4. social imperative

Answer: A

Diff: 3

17) According to theargument on social responsibility, businesses should be socially responsible because responsible actions are the right thing to do.

1. better environment
2. ethical obligation
3. public image
4. greater good

Answer: B

Diff: 3

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

18) Following Hurricane Katrina in 2005, WalMart sent semis loaded with items such as bottled water, diapers, and other daily necessities to the New Orleans area. We can say that WalMart

exercised

1. social obligation
2. social responsiveness
3. social responsibility
4. social awareness

Answer: C Diff: 2

understanding Application of knowledge LO 6.1: decision.

Application

20) Which one of the following arguments on social responsibility states that businesses should address social problems before they become serious and costly to correct?

A) Superiority of prevention over cures B) Possession of resources

1. Balance of responsibility and power
2. Better environment

Answer: A

Diff: 3

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6. l: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

21) Which one of the following arguments on social responsibility states that a business is socially responsible only when it pursues its economic interests?

1. Public expectations
2. Violation of profit maximization
3. Superiority of prevention over cures
4. Possession of resources

Answer: B

Diff: 3

19) The belief that business involvement can help solve difficult social problems is the argument of social responsibility.

1. public expectation
2. public image
3. better environment
4. possession of resources

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

20) Which one of the following arguments on social responsibility states that businesses should address social problems before they become serious and costly to correct?

A) Superiority of prevention over cures B) Possession of resources

1. Balance of responsibility and power
2. Better environment

Answer: A

Diff: 3

23) Which one of the following arguments on social responsibility states that there is no direct line of responsibility for social actions?

1. Dilution of purpose
2. Ethical obligation
3. Balance of responsibility and power
4. Lack of accountability

Answer: D

Diff: 3

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

24) Milton Friedman argued that a firm's managers are employees and therefore only responsible to

1. society
2. stakeholders
3. shareholders
4. activists

Answer: C

Diff: 3

22) Which one of the following arguments on social responsibility states that pursuing social goals hurts a business's economic productivity?

1. Long-run profits
2. Dilution of purpose
3. Stakeholder interests
4. Public image

Answer: B

Diff: 3

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6. l : Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

23) Which one of the following arguments on social responsibility states that there is no direct line of responsibility for social actions?

1. Dilution of purpose
2. Ethical obligation
3. Balance of responsibility and power
4. Lack of accountability

Answer: D

Diff: 3

24) Milton Friedman argued that a firm’s managers are employees and therefore only responsible to \_\_

1. Society
2. Stakeholders
3. Shareholders
4. activists

Answer: C

25) Appleton would like to build a coal-burning electric generating facility located in a remote area because the cost involved is moderate. Appleton is following which of the social responsibility views?

1. Legal view
2. Stakeholder view
3. Classical view
4. Socioeconomic view

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge; Analytical thinking Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Application

26) Baskins wants to build a nuclear plant because this will not add to his city's already serious pollution problem, while taking care of its electricity requirements. Baskins is following which of

the social responsibility views?

1. Market view
2. Activist view
3. Classical view
4. Socioeconomic view

Answer: D Diff: 2

understanding LO 6.1: decision.

Application

Application of knowledge; Analytical thinking 26) Baskins wants to build a nuclear plant because this will not add to his city's already serious pollution problem, while taking care of its electricity requirements. Baskins is following which of the social responsibility views?

1. Market view
2. Activist view
3. Classical view
4. Socioeconomic view

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge; Analytical thinking Learning Obj: LO 6. I: Discuss what it means to be socially responsible and what factors influence that decision.

Classification: Application

27) Carson wants to build an electricity generating plant that uses combustible fuels collected from the city's garbage, and located near the downtown government area so that the steam could be used for heating the government buildings after it has passed through the generating turbines. Carson is

being mostly

1. socially guarded
2. socially focused
3. socially obligated D) socially responsive

Answer: D

Diff: 2

understanding Application of knowledge; Analytical thinking LO 6.1: decision.

