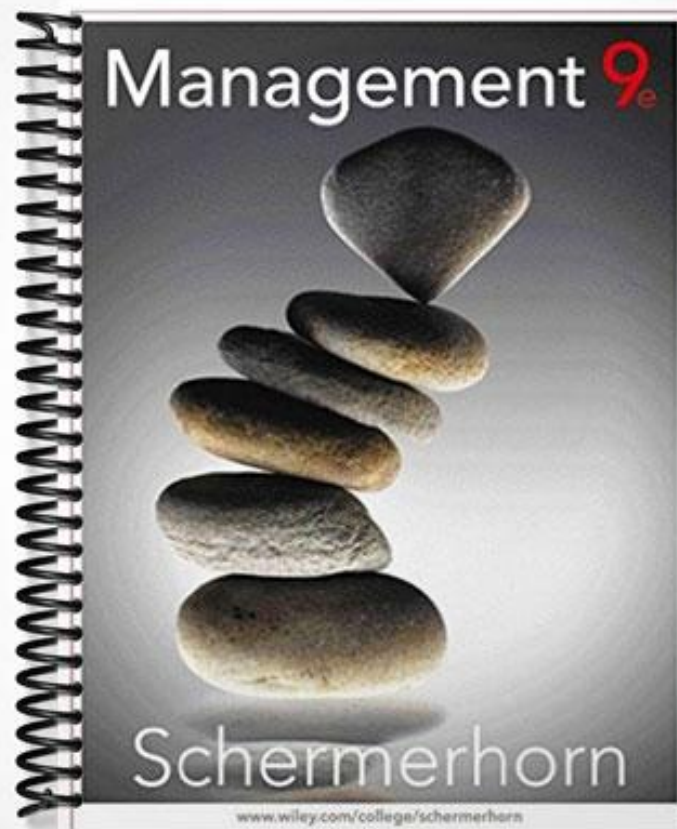


TEST BANK



Management 9e

Schermerhorn

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Ch02: Ch02, Chapter 2: Management Ethics and Social Responsibility**True/False****WHAT IS ETHICAL BEHAVIOR? (STUDY QUESTION 1)**

1. Ethics reflect(s) the code of moral principles that sets standards as to what is “good” versus “bad” or “right” versus “wrong” in people’s conduct, and thereby guides their moral choices and behavior.
T 32 KT Fa Moderate
2. Ethics provides principles that help people in making moral choices among alternative courses of action.
T 32 GT Fa Easy
3. Ethical behavior refers to what is considered to be “good” or “right” behavior as opposed to what is “bad” or “wrong” behavior in the context of the governing moral code.
T 32 KT Fa Easy
4. Living up to the “letter of the law” is a sufficient guarantee that a person’s actions are truly ethical.
F 33 GT Ap Moderate
5. Most ethical problems in the workplace arise when people are asked to do or are about to do something that violates their personal beliefs
T 33 GT Fa Moderate
6. Values are the underlying beliefs and attitudes that help determine individual behavior.
T 33 KT Fa Easy
7. Variation in values among people has little, if any, impact on differences in people’s interpretations of behavior as being ethical or unethical in a given situation.
F 33 GT Fa Moderate
8. Terminal values are preferences regarding the means for accomplishing desired ends.
F 33 KT Fa Easy
9. Instrumental values are preferences regarding desired ends.
F 33 KT Fa Easy
10. Self-respect, freedom, happiness, inner harmony, and family security are examples of terminal values; and courage, imagination, ambition, self-discipline, and honesty are examples of instrumental values.
T 33 GT Ap Difficult
11. The utilitarian view of ethical behavior focuses on treating people impartially and fairly in accordance with guiding rules and standards.
F 33 KT Fa Moderate

12. Results-oriented performance criteria are consistent with the utilitarian view of ethics.
T 33 KT Ap Moderate
13. The individualism view of ethical behavior focuses on the pursuit of long-term self-interests.
T 34 KT Fa Easy
14. The individualism view is supposed to promote personal enrichment but in business practice it may actually result in organizational enrichment.
F 34 GT Ap Difficult
15. An individual whose ethical behavior protects and respects the fundamental rights of all human beings is practicing the moral-rights view of ethics.
T 34 KT Fa Moderate
16. In contemporary organizations, the moral-rights view concerns the protection of employees with respect to their rights to privacy, due process, free speech, free consent, health and safety, and freedom of conscience.
T 34 GT Ap Difficulty
17. The justice view of ethical behavior focuses on treating people impartially and fairly according to guiding rules and standards.
T 34 KT Fa Easy
18. In doing performance appraisals for all of her subordinates, a manager faithfully adheres to the company's established evaluation procedures for every employee. This manager is acting on the basis of the justice view of ethics.
T 34 GT Ap Moderate
19. Procedural justice refers to the degree to which other people are treated with dignity and respect.
F 34 KT Fa Easy
20. The concept of distributive justice concerns the degree to which outcomes are allocated without regard to ethnicity, race, gender, age, or other individual differences criteria.
T 34 KT Fa Moderate
21. Interactional justice is the degree to which policies and rules are fairly administered in an organization.
F 34 KT Fa Easy
22. "When in Rome, do as the Romans do" is a classic example of the ethical perspective of cultural relativism.
T 34 GT Fa Moderate
23. A person who adopts the perspective of cultural relativism assumes that ethical standards should apply absolutely across cultures and national boundaries.
F 34 KT Fa Moderate
24. A manager who operates in a foreign country with the premise that ethical behavior is always determined by its cultural context is adopting a perspective of universalism.
F 34 KT Fa Moderate

25. Ethical imperialism is the attempt to externally impose one's ethical standards on others.
T 35 KT Fa Easy
26. Keeping a safe workplace; creating a corporate culture that values employees, customers, and suppliers; and producing safe products and services are universal core values that respect human dignity.
T 35 GT Fa Moderate

ETHICS IN THE WORKPLACE (STUDY QUESTION 2)

27. An ethical dilemma occurs when someone must choose between a course of action offering personal or organizational benefit or both, but for which there is no clear right or wrong decision.
T 36 KT Fa Easy
28. When some action must be taken but there is not a clear "right" or "wrong" approach, a person is faced with an ethical dilemma.
T 36 KT Fa Easy
29. Ethical dilemmas frequently involve conflicts of interest, issues of customer confidence, or use of organizational resources, but seldom concern discrimination or sexual harassment
F 36 GT Ap Moderate
30. A survey of *Harvard Business Review* subscribers revealed that many ethical dilemmas involve conflicts with superiors, subordinates, and customers.
T 37 GT Fa Moderate
31. The results of a *Harvard Business Review* survey indicated that the ethical issue most frequently encountered by the magazine's subscribers involved dishonesty in communication with subordinates.
F 37 GT Fa Moderate
32. According to a *Harvard Business Review* survey, managers sometimes pressure their subordinates to sign false documents or overlook the boss's wrongdoing, but they seldom, pressure their subordinates to support incorrect viewpoints or do business with the boss's friends.
F 37 GT Fa Moderate
33. "It's not really illegal," "it's in everyone's best interests," "no one will ever know about it," and "the organization will protect me" are four common rationalizations for unethical conduct.
T 37 GT Fa Moderate
34. "Organizational loyalty should not stand above the law and social morality" is good advice for dealing with the rationalization that unethical behavior is not really illegal.
F 37 GT Ap Moderate
35. Looking beyond short-term results to address longer-term implications is a good way to deal with the rationalization that "it's in everyone's best interests."
T 37 GT Ap Moderate

