

Strategic Management, 15e, Global Edition (David/David)
Chapter 3 Ethics/Social Responsibility/ Sustainability

1) Many people consider it unethical for a firm to be socially irresponsible.

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

2) Social responsibility refers to actions an organization takes that are legally required to protect or enhance the well-being of living things.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

3) Sustainability refers to the extent that an organization's operations and actions protect, mend, and preserve rather than harm or destroy the natural environment.

Answer: TRUE

Diff: 1

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

4) Good ethics is not a prerequisite for good strategic management.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

5) According to a study by the Institute of Business Ethics, companies that do not display ethical conduct consistently outperform companies that show a clear commitment to ethical conduct.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

6) Bad ethics can derail all but the best strategic plans.

Answer: FALSE

Diff: 3

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

7) Business ethics can be defined as principles of conduct within organizations that guide decision making and behavior.

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

8) A rising tide of consciousness about the importance of business ethics is sweeping the United States and the rest of the world.

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

9) CEOs and business owners should delegate the responsibility for ensuring that high ethical principles are espoused and practiced in an organization.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

10) Some of the largest payouts for class-action legal fraud suits ever were against Enron (\$7.16 billion) and WorldCom (\$6.16 billion).

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

11) Dumping banned or flawed products in foreign markets is considered to be an unethical business practice.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

12) Moving jobs overseas is not considered to be an unethical business practice.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

13) A new wave of ethics issues has accentuated the need for strategists to develop a clear code of business ethics.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

14) Having a code of ethics ensures ethical business behavior.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

15) Periodic ethics workshops can help sensitize people to workplace circumstances in which ethics issues may arise.

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

16) Whistle-blowing refers to policies that require employees to report any unethical violations they discover or see in the firm.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.05 Explain why whistle-blowing is important to encourage in a firm.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

17) Most firms warn managers and employees that reporting an ethical violation by others, also known as whistle-blowing, could cause them to be discharged.

Answer: FALSE

Diff: 3

AACSB: Ethical understanding and reasoning

Objective: 3.05 Explain why whistle-blowing is important to encourage in a firm.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

18) Primary responsibility for ensuring ethical behavior rests with middle- and low-level managers, since they are in a position to influence many employees.

Answer: FALSE

Diff: 3

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

19) More and more firms believe that ethics training and an ethics culture create strategic advantage.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

20) History has proven that the lower the trust and confidence of people in the ethics of an institution or society, the greater its economic strength.

Answer: FALSE

Diff: 3

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

21) Integrating ethical decision making into the performance appraisal process is one way that firms can align ethical and strategic decision making.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

22) Monitoring departmental and corporate performance regarding ethical issues can cause firms to misalign ethical and strategic decision making.

Answer: FALSE

Diff: 3

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

23) A bribe is a gift bestowed to influence a recipient's conduct.

Answer: TRUE

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 3.09 Explain recent trends in bribery law.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

24) In order to be considered bribery, the gift offered must be either money or a physical item.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.09 Explain recent trends in bribery law.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

25) In some foreign countries, paying bribes and kickbacks is acceptable.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.09 Explain recent trends in bribery law.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

26) Avon Products is being investigated for bribery charges related to their winning the first direct-sales license awarded by China to a foreign company.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.09 Explain recent trends in bribery law.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

27) A recent Wall Street Journal article reported that 80 percent of all firms sampled had no restrictions on relationships between a supervisor and a subordinate.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

28) European firms are increasingly adopting explicit, American-style sexual harassment laws.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

29) In Europe, romantic relationships at work are frowned upon, and most firms have policies prohibiting the practice.

Answer: FALSE

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

30) The EEOC recovers about \$500 million on behalf of office romance victims.

Answer: TRUE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

31) Some strategists agree with Ralph Nader, who asserts that organizations have no obligation to do any more for society than is legally required.

Answer: FALSE

Diff: 3

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

32) Ralph Nader believes that big firms like ExxonMobil, which has more assets than most countries, have an obligation to help society cure its many ills.