Application

1. According to the classical view of social responsibility, management's only social responsibility is to maximize profits. Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

1. The most outspoken advocate of the classical view of organizational social responsibility is Alan Greenspan.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

1. According to the socioeconomic view, managers' social responsibilities go beyond making profits to include protecting and improving society's welfare. Answer: TRUE

Diff: 1 understanding LO 6.1:

1. Possession of resources is an argument in favor of social responsibility.

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

1. Studies have confirmed that businesses that engage in social involvement enjoy higher profits than those which do not.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors

1. Compare and contrast the ideas of social obligation, social responsiveness, and social responsibility.

Answer: Social obligation occurs when a firm engages in social actions because of its obligation to meet its economic and legal responsibilities. The organization does only what it is obligated to do and nothing more. This idea reflects the classical view of social responsibility that says that management's only social responsibility is to maximize profits. In contrast to social obligation, however, both social responsiveness and social responsibility reflect the socioeconomic view. According to this view a manager's social responsibilities go beyond making profits to include protecting and improving society's welfare. This view is based on the belief that corporations are not independent entities responsible only to stockholders, but have an obligation to the larger society. Social responsiveness occurs when a company engages in social actions in response to some popular social need. Managers are guided by social norms and values and make practical, market-oriented decisions about their actions. A socially responsible organization views things differently. It goes beyond what it is obligated to do or chooses to do because of some popular social need and does what it can to help improve society because it is the right thing to do. Social responsibility is defined as a business's intention, beyond its legal and economic obligations, to do the right things and act in ways that are good for society. A socially responsible organization does what is right because it feels it has an ethical responsibility to do so. Diff: 3

AACSB: Ethical understanding and reasoning; Written and oral communication

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors

1. List and discuss three arguments in favor of business social responsibility and five arguments against it.

Answer: Arguments in favor of business social responsibility include:

1. Public expectations - Public opinion now supports businesses pursuing economic and social goals.
2. Long-run profits - Socially responsible companies tend to have more secure long-run profits.
3. Ethical obligation - Businesses should be socially responsible because responsible actions are the right thing to do.
4. Public image - Businesses can create a favorable public image by pursuing social goals.
5. Better environment - Business involvement can help solve difficult social problems.
6. Discouragement of further governmental regulation - By becoming socially responsible, businesses can expect less government regulation.
7. Balance of responsibility and power - Businesses have a lot of power and an equally large amount of responsibility is needed to balance against that power.
8. Stockholder interests - Social responsibility will improve a business's stock price in the long run.
9. Possession of resources - Businesses have the resources to support public and charitable projects that need assistance.
10. Superiority of prevention over cures - Businesses should address social problems before they become serious and costly to correct.

37) Managers who consider the impact of their organization on the natural environment are said to be practicing

1. value-based management
2. ethics-based management
3. socially responsible management
4. green management

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

38) In which of the following approaches of going green does the organization exhibit the least environmental sensitivity?

1. Legal (light green) approach
2. Dark green approach
3. Market approach
4. Stakeholder approach

Answer: A Diff: 1

understanding

LO 6.2: Concept 39) Under which approach do organizations exhibit little environmental sensitivity, and simply obey laws, rules and regulations?

1. Stakeholder approach
2. Market approach
3. Legal approach
4. Activist approach

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

40) In theapproach of going green, organizations respond to the environmental preferences of customers.

1. legal
2. market
3. stakeholder
4. activist

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

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41) In theapproach of going green, an organization works to meet the environmental demands of its employees, suppliers, or community.

1. dark green
2. light green
3. market
4. stakeholder

Answer: D

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

42) EPA regulations permit the release of 150 micrograms of particulate matter per cubic meter of air every 24 hours from paint shops. Utilimotors, a utility truck maker, monitors its emissions so it releases between 140 and 150 micrograms. Which approach of green management does

Utilimotors use?

1. Legal approach
2. Market approach
3. Stakeholder approach
4. Activist approach

Answer: A

Diff: 2

understanding Application of knowledge; Analytical thinking LO 6.2:

Application

42) EPA regulations permit the release of 150 micrograms of particulate matter per cubic meter of air every 24 hours from paint shops. Utilimotors, a utility truck maker, monitors its emissions so it releases between 140 and 150 micrograms. Which approach of green management does Utilimotors use?

1. Legal approach
2. Market approach
3. Stakeholder approach
4. Activist approach

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge; Analytical thinking Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Application

43) Which approach deals with an organization changing its interaction with the environment because of the preferences of its customers?

1. Stakeholder approach
2. Market approach
3. Legal approach D) Activist approach

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

44) Under which approach does the organization work to meet the environmental demands of multiple groups of people including employees, suppliers, or the community?

1. Stakeholder approach
2. Market approach
3. Legal approach D) Activist approach

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green.

Classification: Concept

45) Which of the following ISO standards is related to quality management?