36. Making sure that everyone knows wrongdoing will be punished whenever it is discovered is an appropriate method for dealing with the rationalization that “no one will ever know about the unethical behavior.”
T 37 GT Ap Difficult
37. “Since other people and other companies are doing it, you are justified in doing as well” is an appropriate way for dealing with the rationalization that “the organization will stand behind me.”
F 38 GT Ap Moderate
38. Factors influencing ethical managerial behavior include the person, the employing organization, and the external environment.
T 38 GT Fa Easy
39. Personal factors such religious values and family influences have little effect on managerial ethics, whereas personal standards and needs have a great deal of impact on managerial ethics
F 39 GT Fa Moderate
40. The virtues of honesty, fairness, integrity, and self-respect provide ethical frameworks that help people make correct decisions even when circumstances are ambiguous and situational pressures are difficult.
F 39 GT Fa Moderate
41. Ethical anchors are personal rules or strategies for ethical decision making.
F 39 GT Fa Easy
42. Organization factors that affect the ethical behavior of managers include reward and punishment practices as well as formal policy statements and written rules.
T 39 GT Fa Moderate
43. The behavior of supervisors and the expectations of peers are organizational factors that influence ethical behavior.
T 39 GT Fa Moderate
44. Environmental factors that affect the ethical standards of an organization and its employees include social norms and values, competition within an industry, and governmental laws and regulations.
T 40 GT Fa Moderate
45. The Sarbanes-Oxley Act created the mechanism for governmental supervision of the liquidation of Enron and Arthur Andersen.
F 40 GT Fa Difficult

MAINTAINING HIGH ETHICAL STANDARDS (STUDY QUESTION 3)

46. Ethics training is a structured program that is designed to help people understand ethical aspects of decision making and to incorporate high ethical standards into daily behavior.
T 41 KT Fa Easy

47. Exposure to a multi-step process for dealing with ethical dilemmas is an appropriate component of an ethics training program.
T 41 GT Fa Moderate
48. Recognizing the ethical dilemma, getting the facts, identifying your options, testing each option, deciding which option to follow, double-checking your decisions by asking “spotlight” questions, and taking action are the seven sequential steps in the checklist for dealing with ethical dilemmas.
T 41 MS Fa Difficult
49. According to the text, an important way for double-checking the ethics of a decision is to ask: “How would I feel if my family found out about my decision?” and “How would I feel about this if my decision were printed in the local newspaper?”
T 41 MS Fa Difficult
50. A whistleblower is a person who exposes the misdeeds of others in an attempt to divert attention from his or her own unethical behavior.
F 41 KT Fa Easy
51. A whistleblower is someone who exposes the misdeeds of others in an organization in an attempt to preserve ethical standards and protect against wasteful, harmful, or illegal acts.
T 41 KT Fa Easy
52. Impaired career progress and various retaliatory actions, up to and including termination, are among the potential risks faced by people who act as whistleblowers.
T 41 GT Ap Difficult
53. Organizational barriers to whistleblowing include a strict chain of command, strong work group identities, and ambiguous priorities.
T 42 GT Fa Moderate
54. To set the proper ethical tone for the organization, top management should communicate expectations for ethical behavior throughout the organization, reinforce ethical behavior, and be role models of ethical behavior.
T 42 GT Fa Moderate
55. Only top management needs to act as ethical role models.
F 42 GT Fa Easy
56. Part of a manager’s ethical responsibility is to be realistic in setting performance targets for others.
T 42 GT Ap Easy
57. Unethical behavior seldom occurs as a result of excessive pressure by management for the accomplishment of very difficult or complex goals.
F 42 GT Ap Moderate
58. A code of ethics is a formal statement of an organization’s values and ethical principles that provide guidelines on how to behave in situations susceptible to ethical dilemmas.
T 42 KT Fa Easy

59. Codes of ethics may identify expected behaviors in terms of general organizational citizenship, the avoidance of illegal or improper employee behavior, and customer relations.
T 42 GT Fa Moderate
60. Formal codes of ethics are usually concerned with expressing how employees may be expected to behave in terms of customer-supplier relationships, political contributions, confidentiality of corporate information, and response to bribes and kickbacks.
T 42 GT Fa Moderate
61. Codes of ethical conduct can guarantee ethical conduct.
F 43 GT Ap Moderate
62. The value of an ethics code relies on the organization's underlying human resource foundation.
T 43 GT Ap Moderate
63. Ethical codes are not useful in large, complex organizations.
F 43 GT Ap Moderate
64. Ethical codes are not replacements for hiring people of integrity, nor are they replacements for leadership that is committed to being positive role models for the rest of the organization's members.
T 43 GT Ap Difficult
65. An immoral manager is one who fails to consider or disregards the ethical implications of his or her behavior.
F 43 GT Ap Easy
66. An immoral manager is one who makes a conscious decision to behave in an unethical manner.
T 43 GT Ap Easy
67. A moral manager is one considers the ethical implications of his or her behavior and actions.
T 43 GT Ap Easy
68. An amoral manager is one who fails to consider or disregards the ethical implications of his or her behavior.
T 43 GT Ap Moderate
69. Ethics Mindfulness is a state of awareness that causes a person to behave in an ethical manner from one situation to another.
T 44 GT Ap Moderate
70. In terms of ethics, all managers are basically the same.
F 44 GT Ap Moderate
71. Moral managers are leaders who possess ethics mindfulness.
T 44 GT Ap Easy
72. Moral leaders are more influential than either amoral or immoral leaders.
F 44 GT Ap Moderate

73. Amoral and immoral leaders can be just as influential as moral leaders.
T 44 GT Ap Moderate
74. Amoral and immoral leaders have a largely negative impact on the ethics center of gravity.
T 44 GT Ap Moderate
75. Moral leaders can shift the ethics center of gravity by communicating ethical values and serving as ethical role models.
T 44 GT Ap Moderate
76. Moral leaders have a largely negative impact on the ethics center of gravity.
F 44 GT Ap Easy

SOCIAL RESPONSIBILITY AND GOVERNANCE (STUDY QUESTION 4)

77. Corporate social responsibility is an organization's obligation to act in ways that serve its own interests as well as the interests of society at large.
T 44 KT Fa Easy
78. Organizational stakeholders are the persons, groups, and other organizations directly affected by the behavior of an organization and holding a stake in its performance.
T 44 KT Fa Easy
79. Key organizational stakeholders include owners, employees, customers, and suppliers, but not competitors, interest groups, or regulators.
F 44-45 KT Fa Easy
80. Realizing performance gains and efficiencies by exploiting the natural environment is an appropriate leadership belief for guiding socially responsible organizational practices.
F 45 GT Fa Moderate
81. The classical view of social responsibility maintains that the organization must be concerned with the broader social welfare and not just with corporate profits.
F 46 GT Fa Moderate
82. According to its opponents, corporate social responsibility will raise business costs, reduce business profits, dilute the purpose of business, and give business too much social power.
T 46 GT Ap Difficult
83. The socioeconomic view of social responsibility holds that management's only responsibility in managing a business is to maximize profits.
F 46 GT Fa Moderate
84. Advocates of corporate social responsibility assert that businesses have the resources and obligation to act in socially responsible ways, and that it decreases the need for restrictive government regulation, improves the public image of business, and may improve or determine long-run profits.
T 47 GT Ap Difficult