Answer: TRUE

Diff: 2

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

33) The first social responsibility of any business must be to make enough profit to cover the costs of the future because if this is not achieved, no other social responsibility can be met.

Answer: TRUE

Diff: 2

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

34) Social policy concerns what responsibilities the firm has to employees, consumers, environmentalists, minorities, communities, shareholders, and other groups.

Answer: TRUE

Diff: 1

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

35) After decades of debate and struggle, firms have finally definitively determined the appropriate social policies.

Answer: FALSE

Diff: 3

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

36) Corporate social policy should be designed and articulated during strategy formulation.

Answer: TRUE

Diff: 2

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

37) Corporate social policy should be reaffirmed or changed during strategy implementation.

Answer: FALSE

Diff: 1

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

38) In 2012, GDF Suez, Marquard & Bahls, and RWE were the three most admired socially responsible companies according to *Fortune* magazine.

Answer: TRUE

Diff: 2

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

39) In 2012, Chinese firms dominated *Fortune* magazine's list of the least admired companies from a social responsibility perspective.

Answer: TRUE

Diff: 2

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

40) Firms should strive to engage in social activities that have no economic benefits, to avoid their being viewed as public relations ploys.

Answer: FALSE

Diff: 3

AACSB: Reflective thinking

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

41) Orphan drugs offer pharmaceutical companies no economic incentive for profitable development and distribution.

Answer: TRUE

Diff: 2

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

42) The percentage of persons age 65 or older exceeds 20 percent in Japan, Italy, and Germany.

Answer: TRUE

Diff: 1

AACSB: Diverse and multicultural work environments

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

43) The percentage of persons age 65 or older will reach 20 percent in the United States in 2018.

Answer: FALSE

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

44) Like the United States, Japan is eager to rely on large-scale immigration to bolster its workforce.

Answer: FALSE

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

45) Japan is providing incentives for its elderly to work until ages 65-75.

Answer: TRUE

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

46) Unlike the USA, Japan has no law against discrimination based on age.

Answer: TRUE

Diff: 1

AACSB: Diverse and multicultural work environments

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

47) Companies such as Walmart are now monitoring not only the prices its vendors offer for products, but also how those products are made in terms of environmental practices, as well as safety and infrastructure soundness.

Answer: TRUE

Diff: 1

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

48) While it is socially responsible to be a good steward of the natural environment, doing so will not enable a firm to gain competitive advantage.

Answer: FALSE

Diff: 1

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

49) New Jersey's goal is to obtain 3 percent of its electricity from the sun and 12 percent from offshore wind by 2020.

Answer: TRUE

Diff: 2

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

50) California is the nation's second-largest producer of solar energy.

Answer: FALSE

Diff: 3

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

51) Sustainability reports reveal how a firm's operations impact the natural environment.

Answer: TRUE

Diff: 1

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

52) Employee wellness cannot be a part of sustainability.

Answer: FALSE

Diff: 2

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

53) Some ways in which firm's are working to be more environmentally responsible include using solar power and selling organic and environmentally friendly products.

Answer: TRUE

Diff: 1

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

54) It has gotten easier for firms to get away with placing "green" terminology on their products and labels because there are still no legal or generally accepted definitions of terms like "organic," "green," "safe," or "earth-friendly."

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

55) There is no country that favors or engages in commercial whaling today.

Answer: FALSE

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.02 Explain why concern for wildlife is a strategic issue for firms.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

56) According to the Convention on the International Trade in Endangered Species (CITES), more than 25,000 elephants are killed each year for their ivory—even though international trade in ivory has been outlawed since 1989.

Answer: TRUE

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.02 Explain why concern for wildlife is a strategic issue for firms.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

57) Workplace romance and sexual harassment are synonymous.

Answer: FALSE

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

58) ISO, the world's largest developer of sustainability standards, is legally authorized to enforce their standards.