1. ISO 9000
2. ISO 14000 C) ISO 8000 D) ISO 15000

Answer: A

Diff: 2

understanding Diverse and multicultural work environments LO 6.2:

46) Which of the following approaches of going green reflects the highest degree of environmental sensitivity and is also a good illustration of the social responsibility of the organization?

1. Legal approach
2. Market approach
3. Stakeholder approach
4. Activist approach

Answer: D

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green.

Classification: Concept

47) Which of the following ISO standards is related to environmental management?

1. ISO 9000
2. ISO 14000
3. ISO 16000
4. ISO 8000

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

48) Under which approach is the organization driven to look for ways to respect and preserve the

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earth and its natural resources?

1. Stakeholder approach
2. Market approach
3. Legal approach D) Activist approach

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green.

49) Miller's Multivitamins uses only organically grown fruits and vegetables in its vitamins. It purifies any water used in its processes before releasing it back into the environment and exceeds the EPA requirements for cleaning particulates from the air it uses. Which approach to green management does Miller's Multivitamins use?

1. Legal
2. Market
3. Stakeholder
4. Activist

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Application

50) Many companies around the globe voluntarily report their efforts in promoting environmental sustainability using the guidelines developed by the

1. Global Compact
2. Environmental Protection Agency
3. Global Reporting Initiative
4. Organization for Economic Co-operation and Development

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green.

51) Employees and customers exerted pressure on Amazon until it issued a public statement indicating the firm would use its clout to push for tougher environmental standards. This is an example of a(n)approach to sustainability.

1. light green
2. stakeholder
3. market
4. medium green

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning; Diverse and multicultural work environments Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

52) A report by the Global Reporting Initiative indicates thatof the world's 250 largest firms have set specific emissions reduction targets.?

1. 30%
2. 50%
3. 67%
4. 90% Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green.

53) One way to evaluate a company's green actions is to use thelist of the most sustainable corporations in the world.

A) Global IOO B) Global 200 C) Global 400

D) Global 500

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

1. When a firm engages in social actions because of its obligation to meet certain economic and legal responsibilities, it is said to be socially responsive. Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision. Classification: Concept

1. One argument against businesses championing social responsibility issues is that businesses already have too much power. Answer. TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.1: Discuss what it means to be socially responsible and what factors influence that decision.

Classification: Concept

10

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54) To be named on the Global 100 list, which is announced each year at the World Economic Forum, a company

1. has to have earned ISO certification
2. has to display a superior ability to effectively manage environmental and social factors
3. has to be free from EPA violations
4. has to submit an application with supporting documentation

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green.

Classification: Concept

1. The legal approach to going green is also known as the dark green approach.

Answer: FALSE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

1. An organization is said to adopt the market approach to going green when it responds to the environmental demands made by its stakeholders. Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

1. In the activist approach to going green, an organization looks for ways to protect its sources of supply.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.2: Explain green management and how organizations can go green. Classification: Concept

1. Explain the four approaches that organizations can take with respect to environmental issues and going green. Answer:
2. Legal approach - This approach is also known as the light green approach. Under this approach, organizations simply do what is required legally. They exhibit little environmental sensitivity. They obey laws, rules, and regulations without legal challenge. This approach illustrates social obligation.
3. Market approach - As an organization becomes more sensitive to environmental issues, it may adopt this approach. Here, organizations respond to the environmental preferences of their customers. Whatever customers demand in terms of environmentally-friendly products is what the organization provides. This approach illustrates social responsiveness.
4. Stakeholder approach - Here, the organization works to meet the environmental demands of multiple stakeholders such as employees, suppliers, or community. This approach also illustrates social responsiveness.
5. Activist approach - If an organization pursues this approach, it looks for ways to protect the earth's natural resources. It is also known as the dark green approach. This approach reflects the highest degree of environmental sensitivity and illustrates social responsibility. Diff: 3

AACSB: Ethical understanding and reasoning; Written and oral communication

Learning Obj: LO 6.2: Explain green management and how organizations can go green.

Classification: Concept

59)defined as the basic convictions about right and wrong decisions and behavior.

1. Beliefs are
2. Principles are
3. Ethics is
4. Values are Answer: D

Diff: 3

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

60) At thelevel of moral development, a person's choice between right or wrong is based on personal consequences from outside sources, such as physical punishment, reward, or exchange of favors.

1. preconventional
2. conventional
3. principled
4. post-conventional

Answer: A

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

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61) In which one of the stages of moral development do individuals stick to rules to avoid physical punishment and follow rules only when doing so is in their immediate interest?