85. Corporate social responsibility will very likely have an adverse impact on the financial performance of businesses.
F 47 GT Ap Moderate
86. The public increasingly expects that business organizations will act with genuine social responsibility.
T 47 GT Ap Easy
87. A social responsibility audit is a systematic assessment and reporting of an organization's accomplishments in various areas of corporate social responsibility.
T 47 KT Fa Easy
88. When corporate social performance focuses on acting to avoid adverse consequences, the company's actions are driven by commitment.
F 47 GT Fa Moderate
89. When corporate social performance focuses on acting to create positive impact, the company's actions are driven by compliance.
F 47 GT Fa Moderate
90. A firm is meeting its economic responsibility when it earns a profit by providing goods and services that are desired by customers.
T 47 GT Fa Moderate
91. A firm is meeting its legal responsibility when it voluntarily conforms to legal as well as broader values and moral expectations of society.
F 47 GT Fa Moderate
92. An organization is meeting its ethical responsibility when it is in compliance with the law and requirements of various external regulations.
F 47 GT Fa Moderate
93. Discretionary responsibility occurs when an organization voluntarily moves beyond basic economic, legal, and ethical expectations to provide leadership in advancing the well-being of individuals, communities, and society as a whole.
T 48 GT Fa Difficult
94. The highest level of social performance comes through the satisfaction of an organization's ethical responsibility.
F 48 GT Fa Moderate
95. The obstructionist, defensive, accommodative, and proactive strategies reflect different degrees of commitment by organizations to the economic, legal, ethical, and discretionary criteria for evaluating social performance.
T 48 GT Fa Moderate
96. The obstructionist strategy involves a corporate social responsibility commitment that reflects mainly economic concerns and meets the organization's economic responsibility.
T 48 KT Fa Easy

97. The defensive strategy involves a corporate social responsibility commitment that meets economic and legal responsibilities, and seeks to protect the organization by doing the minimum legally required to satisfy expectations.
T 48 KT Fa Moderate
98. An organization that is pursuing an accommodative social responsibility strategy would likely do the minimum ethically required to satisfy economic, legal, and ethical criteria.
T 48 KT Fa Moderate
99. An organization that is following a proactive social responsibility strategy would both take preventive action to avoid adverse social impacts from company activities and take a leadership role in identifying and responding to emerging social issues, thereby satisfying economic, legal, ethical, and discretionary responsibilities.
T 48 KT Fa Moderate
100. Corporate governance is defined as the way that governments regulate corporations.
F 48 GT Fa Easy
101. Corporate governance is defined as the oversight of the actions and decisions of top management of an organization by the board of directors.
T 48 GT Fa Easy
102. Corporate governance typically involves hiring, firing, and compensating the chief executive officer (CEO); assessing strategy; and verifying financial records.
T 48 GT Ap Easy
103. The effectiveness of corporate governance has been criticized because ethical failures and scandals have raised concerns about executives' commitment to corporate social responsibility.
T 49 GT Ap Moderate
104. Corporate governance has been criticized for paying chief executive officers large sums of money and, in some cases, for doing so even when their companies perform poorly.
T 49 GT Ap Easy
105. When corporate boards of directors are weak or unethical the U.S. government sometimes steps in to try to correct things for the future.
T 49 GT Ap Easy
106. Corporate governance is the sole responsibility of top management and the boards of directors in large corporations.
F 50 GT Ap Moderate
107. Today's workers and managers need not accept personal responsibility for doing the "right" things.
F 50 GT Ap Moderate
108. The reality facing managers in contemporary organizations is that they are responsible for attaining high performance along with high ethical standards and social responsibility.
T 50 GT Ap Moderate

Multiple Choice**WHAT IS ETHICAL BEHAVIOR? (STUDY QUESTION 1)**

109. Which of the following statements does NOT provide an accurate description of ethics?
- A. Ethics is the code of moral principles that sets standards of “good” versus “bad” or “right” versus “wrong.”
 - B. Ethics provide principles to guide the behavior of individuals.
 - C. Ethics provide principles to guide the behavior of groups.
 - D. Ethics is a set of principles that guide the organization’s analysis of its external environment and the formulation of actions to respond to that environment.
 - E. Ethics provides principles that help people in making moral choices among alternative courses of action.
- D 32 GT Fa Difficult
110. _____ reflect(s) the code of moral principles that sets standards as to what is “good” versus “bad” or “right” versus “wrong” in people’s conduct, and thereby guides their moral choices and behavior.
- A. Group norms.
 - B. Legal behavior.
 - C. Ethics.
 - D. Civil law.
 - E. Humanistic behavior.
- C 32 KT Fa Easy
111. Which statement accurately describes the relationship between law and ethics?
- A. Even though an action is legal, it may not be ethical.
 - B. An action that is not illegal is without question an ethical action.
 - C. Living up to the “letter of the law” is a sufficient guarantee that a person’s actions are truly ethical.
 - D. A and C.
 - E. B and C.
- A 33 GT Ap Moderate
112. Most ethical problems in the workplace arise when people are asked to do or are about to do something that _____.
- A. is illegal.
 - B. goes against work group standards.
 - C. violates their personal beliefs.
 - D. violates the organization’s policies.
 - E. violates social norms.
- C 33 GT Fa Moderate
113. The underlying beliefs and attitudes that help determine behavior are referred to as _____.
- A. Values.
 - B. Ethics.
 - C. Morals.
 - D. Personal standards.
 - E. Social norms.
- A 33 KT Fa Easy

114. To the extent that _____ vary among people, we can expect different interpretations of what behavior is ethical or unethical in a given situation.
- A. Laws.
 - B. Values.
 - C. Needs.
 - D. Perceptions.
 - E. Motives.
- B 33 GT Fa Moderate
115. _____ are preferences regarding desired ends.
- A. Ethical values.
 - B. Utilitarian values.
 - C. Instrumental values.
 - D. Social values.
 - E. Terminal values.
- E 33 KT Fa Easy
116. Self-respect, freedom, happiness, inner harmony, and family security are examples of _____ that managers consider to be important.
- A. Moral values.
 - B. Socialistic values.
 - C. Terminal values.
 - D. Instrumental values.
 - E. Bureaucratic values.
- C 33 GT Ap Moderate
117. _____ are preferences regarding the means for accomplishing desired ends.
- A. Ethical values.
 - B. Utilitarian values.
 - C. Terminal values.
 - D. Instrumental values.
 - E. Social values.
- D 33 KT Fa Easy
118. The main emphasis of the utilitarian view of ethical behavior is _____.
- A. Assessing the implications of a decision in terms of its long-term personal consequences.
 - B. Promoting honesty and integrity.
 - C. Ensuring that people's rights are protected and respected.
 - D. Evaluating a decision on the basis of its impartiality and fairness.
 - E. Ensuring that the greatest number of people benefit to the greatest extent possible.
- E 33 KT Fa Easy
119. The utilitarian view of ethical behavior is that which _____.
- A. Provides the greatest good for the greatest number of people.
 - B. Respects and protects the individual's fundamental rights.
 - C. Ensures that people are treated impartially and fairly.
 - D. Advances the pursuit of long-term self-interests.
 - E. Ensures the resolution of personal moral dilemmas.
- A 33 KT Fa Easy

120. Courage, imagination, ambition, self-discipline, and honesty are examples of _____ that managers consider to be important.
 A. Instrumental values.
 B. Moral values.
 C. Socialistic values.
 D. Terminal values.
 E. Bureaucratic values.
 A 33 GT Ap Moderate
121. Using results-oriented performance criteria to judge what is best for most people in a business organization is an application of which view of ethical behavior?
 A. The utilitarian view.
 B. The individualism view.
 C. The collectivism view.
 D. The moral-rights view.
 E. The justice view.
 A 33 GT Ap Difficult
122. The individualism view of ethical behavior is that which _____.
 A. Provides the greatest good for the greatest number of people.
 B. Respects and protects the individual's fundamental rights.
 C. Ensures that people are treated impartially and fairly.
 D. Advances the pursuit of long-term self-interests.
 E. Ensures the resolution of personal moral dilemmas.
 D 34 KT Fa Easy
123. The main emphasis of the individualism view of ethical behavior is _____.
 A. Assessing the implications of a decision in terms of its long-term personal consequences.
 B. Promoting honesty and integrity.
 C. Ensuring that people's rights are protected and respected.
 D. Evaluating a decision on the basis of its impartiality and fairness.
 E. Ensuring that the greatest number of people benefit to the greatest extent possible.
 A 34 KT Fa Moderate
124. The main emphasis of the moral-rights view of ethical behavior is _____.
 A. Assessing the implications of a decision in terms of its long-term personal consequences.
 B. Promoting honesty and integrity.
 C. Ensuring that people's rights are protected and respected.
 D. Evaluating a decision on the basis of its impartiality and fairness.
 E. Ensuring that the greatest number of people benefit to the greatest extent possible.
 C 34 KT Fa Moderate
125. The moral-rights view of ethical behavior is that which _____.
 A. Provides the greatest good for the greatest number of people.
 B. Respects and protects the individual's fundamental rights.
 C. Ensures that people are treated impartially and fairly.
 D. Advances the pursuit of long-term self-interests.
 E. Ensures the resolution of personal moral dilemmas.
 B 34 KT Fa Easy