Answer: FALSE

Diff: 3

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

59) The ISO 14000 family of standards concerns the extent to which a firm minimizes harmful effects on the environment caused by its activities and continually monitors and improves its own environmental performance.

Answer: TRUE

Diff: 2

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

60) ISO 14001 is a technical standard and as such replaces technical requirements embodied in statutes or regulations.

Answer: FALSE

Diff: 3

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

61) Sustainability refers to the extent that an organization's operations and actions _____ the natural environment.

A) protect

B) mend

C) preserve

D) reflect good stewardship of

E) All of the above

Answer: E

Diff: 1

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

62) Business ethics, _____, and sustainability issues are interrelated and impact all areas of the comprehensive strategic-management model.

A) social responsibility

B) social networking

C) fiscal irresponsibility

D) cultural indifference

E) None of the above

Answer: A

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

63) Workplace romance

A) is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature.

B) is defined as illegal by the Equal Employment Opportunity Commission.

C) should be strictly forbidden by organizations.

D) simply happens so organizations should determine how to best manage the phenomena.

E) is an intimate relationship between two employees, one of whom is not consenting.

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

64) Bad ethics can _____ strategic plans.

A) derail all but the best

B) derail even the best

C) derail only poorly-intentioned

D) derail only ill-conceived

E) never affect

Answer: B

Diff: 3

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

65) _____ are the individuals primarily responsible for ensuring that high ethical principles are espoused and practiced in an organization.

A) Non-management employees

B) Mid-level managers

C) Shareholders

D) Strategists such as CEOs and business owners

E) Governmental regulatory bodies

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

66) Which of the following companies ranks among those against whom some of the largest payouts for class-action legal fraud suits ever were judged?

- A) AOL Time Warner
- B) Walt Disney
- C) Starbucks
- D) Herman Miller
- E) Edison

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

67) All of the following business actions are considered to be unethical EXCEPT

- A) moving jobs overseas.
- B) preventing environmental harm.
- C) overpricing.
- D) sexual harassment.
- E) insider trading.

Answer: B

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

68) Which of the following business actions is considered to be unethical?

- A) Having satisfactory product or service safety
- B) Selling products in foreign markets
- C) Providing equal opportunities for women and minorities
- D) Filing expense accounts
- E) Misleading labeling

Answer: E

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

69) Unethical activities that plague online commerce include all of the following EXCEPT

- A) inappropriate gifts.
- B) spreading viruses.
- C) identity theft.
- D) Internet fraud.
- E) hacking into company computers.

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

70) A code of business ethics is

- A) sorely needed in light of a new wave of ethical issues including product safety, employee health, and sexual harassment.
- B) concerned with what responsibilities the firm has to employees, consumers, environmentalists, minorities, communities, and other groups.
- C) a report that reveals how the firm's operations impact the natural environment.
- D) a set of strict regulations requiring firms to conserve energy.
- E) a series of voluntary standards in the environmental field.

Answer: A

Diff: 3

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

71) Simply having a code of ethics

- A) will ensure ethical business behavior.
- B) eliminates the need for periodic ethics workshops.
- C) is all that is necessary to sensitize people to workplace circumstances in which ethics issues may arise.
- D) is insufficient to guarantee that employees behave in an ethical manner.
- E) secures an ethics culture in the workplace.

Answer: D

Diff: 3

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

72) Which of the following is NOT a way that companies can help create an ethical culture in their organization?

- A) Outlining ethical expectations
- B) Giving examples of ethical situations that commonly occur in their businesses
- C) Providing code-of-conduct manuals
- D) Creating interactive exercises that pose hypothetical ethical dilemmas
- E) Discouraging whistle-blowing

Answer: E

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.05 Explain why whistle-blowing is important to encourage in a firm.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

73) _____ refers to policies that require employees to report any unethical violations they discover or see in the firm.