1. Preconventional stage
2. Conventional stage
3. Principled stage
4. Post-conventional stage

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

62) Norman is a stickler for following the rules because he is sure he will be caught and punished if he doesn't. What is Norman's level of moral development?

1. Preconventional
2. Conventional
3. Principled
4. Post-conventional

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Application

63) At thelevel of moral development, ethical decisions rely on maintaining expected standards and living up to the expectations of others.

1. preconventional
2. conventional
3. principled
4. post-conventional

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Conce t



64) In which one of the following stages of moral development do individuals live up to what is expected by people close to them and maintain order by fulfilling obligations to which they have agreed?

1. Conscientious stage
2. Conventional stage
3. Principled stage
4. Preconventional stage

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior.

Classification: Concept

65)represent basic convictions about what is right and wrong.

1. Dogmas
2. Values
3. Principles
4. Beliefs

Answer: B

Diff: 3

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

66) The phrase "My word is my bond" is likely to be spoken by someone at thestage of moral development.

1. preconventional
2. conventional
3. post-conventional
4. principled

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Application

67) At thelevel of moral development, individuals define moral values apart from the authority of the groups to which they belong or society in general.

1. preconventional
2. conventional
3. principled
4. unconventional

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

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68) Pharmacists who decline to dispense drugs that cause abortions are functioning at the stage of moral development.

1. preconventional
2. conventional
3. principled
4. unconventional

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Application

69) In which of the following stages of moral development do individuals value rights of others and uphold absolute values and rights regardless of the majority's opinion?

1. Preconventional stage
2. Conventional stage
3. Principled stage
4. Unconventional stage

Answer. C

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

70) John is offered an attractive incentive to steal sensitive information about his company's wealthy investment customers. Which one of the following statements best reflects John's thoughts if he is at the preconventional level of moral development?

A) If I do go through with the act, I will be letting down my manager and coworkers badly. B) My job is to protect the information that this company deals in and I should not violate my duties.

C) I am liable to be criminally prosecuted for my involvement in stealing the information. D) Going through with this act would be highly unfair not just to the client, but also to my employers. Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Application

71) John is offered an attractive incentive to steal sensitive information about his company's wealthy investment customers. Which of the following statements best reflects John's thoughts if he is at the principled level of moral development?

1. My job is to protect the information that this company deals in and I should not be violating my duties.
2. By stealing from another person, I will be in violation of the moral standards rve come to expect of myself.
3. If my involvement is detected, my friends and family would be humiliated by my actions. D) If I am convicted for this crime, I will surely be imprisoned and will probably never be employed anywhere else. Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior.

Classification: Application

72)measures the strength of a person's convictions.

1. Moral development
2. Locus of control
3. Ego strength
4. Social desirability

Answer: C

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

73) Upper management is pushing hard to increase earnings per share. If Moe yields to this pressure despite misgivings about the use of a non-certified material in the production of climbing equipment, he will be demonstrating

1. high ego strength
2. weak ego strength
3. internal locus of control D) external locus of control

Answer: B

Diff: 3

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3:

Classification: Application

74) Despite reassurances from R&D's internal testing lab, Stephen believes the new material for climbing ropes should not be used in their manufacture until it has been certified by an independent lab. It would appear that Stephen has

1. high ego strength
2. weak ego strength
3. internal locus of control D) external locus of control

Answer: A

Diff: 3

AACSB: Ethical understanding and reasoning; Application of knowledge; Analytical thinking Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior.

Classification: Application

75)is the degree to which people believe they control their own fate.

1. Ego strength
2. Locus of control
3. Social responsibility
4. Social obligation

Answer: B

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

76) What can be said about a manager who believes that she can work hard and will meet the productivity goals of her organization despite unfavorable conditions? A) She has an external locus of control. B) She has a high ego strength. C) She has a weak ego strength.

D) She has an internal locus of control.

Answer: D

Diff: 1

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior.

Classification: Application

77) "It's not my fault!" is a cry often heard from someone withlocus of control.

1. an external
2. an internal
3. no
4. a weak

Answer: A

76) What can be said about a manager who believes that she can work hard and will meet the productivity goals of her organization despite unfavorable conditions?

A) She has an external locus of control. B) She has a high ego strength. C) She has a weak ego strength.

D) She has an internal locus of control.

Answer: D

Diff: 1

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior.

Classification: Application

77) "It's not my fault!" is a cry often heard from someone with locus of control.