126. The individualism view is supposed to promote _____ but in business practice it may result in _____.
- A. Personal enrichment ... organizational enrichment.
 - B. Honesty and integrity ... pushing the law to its outer limits.
 - C. Narcissism ... procedural justice.
 - D. Running roughshod over other people to achieve personal objectives ... honesty and integrity.
 - E. Pushing the law to its outer limits ... interactional justice.
- B 34 GT Ap Difficult
127. In contemporary organizations, the _____ concerns the protection of employees with respect to their rights to privacy, due process, free speech, free consent, health and safety, and freedom of conscience.
- A. utilitarian view.
 - B. individualism view.
 - C. collectivism view.
 - D. moral-rights view.
 - E. justice view.
- D 34 GT Ap Moderate
128. The justice view of ethical behavior is that which _____.
- A. Provides the greatest good for the greatest number of people.
 - B. Respects and protects the individual's fundamental rights.
 - C. Ensures that people are treated impartially and fairly.
 - D. Advances the pursuit of long-term self-interests.
 - E. Ensures the resolution of personal moral dilemmas.
- C 34 KT Fa Easy
129. The main emphasis of the justice view of ethical behavior is _____.
- A. Assessing the implications of a decision in terms of its long-term personal consequences.
 - B. Promoting honesty and integrity.
 - C. Ensuring that people's rights are protected and respected.
 - D. Evaluating a decision on the basis of its impartiality and fairness.
 - E. Ensuring that the greatest number of people benefit to the greatest extent possible.
- D 34 KT Fa Easy
130. Suppose that a professor's main concern in grading term papers is to evaluate all papers and assign grades fairly and objectively in light of the requirements and grading scale contained in the course syllabus. From an ethics perspective, this is an example of the professor adopting which of the following views?
- A. The utilitarian view.
 - B. The individualism view.
 - C. The collectivism view.
 - D. The moral-rights view.
 - E. The justice view.
- E 34 GT Ap Difficult
131. The degree to which policies and rules are fairly administered in an organization is known as _____.

- A. Distributive justice.
 B. Moral justice.
 C. Ethical management.
 D. Procedural justice.
 E. Equitable policy.
 D 34 KT Fa Easy
132. Not taking sexual harassment allegations against top management as seriously as allegations against lower-level supervisors is an example of violating the principle of _____.
 A. Distributive justice.
 B. Moral justice.
 C. Ethical management.
 D. Procedural justice.
 E. Equitable policy.
 D 34 GT Ap Difficult
133. The degree to which outcomes are allocated without regard to ethnicity, race, gender, age, or other individual differences criteria is the concept of _____.
 A. Distributive justice.
 B. Moral justice.
 C. Ethical management.
 D. Procedural justice.
 E. Equitable policy.
 A 34 KT Fa Moderate
134. If a woman and a man have equivalent qualifications and experience and are given the same consideration for promotion, _____ is being applied.
 A. Distributive justice.
 B. Moral justice.
 C. Ethical management.
 D. Procedural justice.
 E. Equitable policy.
 A 34 GT Ap Moderate
135. Michele, a bank officer, takes the time to fully explain to an applicant why he is being turned down for a loan and does her best to answer all the applicant's questions without being demeaning toward him in any way. Michele is reflecting the ethical concern of _____ in her behavior.
 A. Moral rights.
 B. Distributive justice.
 C. Interactional justice.
 D. Utilitarianism.
 E. Individualism.
 C 34 GT Ap Difficult

136. The degree to which other people are treated with dignity and respect deals with the issue of _____.
- A. Utilitarianism.
 - B. Individualism.
 - C. Procedural justice.
 - D. Distributive justice.
 - E. Interactional justice.
- E 34 KT Fa Easy
137. A manager who operates in a foreign country with the premise that ethical behavior is always determined by its cultural context is adopting a perspective of _____.
- A. Cultural activism.
 - B. Cultural relativism.
 - C. Ethical imperialism.
 - D. Cultural socialism.
 - E. Ethical realism.
- B 34 KT Fa Moderate
138. An executive who assumes that ethical standards should apply absolutely across cultures and national boundaries is operating under which cultural perspective?
- A. Cultural activism.
 - B. Cultural relativism.
 - C. Ethical universalism.
 - D. Cultural socialism.
 - E. Ethical realism.
- C 34 KT Fa Moderate
139. Critics charge that _____ is a form of _____, or the attempt to externally impose one's ethical standards on others.
- A. Cultural relativism ... cultural universalism.
 - B. Universalism ... ethical imperialism.
 - C. Cultural relativism ... ethical imperialism.
 - D. Ethical imperialism ... cultural relativism.
 - E. Ethical imperialism ... Romanesque law
- B 35 KT Fa Difficult
140. Creating a corporate culture that values employees, customers, and suppliers is a core value that _____.
- A. Respects basic rights.
 - B. Promotes good citizenship.
 - C. Enhances social concerns.
 - D. Respects human dignity.
 - E. Respects stakeholder interests.
- D 35 GT Fa Moderate

141. Which of the following does NOT accurately describe of the universal values of respect for human dignity or respect for basic rights?
- A. Keeping a safe workplace.
 - B. Producing safe goods and services.
 - C. Supporting social institutions, including economic and educational systems.
 - D. Protecting the rights of employees and customers.
 - E. Avoiding anything that threatens people's education and living standards.
- C 35 GT Fa Moderate

ETHICS IN THE WORKPLACE (STUDY QUESTION 2)

142. An ethical dilemma _____.
- A. Is rare among managers.
 - B. Is resolved in most organizations by a formal code of ethics.
 - C. Always involves pressures to commit illegal acts.
 - D. Can usually be resolved without much personal stress.
 - E. Occurs when someone must choose between a course of action offering personal or organizational benefit or both, but for which there is no clear right or wrong decision.
- E 36 KT Fa Easy
143. When some action must be taken but there is not a clear "right" or "wrong" approach, a person is faced with a(n) _____.
- A. Moral pinch.
 - B. Ethical dilemma.
 - C. Managerial decision.
 - D. Situation to avoid.
 - E. Lawsuit.
- B 36 KT Fa Easy
144. Suppose that a manager denies a candidate a promotion or job appointment because of the candidate's race, religion, gender, age, or other criteria that are not relevant to the job. This manager may get caught in an ethical dilemma involving _____.
- A. Discrimination.
 - B. Sexual harassment.
 - C. Conflicts of interest.
 - D. Customer confidence.
 - E. Organizational resources.
- A 36 GT Ap Difficult
145. If a manager makes a co-worker feel uncomfortable because of inappropriate comments or actions regarding sexuality, the manager may get caught in an ethical dilemma involving _____.
- A. Discrimination.
 - B. Sexual harassment.
 - C. Conflicts of interest.
 - D. Customer confidence.
 - E. Organizational resources.
- B 36 GT Ap Moderate