- A) Whistle-blowing
- B) Bribery
- C) Adultery
- D) Sustainability
- E) Stewardship

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.05 Explain why whistle-blowing is important to encourage in a firm.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

74) Responsibility for encouraging ethical decision making and ensuring ethical behavior in a firm lies with

- A) only a firm's strategists.
- B) only a firm's managers.
- C) only a firm's shareholders.
- D) both a firm's strategists and its managers.
- E) neither a firm's strategists nor its managers.

Answer: D

Diff: 3

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

75) More and more firms believe that ethics training and an ethics culture

- A) are socially irresponsible.
- B) are admirable but damage a firm's competitive positioning.
- C) are costly and provide no practical benefit to the company.
- D) create strategic advantage.
- E) can tarnish the reputation of a firm.

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

76) Ethics training programs should contain which of the following?

- A) Messages from the CEO or business owner emphasizing ethical business practices
- B) The development and discussion of codes of ethics
- C) Procedures for discussing unethical behavior
- D) Procedures for reporting unethical behavior
- E) All of the above

Answer: E

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

77) Firms can align ethical and strategic decision making by

- A) omitting ethical considerations from long-term planning.
- B) excluding ethical decision making from the performance appraisal process.
- C) discouraging whistle-blowing.
- D) monitoring departmental and corporate performance regarding ethical issues.
- E) All of the above

Answer: D

Diff: 3

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

78) Bribery involves

- A) bestowing a gift to influence the recipient's conduct.
- B) requiring employees to report any unethical violations they discover or see in the firm.
- C) prohibiting love affairs between bosses and their subordinates.
- D) encouraging firms to play a role in curing society of its ills.
- E) forcing companies to take responsibility for the impact their actions have on society.

Answer: A

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 3.09 Discuss recent trends in bribery law.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

79) The U.S. Foreign Corrupt Practices Act and a new provision in the Dodd-Frank financial regulation-law allows company employees who bring cases of financial fraud, such as bribery, to the government's attention to receive _____ percent of any sum recovered.

- A) less than 10
- B) exactly 20
- C) up to 30
- D) about 40
- E) at least 50

Answer: C

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.09 Discuss recent trends in bribery law.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

80) The United Kingdom's new Bribery Law

- A) is less stringent than the similar U.S. FCPA.
- B) carries a minimum 10-year prison sentence for those convicted of bribery.
- C) allows foreign companies doing business in the UK to bribe officials if that is their national convention.
- D) stipulates that failure to prevent bribery is an offense.
- E) All of the above

Answer: D

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.09 Discuss recent trends in bribery law.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

81) According to a recent Wall Street Journal article, _____ percent of all firms sampled had no restrictions on boss-subordinate love affairs at work.

- A) 5
- B) 13
- C) 24
- D) 39
- E) 80

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

82) According to the text, the first social responsibility of any business is to

- A) make enough profit to cover the costs of the future, because if this is not achieved then no other social responsibility can be met.
- B) avoid laying off employees so as to protect the employees' livelihood, even if that decision may force the firm to liquidate.
- C) engage in social activities that have no economic benefits, to avoid the appearance of a public relations gimmick.
- D) offer courses and training in environmental management.
- E) None of the above

Answer: A

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

83) Social policy can best be defined as

- A) the responsibilities a firm has to employees, consumers, environmentalists, minorities, communities, shareholders, and other groups.
- B) a document providing behavioral guidelines that cover daily activities and decisions within a firm.
- C) an SEC mandate to report any unethical behavior.
- D) the legal requirement to reveal how a firm's operations impact the natural environment.
- E) mandatory technical standards that result in an environmental management system.

Answer: A

Diff: 2

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

84) Which of the following was among the most admired companies for social responsibility in 2012 according to *Fortune* magazine?

- A) GDF Suez
- B) China Railway Group
- C) China Railway Construction
- D) China State Construction Engineering
- E) Kirin Holdings

Answer: A

Diff: 2

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

85) _____ was socially responsible in the wake of the earthquake and tsunami that devastated Japan in 2011; it also was able to get supplies to people who needed them following Hurricane Katrina.