1. an external
2. an internal
3. no
4. a weak

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3:

Classification: Application

78) Which one of the following organizations is best suited to promote ethical behavior in its employees?

1. An organization that has a reward and punishment system that depends on specific goal outcomes.
2. An organization that has formal rules and regulations in place. C) An organization that punishes employees who do not meet goals.

D) An organization that rewards success without asking how it was achieved.

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

79) Which one of the following is true concerning the impact of organizational culture on ethical behavior?

1. An organization with low conflict tolerance encourages ethical behavior.
2. An organization with strong culture can encourage either ethical or unethical behavior. C) An organizational culture that is high in conflict tolerance encourages unethical behavior.

D) An organizational culture that is high in control encourages unethical behavior.

Answer: B

Diff: 3

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

80) A student who never considers breaking into an instructor's office to steal an accounting exam didn't think twice about asking a friend who took the same course from the same instructor last semester what questions were on the exam. What does this example illustrate? A) This example illustrates the concept of issue intensity. B) The student involved has an internal locus of control. C) The student involved has a strong ego strength.

D) This example illustrates the concept of value-based management.

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge Learning Obj: LO 6.3:

Classification: Application

81) A cartoon showing black smoke from a smokestack and the caption "We're okay as long as the wind keeps blowing" illustrates which factor of issue intensity?

1. Consensus of wrong
2. Greatness of harm
3. Probability of harm D) Proximity to victims

Answer: D

Diff: 3

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Application

82) The Foreign Corrupt Practices Act makes it illegal for U.S. firms to

1. make any cash payment for deferential treatment in a foreign transaction
2. make any payment over 5 percent of total cost toward administrative overhead in foreign transactions
3. knowingly corrupt a foreign official
4. knowingly pay a foreign clerical or administrative employee in exchange for service

Answer: C

Diff: 3

AACSB: Ethical understanding and reasoning; Diverse and multicultural work environments Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

83) The Globalis a document created by the United Nations outlining principles for doing business globally in the areas of human rights, labor, the environment, and anticorruption.

1. Reporting Initiative
2. Compact
3. Convention
4. Ethics

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning; Diverse and multicultural work environments Learning Obj: LO 6.3: Classification:

Foreign Corrupt Practices Act makes it illegal for U.S. firms to

1. make any cash payment for deferential treatment in a foreign transaction
2. make any payment over 5 percent of total cost toward administrative overhead in foreign transactions
3. knowingly corrupt a foreign official
4. knowingly pay a foreign clerical or administrative employee in exchange for service

Answer: C

Diff: 3

AACSB: Ethical understanding and reasoning; Diverse and multicultural work environments Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

83) The Globalis a document created by the United Nations outlining principles for doing business globally in the areas of human rights, labor, the environment, and anticorruption.

1. Reporting Initiative
2. Compact
3. Convention
4. Ethics

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning; Diverse and multicultural work environments Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

84) Freedom of association and the effective recognition of the right to collective bargaining are the Global Compact principles in the area of

A) anti-corruption B) human rights

1. labor standards
2. union representation

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning; Diverse and multicultural work environments Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

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idea that businesses should eliminate discrimination with respect to employment and occupation is a Global Compact principle in the area of

1. anticorruption
2. human rights
3. environment
4. labor standards

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning; Diverse and multicultural work environments Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

86) The centerpiece of theefforts is the Anti-Bribery Convention that was the first global instrument to combat corruption in cross-border business deals.

1. Organization for Economic Co-operation and Development's
2. Institute of Global Ethics'
3. Ethics and Compliance Officer Association's
4. United Nations'

Answer: A

Diff: 1

AACSB: Ethical understanding and reasoning; Diverse and multicultural work environments Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

1. In the preconventional stage of moral development, individuals make a clear effort to define moral principles apart from the authority of the groups to which they belong or of society in general.

Answer: FALSE

Diff: I

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

1. At the conventional level of moral development, ethical decisions rely on maintaining expected standards and living up to the expectations of others. Answer: TRUE

Diff. 1

AACSB: Ethical understanding and reasoning Learning Obj: LO 6.3: Classification:

At principled level of moral development, an individual values the rights of others and upholds absolute values and rights regardless of the majority's opinion. Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior.