146. Ethical dilemmas in the form of _____ may occur where a manager takes a bribe or kickback or extraordinary gift in return for making a decision favorable to the gift giver.
- A. Discrimination.
 - B. Sexual harassment.
 - C. Conflicts of interest.
 - D. Customer confidence.
 - E. Organizational resources.
- C 37 GT Ap Moderate
147. Ethical dilemmas in the form of _____ may occur where a manager has privileged information regarding the activities of a customer and shares that information with another party.
- A. Discrimination.
 - B. Sexual harassment.
 - C. Conflicts of interest.
 - D. Customer confidence.
 - E. Organizational resources.
- D 37 GT Ap Moderate
148. Managers who use official stationery or company e-mail accounts to communicate personal opinions or requests to community organizations are engaging in acts that may be considered to constitute an ethical dilemma regarding _____.
- A. Discrimination.
 - B. Sexual harassment.
 - C. Conflicts of interest.
 - D. Customer confidence.
 - E. Organizational resources.
- E 37 GT Ap Difficult
149. The results of a *Harvard Business Review* survey indicated that the ethical issues most frequently encountered by the magazine's subscribers involved all but which one of the following?
- A. Dishonesty in advertising.
 - B. Dishonesty in communication with top management.
 - C. Dishonesty in communication with subordinates.
 - D. Dishonesty in communication with clients.
 - E. Dishonesty in communication with government agencies.
- C 37 GT Fa Moderate
150. The text reports that managers sometimes pressure their subordinates to engage in various unethical activities. Which of the following is NOT one of these unethical activities?
- A. Overlooking the boss's wrongdoings.
 - B. Signing false documents.
 - C. Supporting incorrect viewpoints.
 - D. Doing business with the boss's friends.
 - E. Doing personal favors for the boss.
- E 37 GT Fa Moderate

151. The text identifies four rationalizations that are commonly used to justify unethical conduct. Which of the following is NOT one of the four rationalizations?
- A. It's not really illegal.
 - B. It's in everyone's best interests.
 - C. No one will ever know about it.
 - D. The organization will protect me.
 - E. Everybody does it.
- E 37 GT Fa Moderate
152. In submitting her expense report for a recent business trip, Shirley sought reimbursement for some personal entertainment expenses. Knowing that the company policy precluded such reimbursement, she reported higher amounts for taxi fares and tips than she actually spent. Which of the following rationalizations most likely applies to Shirley's actions?
- A. It's not really illegal.
 - B. It's in everyone's best interests.
 - C. No one will ever know about it.
 - D. My boss will cover for me.
 - E. None of the above.
- C 37 GT Ap Difficult
153. The text identifies different ways of dealing with the four rationalizations that are commonly used to justify unethical behavior. Which one of the following courses of action is NOT a recommended way for dealing with at least one of the four rationalizations?
- A. When in doubt about a decision to be made or an action to be taken, don't do it.
 - B. If other people and other companies are doing it, you are justified in doing it too.
 - C. Look beyond the short-term results to address longer-term implications.
 - D. Make sure everyone knows that wrongdoing will be punished whenever it is discovered.
 - E. Organizational loyalty should not stand above the law and social morality.
- B 37 GT Ap Difficult
154. Which of the following rationalizations for unethical behavior reflects the mistaken belief that one's behavior is acceptable, especially in ambiguous situations?
- A. It's not really illegal.
 - B. It's in everyone's best interests.
 - C. No one will ever know about it.
 - D. The organization will protect me.
 - E. Everybody does it.
- A 37 GT Fa Moderate
155. Which of the following rationalizations for unethical behavior reflects the mistaken belief that because someone can be found to benefit from the behavior, the behavior is also in the organization's best interests?
- A. It's not really illegal.
 - B. It's in everyone's best interests.
 - C. No one will ever know about it.
 - D. The organization will protect me.
 - E. Everybody does it.
- B 37 GT Fa Moderate

156. Which of the following rationalizations for unethical behavior reflects the mistaken belief that a questionable behavior is really “safe” and will never be discovered or made public?
- A. It’s not really illegal.
 - B. It’s in everyone’s best interests.
 - C. No one will ever know about it.
 - D. The organization will protect me.
 - E. Everybody does it.
- C 37 GT Fa Moderate
157. Which of the following rationalizations for unethical behavior reflects the mistaken belief that the organization’s best interests stand above all others?
- A. It’s not really illegal.
 - B. It’s in everyone’s best interests.
 - C. No one will ever know about it.
 - D. The organization will protect me.
 - E. Everybody does it.
- D 38 GT Fa Moderate
158. Factors that help determine managerial ethics include all of the following EXCEPT:
- A. Religious values.
 - B. Personal financial needs.
 - C. Family influences.
 - D. Behavior of peers.
 - E. Personal standards.
- D 38-39 GT Fa Moderate
159. _____ are personal rules or strategies for ethical decision making.
- A. Ethical frameworks.
 - B. Distributive justice.
 - C. Ethical dilemmas.
 - D. Ethical anchors.
 - E. Procedural justice.
- A 39 GT Fa Easy
160. The virtues of honesty, fairness, integrity, and self-respect provide _____ that help people make correct decisions even when circumstances are ambiguous and situational pressures are difficult.
- A. Procedural justice.
 - B. Ethical frameworks.
 - C. Distributive justice.
 - D. Ethical dilemmas.
 - E. Ethical anchors.
- E 39 GT Fa Moderate

161. The behavior of supervisors and the expectations of peers are _____ factors that influence ethical behavior.
- A. Social.
 - B. Organization.
 - C. Person.
 - D. Corporate.
 - E. Environment.
- B 39 GT Fa Moderate
162. Anita Roddick's 11-point charter on ethical conduct at the Body Shop International is an example of the influence of _____ on ethical behavior.
- A. Religious values.
 - B. Government regulation.
 - C. Personal standards and needs.
 - D. Formal policies of the employing organization.
 - E. Behavior of peers and supervisors.
- D 39 GT Ap Moderate
163. In a commencement address, Ivan Boesky said, "Greed is healthy. You can be greedy and still feel good about yourself." This is an example of the _____ factor influencing ethical behavior.
- A. Social.
 - B. Organization.
 - C. Person.
 - D. Corporate.
 - E. Environment.
- C 39 GT Ap Difficult
164. Environmental factors that affect the ethical standards of an organization and its employees include all of the following EXCEPT:
- A. Social norms.
 - B. Competition within an industry.
 - C. Governmental laws and regulations.
 - D. Public pressure.
 - E. Values.
- D 40 GT Fa Moderate
165. Which of the following statements about the Sarbanes-Oxley Act of 2002 is/are true?
- A. The Sarbanes-Oxley Act created the Public Company Accounting Oversight Board and set a new audit-reporting standard.
 - B. The Sarbanes-Oxley Act created the mechanism for governmental supervision of the liquidation of Enron and Arthur Andersen.
 - C. The Sarbanes-Oxley Act makes it easier for corporate executives to be tried and sentenced to jail for financial misconduct.
 - D. A and B are both true.
 - E. A and C are both true.
- E 40 GT Fa Difficult

166. Former American Airlines president Robert Crandall contacted Howard Putnam, then president of now-defunct Braniff Airlines, to discuss raising airfares on their competing money-losing routes. The U.S. Justice Department alleged this was an illegal attempt to monopolize airline routes. The action by the Department of Justice is an example of the _____ factor influencing managers' ethical behavior.
- Person.
 - Organization.
 - Environment.
 - A and B.
 - B and C.
- C 40 GT Ap Difficult

MAINTAINING HIGH ETHICAL STANDARDS (STUDY QUESTION 3)