- A) China Railway Group
- B) GDF Suez
- C) Walmart
- D) RWE
- E) Marquard & Bahls

Answer: C

Diff: 2

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

86) Firms should strive to engage in social activities that

- A) have economic benefits.
- B) have no economic benefits.
- C) are detrimental to economic growth.
- D) drain financial resources.
- E) garner goodwill only, not profits.

Answer: A

Diff: 1

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

87) The percentage of persons age 65 or older exceeds 20 percent in Japan, Italy, and

- A) Germany.
- B) the USA.
- C) France.
- D) China.
- E) All of the above

Answer: A

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

- 88) Japan's prescription for dealing with problems associated with an aging society includes
- A) relying on large-scale immigration.
 - B) providing incentives for its elderly to retire at ages 55 to 60.
 - C) reversing the old-fashioned trend of keeping women at home.
 - D) enacting laws against discrimination based on age.
 - E) phasing in a shift from age 60 to age 55 as the date when a person may begin receiving a pension.

Answer: C

Diff: 3

AACSB: Diverse and multicultural work environments

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

- 89) Japan is suffering from a decline in overall economic production
- A) due to its growing population.
 - B) related to the declining age of its workforce.
 - C) because of a surge in the number of its taxpaying workers.
 - D) since worker productivity increases are not able to offset declines in number of workers.
 - E) because more and more women are working outside the home.

Answer: D

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

- 90) If a firm has a bad sustainability record this will
- A) help a firm in the market.
 - B) improve a firm's standing in the community.
 - C) cause investors to closely scrutinize the firm.
 - D) deflect the scrutiny of a firm by environmentalists.
 - E) release the firm from governmental reporting obligations.

Answer: C

Diff: 2

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

91) Which state generates the greatest number of megawatts of wind power?

- A) Texas
- B) Iowa
- C) California
- D) Minnesota
- E) New Jersey

Answer: A

Diff: 2

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

92) A document that discloses to shareholders information about a firm's labor practices, product sourcing, energy efficiency, environmental impact, and business ethics practices is known as

- A) a code of ethics.
- B) a sustainability report.
- C) an EMS.
- D) ISO 14000.
- E) green terminology.

Answer: B

Diff: 2

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

93) It is _____ for a business to provide a sustainability report annually to the public.

- A) good business
- B) irresponsible
- C) a decreasing trend
- D) unethical
- E) poor planning

Answer: A

Diff: 2

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

94) Walmart encourages its employees to adopt "Personal Sustainability Projects" like weight-loss or smoking-cessation support groups, illustrating that

- A) employee wellness can be a part of sustainability.
- B) employee health issues have no business in the workplace.
- C) firms should crack down on employees' personal interests infringing upon business hours.
- D) the Global Reporting Initiative requires this of all U.S. companies.
- E) a company's interest in its employees should be restricted solely to their work duties.

Answer: A

Diff: 1

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

95) All of the following are reasons that workplace romance can be detrimental to workplace morale and productivity EXCEPT

- A) favoritism complaints can arise.
- B) personal arguments can lead to work arguments.
- C) whispering secrets can lead to tensions and hostilities among coworkers.
- D) increased quality and quantity of work can occur.
- E) sexual harassment charges may ensue, either by the involved female or a third party.

Answer: D

Diff: 1

AACSB: Ethical understanding and reasoning

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

96) Managers and employees today must be careful not to ignore, conceal, or disregard a pollution problem or they could

- A) be fired.
- B) be demoted.
- C) be held indirectly responsible for their firm's pollution.
- D) have their firm turn on them in a quest for leniency.
- E) All of the above

Answer: E

Diff: 2

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

97) It has become _____, since uniform standards defining environmentally responsible company actions are rapidly being incorporated into our legal landscape.