Classification: Concept

1. The term "values" refers to basic convictions about what is right and wrong behavior.

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

1. People with an internal locus of control believe that what happens to them is due to luck or chance.

Answer: FALSE

Diff: I

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

1. An organization's structural design, its goals, performance appraisal systems, and reward allocation procedures influence the ethical choices of employees. Answer: TRUE

Diff. 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

1. When employees are evaluated only on outcomes, they may be pressured to do whatever is necessary to look good on the outcomes, and not be concerned with how they got those results. Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Classification: Concept 93) When employees are evaluated only on outcomes, they may be pressured to do whatever is necessary to look good on the outcomes, and not be concerned with how they got those results. Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

1. The greater the probability that some action will cause harm, the greater the intensity of the issue.

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Discuss the factors that lead to ethical and unethical behavior.

1. The Global Contract is a document created by the United Nations outlining principles for doing business globally in the areas of human rights, labor, the environment, and anticorruption. Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

1. The Organization for Economic Co-Operation and Development developed a global trade agreement.

Answer: FALSE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior.

Classification: Concept

1. Identify and describe the three levels and six stages of moral development.

Answer: An individual's moral development can be divided into three levels, each having two stages. At each successive stage, an individual's moral judgment becomes less dependent on outside influences and more internalized.

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

At the preconventional level, an individual's choice between right or wrong is based on personal consequences from outside sources, such as physical punishment, reward, or exchange of favors. This level includes stage I where an individual sticks to the rules to avoid punishment and stage 2 where the individual follows the rules only when doing so is in his or her immediate interest. At the conventional level, ethical decisions rely on maintaining expected standards and living up to the expectations of others. The third and fourth stages are in the conventional level. In stage 3, an individual tries to live up to what is expected by people close to him or her. In stage 4, an individual tries maintaining conventional order by fulfilling obligations to which he has agreed. At the principled level, an individual defines moral values apart from the authority of the groups to which he or she belongs. The 5th and 6th stages are a part of this level. At stage 5, an individual values the rights of others and upholds absolute values and rights regardless of the majority's opinion. Finally, at stage 6, an individual follows his or her self-chosen ethical principles even if they violate the law.

Diff: 3

AACSB: Ethical understanding and reasoning; Written and oral communication Learning Obj: LO 6.3:

98) Outline the two individual characteristics that play a role in determining whether a person behaves ethically.

Answer: Values and personality are the two individual characteristics that play a role in determining whether a person behaves ethically. Each person comes to an organization with a relatively entrenched set of personal values, which represent basic convictions about what is right and wrong. An individual's values develop from a young age based on what he or she sees and hears from parents, teachers, friends, and others. Thus, employees in the same organization often possess very different values. Values are broad and cover a wide range of issues.

Two personality variables that influence an individual's actions according to his or her beliefs about what is right or wrong are ego strength and locus of control.

Ego strength measures the strength of a person's convictions. People with high ego strength are likely to resist impulses to act unethically and instead follow their convictions. Individuals high in ego strength are more likely to do what they think is right and be more consistent in their moral judgments and actions than those with low ego strength.

Locus of control is the degree to which people believe they control their own fate. People with an internal locus of control believe they control their own destinies. They are more likely to take responsibility for consequences and rely on their own internal standards of right and wrong to guide their behavior. They are also more likely to be consistent in their moral judgments and actions. People with an external locus believe what happens to them is due to luck or chance. They are less likely to take personal responsibility for the consequences of their behavior and more likely to rely on external forces. Diff: 3

99) Write a short essay on the structural variables that can influence employees' ethical behavior.

Answer: An organization's structural design can influence whether employees behave ethically. Those structures that minimize ambiguity and uncertainty with formal rules and regulations and those that continuously remind employees of what is ethical are more likely to encourage ethical behavior. Other structural variables that influence ethical choices include goals, performance appraisal systems, and reward allocation procedures.

Although many organizations use goals to guide and motivate employees, those goals can create some unexpected problems. One study found that people who do not reach set goals are more likely to engage in unethical behavior, even if they do or do not have economic incentives to do so. An organization's performance appraisal system also can influence ethical behavior. Some systems focus exclusively on outcomes, while others evaluate means as well as ends. When employees are evaluated only on outcomes, they may be pressured to do whatever is necessary to look good on the outcomes, and not be concerned with how they got those results.

Closely related to the organization's appraisal system is how rewards are allocated. The more that rewards or punishment depend on specific goal outcomes, the more employees are pressured to do whatever they must to reach those goals, perhaps to the point of compromising their ethical standards.

Diff: 3

100) Discuss the importance of an organization's culture as a factor that determines an employee's ethical behavior.