167. Ethics training refers to _____.
- Structured programs to help participants understand the ethical aspects of decision making, and how to incorporate ethical standards into their daily lives.
 - Teaching corporate outlines for formal corporate codes of ethics.
 - Training on the laws under which "white collar" criminals are prosecuted.
 - Learning about corporate guidelines for supplier conduct.
 - Exposure to governmental regulations for defense contractors in the United States.
- A 41 GT Fa Moderate
168. Which of the following is NOT a step that managers can follow for making ethical decisions?
- Recognize the ethical dilemma.
 - Identify your options.
 - Model what others are doing.
 - Double-check your decisions by asking follow-up questions.
 - Take action.
- C 41 MS Fa Moderate
169. According to the text, an important way for double-checking the ethics of a decision is to ask which one of the following questions?
- How would I feel about this decision if it made a lot of money for the company?
 - How would I feel if I received a large bonus a result of making this decision?
 - How would I feel if this decision harmed someone?
 - How would I feel if a competitor lost business as a result of this decision?
 - How would I feel if my family found out about my decision?
- E 41 MS Fa Difficult
170. According to the text, an important way to test whether a decision is consistent with one's personal ethical standards is by asking which of the following questions?
- How would I feel about this if my decision were printed in the local newspaper?
 - How would I feel if this decision harmed someone?
 - How would I feel if my employer lost a lot of money as a result of this decision?
 - All of these questions are important ways of testing the ethics of a decision.
 - None of these questions is an important way of testing the ethics of a decision.
- A 41 MS Fa Difficult

171. Someone who exposes the misdeeds of others in an organization in an attempt to preserve ethical standards and protect against wasteful, harmful, or illegal acts is called _____.
- A. A retaliator.
 - B. A whistleblower.
 - C. An ethics steward.
 - D. An ethics evaluator.
 - E. An ethics sheriff.
- B 41 KT Fa Easy
172. Which of the following is NOT a potential risk faced by people who act as whistleblowers?
- A. Impaired career progress.
 - B. Retaliatory discharge.
 - C. Being ostracized by peers.
 - D. Being generously rewarded for revealing misdeeds.
 - E. Character assassination.
- D 41 GT Ap Moderate
173. A strict chain of command, strong work group identities, and ambiguous priorities are _____.
- A. organizational barriers to whistleblowing.
 - B. essential components of moral quality circles.
 - C. mechanisms for resolving ethical dilemmas.
 - D. all of the above.
 - E. none of the above.
- A 42 GT Fa Moderate
174. Which of the following statements does NOT provide an accurate description regarding how pressure to achieve goals impacts ethics and ethical behavior?
- A. Employees often feel pressure to compromise personal standards to achieve company goals.
 - B. A company president can create an ethical climate by setting reasonable goals.
 - C. Any manager can unwittingly encourage subordinates to engage in unethical behavior by exerting too much pressure to achieve goals that are too difficult.
 - D. Part of a manager's ethical responsibility is to be realistic in setting performance targets for others.
 - E. Managers can create an ethical environment by setting goals that are extremely challenging and continuously push subordinates to achieve these goals.
- E 42 GT Ap Difficult
175. The _____ is an approach for gaining shared commitments to high ethical standards.
- A. Autonomous work group.
 - B. Moral quality circle.
 - C. Ethical work group.
 - D. Ethics police.
 - E. Shared ethics task force.
- B 42 GT Fa Moderate

176. _____ should act as ethical role models and set an ethical tone in their areas of responsibility.
- A. Top management only.
 - B. Middle management only.
 - C. First-line or supervisory management only.
 - D. Top and middle management levels only.
 - E. All levels of management.
- E 42 GT Fa Moderate
177. A formal statement of an organization's values and ethical principles that provide guidelines on how to behave in situations susceptible to ethical dilemmas are referred to as the organization's _____.
- A. Code of ethics.
 - B. Corporate social responsibility.
 - C. Management guidelines.
 - D. Employee mandate.
 - E. Employee handbook.
- A 42 KT Fa Easy
178. The Gap, Inc. expects certain ethical commitments from all its vendors. These ethical standards prohibit all of the following EXCEPT:
- A. Discrimination.
 - B. Forced labor.
 - C. Working conditions.
 - D. Minimum wages and benefits.
 - E. Freedom of association.
- D 42 GT Ap Moderate
179. Formal codes of ethics are usually concerned with expressing how employees may be expected to behave with respect to all of the following EXCEPT:
- A. Customer-supplier relationships.
 - B. Political contributions.
 - C. Confidentiality of corporate information.
 - D. Choice of friends and acquaintances.
 - E. Responses to bribes and kickbacks.
- D 42 GT Fa Moderate
180. Codes of ethical conduct have several limitations. Which of the following is NOT one of these limitations?
- A. Codes of ethical conduct cannot guarantee ethical conduct.
 - B. The value of an ethics code relies on the organization's underlying human resource foundation.
 - C. Ethical codes are not useful in large, complex organizations.
 - D. Ethical codes are not replacements for hiring people of integrity.
 - E. Ethical codes cannot replace leadership that is committed to being positive role models for the rest of the organization's members.
- C 43 GT Ap Difficult

181. The value of any formal code of ethics relies on all of the following EXCEPT:
- A. Effective hiring practices that staff organizations with honest and moral people.
 - B. Committed managers who are willing to set examples.
 - C. The underlying human resource foundations of the organization.
 - D. Managers willing to act as positive role models.
 - E. Setting goals and communicating expectations.
- E 43 GT Ap Difficult
182. All of the following statements are accurate EXCEPT:
- A. An amoral manager is one who fails to consider or disregards the ethical implications of his or her behavior.
 - B. An immoral manager is one who makes a conscious decision to behave in an unethical manner.
 - C. A moral manager is one considers the ethical implications of his or her behavior and actions.
 - D. Ethical Mindfulness is a state of awareness that causes a person to behave in an ethical manner from one situation to another.
 - E. In terms of ethics all managers are basically the same.
- E 43 GT Ap Difficult
183. All of the following statements are accurate EXCEPT:
- A. Moral managers are leaders who possess ethical mindfulness.
 - B. Amoral and immoral leaders can be just as influential as moral leaders.
 - C. Amoral and immoral leaders are less influential than moral leaders.
 - D. Amoral and immoral leaders have a largely negative impact on the ethics center of gravity.
 - E. Moral leaders can shift the ethics center of gravity by communicating ethical values and serving.
- C 43 GT Ap Difficult

SOCIAL RESPONSIBILITY AND GOVERNANCE (STUDY QUESTION 4)

184. _____ refers to an organization's obligation to act in ways that serve its own interests as well as the interests of society at large.
- A. A code of ethics.
 - B. A moral code.
 - C. A formal policy statement.
 - D. Public accountability.
 - E. Corporate social responsibility.
- E 44 KT Fa Easy
185. The persons, groups, and other organizations directly affected by the behavior of an organization and holding a stake in its performance are referred to as _____.
- A. Governing boards.
 - B. Organizational stakeholders.
 - C. Trustees.
 - D. Role senders.
 - E. Regulators.
- B 44 KT Fa Moderate

186. Major organizational stakeholders include all of the following EXCEPT:
- A. Employees and contractors who work for the organization.
 - B. Providers of the organization's human, information, material, and financial resources.
 - C. General economic conditions and political trends.
 - D. Stockholders, investors, and creditors with claims on assets and profits of the organization.
 - E. Local, state, and national governmental agencies that enforce laws and regulations.
- C 44-45 GT Fa Moderate
187. Which of the following leadership beliefs is NOT appropriate for guiding socially responsible organizational practices?
- A. People do their best in a healthy work environment that allows for job involvement as well as a good balance between work and family life.
 - B. Organizations function best over the long run when located in healthy communities with high qualities of life.
 - C. Organizations realize performance gains and efficiencies by exploiting the natural environment.
 - D. Organizations must be managed and led for long-term success.
 - E. An organization's reputation must be protected as a valuable asset.
- C 45 GT Fa Difficult
188. The leadership beliefs that guide socially responsible organizational practices include all of the following EXCEPT:
- A. People.
 - B. Communities.
 - C. Natural environment.
 - D. Short-term success.
 - E. Reputation.
- D 45 GT Fa Moderate
189. _____ is the social responsibility view holding that management's only responsibility in running a business is to maximize profits.
- A. The stockholder model.
 - B. The free market model.
 - C. The corporate view.
 - D. The classical view.
 - E. The socioeconomic view.
- D 46 GT Fa Moderate
190. All of the following are arguments against the assumption of social responsibility by business EXCEPT:
- A. Social responsibility will raise business costs.
 - B. Social responsibility will reduce business profits.
 - C. Social responsibility will dilute the social power of business.
 - D. Social responsibility will dilute the purpose of business.
 - E. Social responsibility will give business too much social power.
- C 46 GT Ap Moderate