Answer: An organization's culture consists of shared organizational values. These values reflect what the organization stands for and what it believes in as well as create an environment that influences employee behavior ethically or unethically. When it comes to ethical behavior, a culture most likely to encourage high ethical standards is one that is high in risk tolerance, control, and conflict tolerance. Employees in such a culture are encouraged to be aggressive and innovative, are aware that unethical practices will be discovered, and feel free to openly challenge expectations they consider to be unrealistic or personally undesirable.

Because shared values can be powerful influences, many organizations are using values-based management, in which the organization's values guide employees in the way they do their jobs. An organization's managers play an important role here. They are responsible for creating an environment that encourages employees to embrace the culture and the desired values as they do their jobs. People look to see what those in authority are doing and use that as a benchmark for acceptable practices and expectations.

A strong culture exerts more influence on employees than a weak one. If a culture is strong and supports high ethical standards, it has a powerful and positive influence on the decision to act ethically or unethically. Diff: 3

101 ) What is the UN Global Compact? What are the 10 principles outlined in it?

Answer: The UN Global Compact is a document created by the United Nations outlining principles for doing business globally in the areas of human rights, labor, the environment, and anticorruption. It serves as a guide to being ethical in international business.

The 10 principles outlined in it are:

Human Rights:

Principle I : Support and respect the protection of international human rights within their sphere of influence.

Principle 2: Make sure business corporations are not complicit in human rights abuses.

Labor Standards:

Principle 3: Freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labor.

Principle 5: The effective abolition of child labor.

Principle 6: The elimination of discrimination in respect to employment and occupation.

Environment:

Principle 7: Support a precautionary approach to environmental challenges.

Principle 8: Undertake initiatives to promote greater environmental responsibility.

Principle 9: Encourage the development and diffusion of environmentally-friendly technologies. Anti-Corruption:

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. Diff: 3

AACSB: Ethical understanding and reasoning; Written and oral communication Learning Obj: LO 6.3: Discuss the factors that lead to ethical and unethical behavior. Classification: Concept

102) Which of the following options is most likely to have the greatest impact in encouraging employees to behave ethically? A) Select only ethical employees.

1. Provide a written code of ethics and decision rules.
2. Model ethical behavior beginning with the organization's top leaders.
3. Implement a comprehensive ethical program.

D

3 understanding and reasoning; Analytical thinking

Describe management's role in encouraging Analytical

103) How can managers identify the ethically questionable applicants even before they become part of the workforce?

1. By performing background checks
2. By requiring letters of recommendation
3. By favoring candidates who come with a reference from existing employees
4. By including integrity testing in the selection process

Answer: D

Diff: 3

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.4: Describe management's role in encouraging ethical behavior. Classification: Application

104) The most common core values listed in a typical code of ethics include

1. integrity, teamwork, respect, innovation, and client focus
2. integrity, diversity, legality, and sustainability
3. diversity, sustainability, and legality
4. integrity, market focused, diversity, and respect

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.4: Describe management's role in encouraging ethical behavior. Classification: Application

105) Ais a formal statement of an organization's primary values and the ethical rules it expects its employees to follow.

1. mission statement
2. values statement C) code of ethics D) vision statement

Answer: C

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.4: Describe management's role in encouraging ethical behavior. Classification: Concept

106) The primary debate about ethics training programs is whether

1. ethics can be taught
2. ethics training is sufficient
3. the programs cause a regression in a person's moral development
4. the programs decrease awareness of ethical issues in business

Answer: A

Diff: 3

107) Marveline Company brought in help from outside to evaluate decisions and management practices in relation to the organization's code of ethics. These evaluations are called audits.

1. social responsibility
2. social protective
3. independent social D) independent ethics

Answer: C

Diff: 3

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.4: Describe management's role in encouraging ethical behavior. Classification: Concept

1. The choice of which activities to reward and punish sends a strong signal to the employees regarding their ethical decisions. Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.4: Describe management's role in encouraging ethical behavior. Classification: Concept

1. When a firm has a code of ethics in place, the role of managers in enforcing ethical behavior is minimized. Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.4: Describe management's role in encouraging ethical behavior. Classification: Concept

1. Pressure to perform and meet goals has little impact on an employee's decision to behave ethically.

FALSE

1 understanding and reasoning

Describe management's role in encouraging

I I l) It is important that firms be concerned with both the ends and the means used to achieve them.

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.4: Describe management's role in encouraging ethical behavior. Classification: Concept

112) In a short essay, discuss some of the ways in which managers can encourage ethical behavior and create a comprehensive ethics program.