191. _____ is the social responsibility view that maintains the organization must be concerned with the broader social welfare and not just with corporate profits.
- The stockholder model.
 - The free market model.
 - The stakeholder view.
 - The classical view.
 - The socioeconomic view.
- E 46 GT Fa Moderate
192. Arguments that corporations should engage in socially responsible behavior include all of the following EXCEPT:
- Social responsibility decreases the need for restrictive government regulation.
 - Businesses have the resources and obligation to act in socially responsible ways.
 - Socially responsible behavior improves the public image of business.
 - Pursuing socially responsible goals may dilute the purpose of the business.
 - Long-run profits for the business may improve or even be dependent on its degree of social responsibility.
- D 47 GT Ap Difficult
193. Which of the following statements regarding the relationship between social responsibility and financial performance is NOT true?
- High performance in social responsibility can be associated with strong financial performance.
 - At worst, strong corporate social responsibility has no adverse impact on financial performance.
 - High performance in social responsibility is seldom, if ever, associated with strong financial performance.
 - Recent evidence suggests that corporate social responsibility leads to improved financial performance and this, in turn, leads to additional socially responsible actions.
 - Businesses can serve the public good and a broad pool of stakeholders as well as advance the financial interests of their shareholders.
- C 47 GT Ap Difficult
194. The _____ refers to the situation in which corporate social responsibility leads to improved financial performance and this, in turn, leads to additional socially responsible actions.
- Generous stakeholder.
 - Virtuous circle
 - Just alliance.
 - Fair community.
 - Socioeconomic parable.
- B 47 GT Fa Moderate
195. A social responsibility audit is _____.
- A systematic assessment and reporting of an organization's accomplishments in various areas of corporate social responsibility.
 - A public opinion survey regarding the social impact of a corporation's actions.
 - An internal accounting audit requested by shareholders.
 - A systematic assessment of the corporation's impact on its employees' social lives.
 - A survey of employees regarding their social preferences.
- A 47 KT Fa Easy

196. Which statement is MOST correct in terms of the textbook presentation of the public's expectations of business regarding corporate social responsibility?
- A. There are no compelling arguments against corporate social responsibility.
 - B. Corporate social responsibility is not related to managerial ethics.
 - C. There are increased expectations that organizations will act with genuine social responsibility.
 - D. The U.S. legal system does not protect the rights of consumers against socially irresponsible business acts.
 - E. Corporate social responsibility should be the concern of only top-level managers in organizations.
- C 47 GT Ap Difficult
197. Which of the following does NOT reflect a common audit area for corporate social responsibility?
- A. Ecology and environmental quality.
 - B. Truth in lending and consumer protection.
 - C. Managing conflict.
 - D. Service to communities.
 - E. Employment practices.
- C 47 GT Ap Moderate
198. When corporate social performance focuses on acting to avoid adverse consequences, the company's actions are driven by _____.
- A. Commitment.
 - B. Compliance.
 - C. Habeas corpus.
 - D. Conviction.
 - E. Greed.
- B 47 GT Fa Moderate
199. When corporate social performance focuses on acting to create positive impact, the company's actions are driven by _____.
- A. Commitment.
 - B. Compliance.
 - C. Habeas corpus.
 - D. Conviction.
 - E. Guilt.
- A 47 GT Fa Moderate
200. The text identifies several criteria for evaluating socially responsible corporate behavior. A firm is meeting its _____ when it earns a profit through provision of goods and services desired by customers.
- A. Economic responsibility.
 - B. Legal responsibility.
 - C. Ethical responsibility.
 - D. Discretionary responsibility.
 - E. Stakeholder responsibility.
- A 47 GT Fa Moderate

201. An organization is meeting its economic responsibility when it _____.
 A. Is in compliance with the law and requirements of various external regulations.
 B. Voluntarily moves beyond basic economic, legal, and ethical expectations to provide leadership in advancing social well-being.
 C. Earns a profit through provision of goods and services desired by customers.
 D. Voluntarily conforms to legal expectations and broader values and moral expectations of society.
 E. Anticipates socially responsible behavior.
 C 47 GT Fa Moderate
202. The text identifies several criteria for evaluating socially responsible corporate behavior. A firm is meeting its _____ when it operates within the law and according to the requirements of various external regulations.
 A. Economic responsibility.
 B. Legal responsibility.
 C. Ethical responsibility.
 D. Discretionary responsibility.
 E. Stakeholder responsibility.
 B 47 GT Fa Moderate
203. An organization is meeting its legal responsibility when it _____.
 A. Is in compliance with the law and requirements of various external regulations.
 B. Voluntarily moves beyond basic economic, legal, and ethical expectations to provide leadership in advancing social well-being.
 C. Earns a profit through provision of goods and services desired by customers.
 D. Voluntarily conforms to legal expectations and broader values and moral expectations of society.
 E. Anticipates socially responsible behavior.
 A 47 GT Fa Moderate
204. The text identifies several criteria for evaluating socially responsible corporate behavior. A firm is meeting its _____ when it voluntarily conforms to legal as well as broader values and moral expectations of society.
 A. Economic responsibility.
 B. Legal responsibility.
 C. Ethical responsibility.
 D. Discretionary responsibility.
 E. Stakeholder responsibility.
 C 47 GT Fa Moderate
205. An organization is meeting its ethical responsibility when it _____.
 A. Is in compliance with the law and requirements of various external regulations.
 B. Voluntarily moves beyond basic economic, legal, and ethical expectations to provide leadership in advancing social well-being.
 C. Earns a profit through provision of goods and services desired by customers.
 D. Voluntarily conforms to legal expectations as well as broader values and moral expectations of society.
 E. Anticipates socially responsible behavior.
 D 47 GT Fa Moderate

206. The text identifies several criteria for evaluating socially responsible corporate behavior. A firm is meeting its _____ when it voluntarily moves beyond basic economic, legal, and ethical expectations to provide leadership in advancing social well-being.
- A. Economic responsibility.
 - B. Legal responsibility.
 - C. Ethical responsibility.
 - D. Discretionary responsibility.
 - E. Stakeholder responsibility.
- D 48 GT Fa Moderate
207. An organization is meeting its discretionary responsibility when it _____.
- A. Is in compliance with the law and requirements of various external regulations.
 - B. Voluntarily moves beyond basic economic, legal, and ethical expectations to provide leadership in advancing social well-being.
 - C. Earns a profit through provision of goods and services desired by customers.
 - D. Voluntarily conforms to legal expectations as well as broader values and moral expectations of society.
 - E. Anticipates socially responsible behavior.
- B 48 GT Fa Moderate
208. The highest level of social performance comes through the satisfaction of an organization's _____.
- A. Economic responsibility.
 - B. Legal responsibility.
 - C. Ethical responsibility.
 - D. Discretionary responsibility.
 - E. Stakeholder responsibility.
- D 48 GT Fa Moderate
209. The obstructionist strategy involves a corporate social responsibility commitment that _____.
- A. Reflects mainly economic concerns.
 - B. Seeks to protect the organization by doing the minimum legally required to satisfy expectations.
 - C. Is congruent with society's prevailing norms, values, and expectations.
 - D. Takes preventive action to avoid adverse social impact.
 - E. Is inconsistent with prevailing societal norms.
- A 48 KT Fa Moderate
210. The obstructionist strategy of social responsibility meets the organization's _____.
- A. Economic responsibility.
 - B. Economic and legal responsibilities.
 - C. Economic, legal, and ethical responsibilities.
 - D. Economic, legal, ethical, and discretionary responsibilities.
 - E. Economic, legal, ethical, discretionary, and political responsibilities.
- A 48 KT Fa Easy