Answer: Employee selection - The selection process (interviews, tests, and background checks) can be viewed as an opportunity to learn about an individual's level of moral development, personal values, ego strength, and locus of control. However, a carefully designed selection process is not foolproof and, even under the best circumstances, individuals with questionable standards of right and wrong may be hired. Such an issue can be overcome if other ethics controls are in place.

Code of ethics and decision rules - A code of ethics is a formal statement of an organization's values and the ethical rules it expects employees to follow. It is a popular choice for reducing ambiguity about what is and is not ethical.

Leadership - Doing business ethically requires a commitment from top managers. They are the ones who uphold the shared values and set the cultural tone. They are role models in terms of both words and actions. Top managers also set the tone by their reward and punishment practices. The choices of whom and what are rewarded with pay increases and promotions send a strong signal to employees.

Job goals and performance appraisal - Under the stress of unrealistic goals, otherwise ethical employees may feel they have no choice but to do whatever is necessary to meet those goals. Also, goal achievement is usually a key issue in performance appraisal. If performance appraisals focus only on economic goals, ends will begin to justify means. To encourage ethical behavior, both ends and means should be evaluated.

Independent social audits - These evaluate decisions and management practices in terms of the organization's code of ethics. To maintain integrity, auditors should be responsible to the company's board of directors and present their findings directly to the board. This anangement gives the auditors clout and lessens the opportunity for retaliation from those being audited. Diff: 3

AACSB: Ethical understanding and reasoning; Written and oral communication; Application of knowledge

Learning Obj: LO 6.4: Describe management's role in encouraging ethical behavior. Classification: Concept

113) Employees who raise ethical concerns or issues in an organization are known as

1. employee-volunteers
2. whistle-blowers
3. entrepreneurs
4. philanthropist

B

1 understanding and reasoning

Discuss current social responsibility and ethics issues.

114) TheAct offers some legal protection to whistle-blowers. It has a provision wherein any manager who retaliates against an employee for reporting violations faces a stiff penalty of a I O-year jail sentence.

1. Sarbanes-Oxley
2. Glass-Steagall
3. Taft-Hartley
4. Landrum-Griffin

Answer: A

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues. Classification: Concept

115) Ais an individual or organization who seeks out opportunities to improve society by using practical, innovative, and sustainable approaches.

1. sustainability contractor
2. social entrepreneur
3. philanthropist
4. whistle-blower

Answer: B

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues. Classification: Concept

116) Target's donation of 5% of its annual income to community support is an example of

1. social engineering
2. social screening
3. corporate responsiveness
4. corporate philanthropy

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues. Classification: Application

1. Employees who raise ethical concerns or issues to others inside or outside the organization are called social activists. Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues. Classification: Concept

1. Under the Sarbanes-Oxley Act, whistle-blowers in the United States who report suspected corporate violations of laws now have protection from reprisals and retaliation. Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues. Classification: Concept

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117) If Google asks 25 members of its executive team to spend a full day during their annual team-building retreat building a house in Las Vegas with Habitat for Humanity, the executives would be engaging in employee

1. volunteering efforts
2. entrepreneuring efforts
3. whistle-blowing efforts
4. administering efforts

Answer: A

Diff: 1

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues.

Classification: Application

1 18) About 70% of all large firms have some form of employee ethics training.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues. Classification: Concept

1 19) To encourage employees to report ethical concerns, managers must make sure the reporting employee knows the outcome of any investigation, including the punishment meted out to the perpetrator.

Answer. FALSE

Diff: 2

AACSB: Ethical understanding and reasoning; Application of knowledge

Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues. Classification: Concept

120) Employees who raise ethical concerns or issues to others inside or outside the organization are called social activists. Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues. Classification: Concept

122) Who are whistle-blowers? What can managers do to protect them?

Answer: Whistle-blowers are individuals who raise ethical concerns or issues in an organization. These individuals are a key part of a company's ethics program.

It is important for managers to assure employees who raise ethical concerns that they will face no personal or career risks.

In order to facilitate this, managers can set up toll-free ethics hotlines. Managers also need to create a culture where bad news can be heard and acted on before it is too late. The Sarbanes-Oxley Act offers some legal protection to whistle-blowers. According to one of its provisions, any manager who retaliates against an employee for reporting violations faces a stiff penalty of a 10-year jail sentence.

Diff: 3

AACSB: Ethical understanding and reasoning; Written and oral communication Learning Obj: LO 6.5: Discuss current social responsibility and ethics issues. Classification: Concept