211. The defensive strategy involves a corporate social responsibility commitment that _____.
- Reflects mainly economic concerns.
 - Seeks to protect the organization by doing the minimum legally required to satisfy expectations.
 - Is congruent with society's prevailing norms, values, and expectations.
 - Takes preventative action to avoid adverse social impact.
 - Is inconsistent with prevailing societal norms.
- B 48 KT Fa Easy
212. The defensive strategy of social responsibility meets the organization's _____.
- Economic responsibility.
 - Economic and legal responsibilities.
 - Economic, legal, and ethical responsibilities.
 - Economic, legal, ethical, and discretionary responsibilities.
 - Economic, legal, ethical, discretionary, and political responsibilities.
- B 48 KT Fa Easy
213. An organization that is pursuing a(n) _____ social responsibility strategy would likely do the minimum ethically required to satisfy economic, legal, and ethical criteria.
- Obstructionist.
 - Defensive.
 - Accommodative.
 - Proactive.
 - Ethical.
- C 48 KT Fa Moderate
214. The accommodative strategy of social responsibility meets the organization's _____.
- Economic responsibility.
 - Economic and legal responsibilities.
 - Economic, legal, and ethical responsibilities.
 - Economic, legal, ethical, and discretionary responsibilities.
 - Economic, legal, ethical, discretionary, and political responsibilities.
- C 48 KT Fa Easy
215. An organization that is following a(n) _____ social responsibility strategy would both take preventive action to avoid adverse social impacts from company activities and take a leadership role in identifying and responding to emerging social issues.
- Obstructionist.
 - Defensive.
 - Accommodative.
 - Proactive.
 - Ethical.
- D 48 KT Fa Moderate
216. The proactive strategy of social responsibility meets the organization's _____.
- Economic responsibility.
 - Economic and legal responsibilities.
 - Economic, legal, and ethical responsibilities.
 - Economic, legal, ethical, and discretionary responsibilities.
 - Economic, legal, ethical, discretionary, and political responsibilities.
- D 48 KT Fa Easy

217. _____ refers to a board of directors providing oversight of the top management of an organization.
- Moral oversight.
 - Public scrutiny.
 - Corporate governance.
 - Ethical imperialism.
 - An executive network.
- C 48 KT Fa Easy
218. Corporate governance typically involves all of the following EXCEPT:
- Hiring and firing the chief executive officer (CEO).
 - Assessing strategy.
 - Verifying financial records.
 - Approving product specifications and production methods.
 - Compensating the chief executive officer (CEO).
- D 48 GT Ap Difficult
219. The management challenge in contemporary organizations is best summarized in which of the following statements?
- Managers must simultaneously maintain high-performance standards as well as ethical and socially responsible operations.
 - Every manager must strive to achieve organizational goals even if it compromises his/her values.
 - Economic performance is the most important objective that managers must achieve.
 - Maintaining ethical standards and promoting social responsibility are the most important objectives managers must achieve.
 - Management in today's business environment should be approached in essentially the same way that it was in the past.
- A 48 GT Ap Difficult

Essay Questions

220. Identify four alternative views of ethical behavior and briefly describe the main emphasis of each view.

Suggested Answer:

The four alternative views of ethical behavior and the main emphasis of each are as follows:

- Utilitarian view — ethical behavior that delivers the greatest good to greatest number of people.
- Individualism view — ethical behavior that best serves long-term self-interests.
- Moral-rights view — ethical behavior that respects the fundamental rights of all people.
- Justice view — ethical behavior that is impartial and fair in treating people according to guiding rules and standards.

WHAT IS ETHICAL BEHAVIOR?, Pages 33-34, Moderate

221. What is an ethical dilemma? Describe some of the possible sources of ethical dilemmas.

Suggested Answer:

An ethical dilemma occurs when someone must choose whether or not to pursue a course of action that, although offering the potential of personal or organizational benefit or both, may be considered unethical. Potential sources of ethical dilemmas include discrimination, sexual harassment, conflicts of interest, customer confidence, and organizational resources. Additionally, many ethical dilemmas involve conflicts with superiors, customers, and subordinates.
ETHICS IN THE WORKPLACE, Pages 36-37, Easy

222. Discuss the ways in which high ethical standards may be maintained in organizations.

Suggested Answer:

Four primary methods for maintaining high ethical standards are: ethics training, whistleblower protection, ethical role models, and codes of ethical conduct. Each of these is described below:

- Ethics training refers to structured programs that help participants understand the ethical aspects of decision making, and help people incorporate high ethical standards into their daily behaviors. Ethics training helps people deal with ethical issues while under pressure and to avoid the common rationalizations for unethical behavior.
- Whistleblowers are people who expose the misdeeds of others in organizations in order to preserve ethical standards and protect against wasteful, harmful, or illegal acts. Whistleblowers need to be protected because of the risk of managerial/organizational retaliation and career damage.
- Being an ethical role model applies to managers throughout the organization. The behavior of top managers can either encourage or discourage unethical behavior in others at lower levels of the organization. Although top managers have a special responsibility for setting the ethical tone of an organization, all managers can influence the ethical behavior of the people who work for and with them.
- Codes of ethical conduct are official written guidelines on how to behave in situations susceptible to ethical dilemmas. Most ethical codes identify expected behavior in terms of general organizational citizenship, the avoidance of illegal or improper acts in one's work, and good relationships with customers.

MAINTAINING HIGH ETHICAL STANDARDS, Pages 40-44, Moderate

223. What is corporate social responsibility? In your opinion, should businesses be socially responsible? Support your answer with appropriate reasons.

Suggested Answer:

Corporate social responsibility looks at ethical behavior from the organizational level. Corporate social responsibility is an obligation of the organization to act in ways that serve both its own interests and the interests of its many external stakeholders — those persons, groups, and other organizations directly affected by the behavior of the organization and who hold a stake in its performance.

In the 21st century economy, it is hard to argue against corporate social responsibility. One way to approach this is by exploring the linkage between organizations' corporate social responsibility and their financial performance. In the short term, financial success might be achieved by ignoring social responsibility. In the long term, however, proper attention must be given to social responsibility in order for the company to survive and prosper. Indeed, in today's world, the public at large expects businesses and other organizations to act with genuine social responsibility. Additionally, increasing empirical evidence indicates that high performance in social responsibility can be associated with strong financial performance and, at worst, has no adverse financial impact. Moreover, recent evidence suggests the existence of a virtuous circle in which corporate social responsibility leads to improved financial performance and this, in turn, leads to additional socially responsible actions.

Another approach for supporting the contention that businesses should be socially responsible draws upon the four criteria for evaluating corporate social performance. These criteria, which can be arranged in a hierarchy of impact, are the following:

- The organization's economic responsibility, which is met when it earns a profit through the provision of goods and services desired by customers.
- The organization's legal responsibility, which is fulfilled when it operates within the law and according to the requirements of various external regulations.
- The organization's ethical responsibility, which is met when its actions voluntarily conform to both legal expectations and the broader values and moral expectations of society.
- The organization's discretionary responsibility, which involves the organization's voluntary movement beyond basic economic, legal, and ethical expectations to provide leadership in advancing the well-being of individuals, communities, and society as a whole.

The argument can be made that businesses are more likely to survive and succeed over the long term when they fulfill a responsibility that has greater impact. Thus, a higher probability of survival and success would occur by fulfilling the legal responsibility than by just fulfilling the economic responsibility. Likewise, fulfilling the ethical responsibility likely produces still further increases in the probability of business success and survival. Fulfilling the discretionary responsibility should provide a business with the greatest chance of survival and success.

SOCIAL RESPONSIBILITY AND GOVERNANCE, Pages 44-47, Difficult