- A) more and more difficult for firms to make "green" claims when their actions are not substantive or even true
- B) increasingly easy for firms to get away with placing "green" terminology on their products without any oversight
- C) customary for firms to use terms like "organic," "green," or "earth-friendly" when their products don't warrant it
- D) more common for consumers to be cynical about corporate environmental claims
- E) impossible for firms to omit "green" terminology from their labels

Answer: A

Diff: 2

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

98) Which is a rule from the Wall Street Journal article "The New Rules of Flirting"?

- A) Do not flirt within a relationship that you want to strengthen.
- B) Do flirt with someone you know is looking for a relationship if you are not interested in a new relationship.
- C) Do flirt to make your partner jealous.
- D) Flirting between power differences, such as boss and employee, is usually fine.
- E) Do not make physical contact with the person you are flirting with, unless it is within a desired relationship.

Answer: E

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

99) Alaska and oil companies contend that protections for polar bears _____.

- A) are not aggressive enough and must be strengthened
- B) are diminishing opportunities for Alaska energy development
- C) help push Alaskan companies to explore alternative energy sources
- D) are ineffective and actually have caused populations in Alaska to decrease
- E) are long overdue and must be enacted immediately

Answer: B

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.02 Explain why concern for wildlife is a strategic issue for firms.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

100) What challenge facing all organizations requires managers to formulate strategies that preserve and conserve natural resources and control pollution?

- A) Economic
- B) Ecological
- C) Compensational
- D) Benchmarking
- E) Sociological

Answer: B

Diff: 1

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

101) Special natural environment issues include all of the following EXCEPT

- A) ozone depletion.
- B) destruction of animal habitats.
- C) pollution control.
- D) spreading computer viruses.
- E) developing biodegradable products and packages.

Answer: D

Diff: 1

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

102) In an effort to manage ecological challenges, many companies are

- A) moving environmental affairs from the staff side of the organization to the line side.
- B) moving environmental affairs from the line side of the organization to the staff side.
- C) making the chief operating officer report directly to the corporate environmental group.
- D) omitting an environmental representative from their board of directors.
- E) purging environmental values from their mission statements.

Answer: A

Diff: 2

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

103) Environmental advocacy groups now have _____ Americans as members.

- A) approximately 100,000
- B) just under a million
- C) close to 5 million
- D) over 20 million
- E) almost a billion

Answer: D

Diff: 2

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

104) Preserving the environment should be a permanent part of doing business for which of the following reasons?

- A) Consumer demand for environmentally safe products and packages is low.
- B) Public opinion demanding that firms conduct business in ways that preserve the natural environment is weak.
- C) Federal and state environmental regulations are fairly simple and static.
- D) Many consumers, suppliers, distributors, and investors shun doing business with environmentally strong firms.
- E) More lenders are examining the environmental liabilities of businesses seeking loans.

Answer: E

Diff: 2

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

105) A proactive environmental policy is likely to lead to

- A) higher cleanup costs.
- B) conservation of energy.
- C) reduced customer loyalty.
- D) numerous liability suits.
- E) higher medical costs.

Answer: B

Diff: 2

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

106) The _____ is a network of the national standards institutes of 147 countries, one member per country.

- A) ISO
- B) EMS
- C) UN
- D) EPA
- E) IMF

Answer: A

Diff: 2

Objective: 3.08 Explain ISO 14000 and 14001.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

- 107) All of the following statements are true EXCEPT
- A) ISO is the world's largest developer of sustainability standards.
 - B) ISO standards are widely accepted all over the world.
 - C) ISO has legal authority to enforce its regulations' implementation.
 - D) ISO standards are voluntary.
 - E) ISO itself does not regulate or legislate.

Answer: C

Diff: 2

Objective: 3.08 Explain ISO 14000 and 14001.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

108) _____ is a set of standards in fields such as environmental auditing, performance evaluation, and labeling, that is adopted by thousands of firms worldwide to certify to their constituencies that they are conducting business in an environmentally friendly manner.

- A) ISO 14001
- B) EMS 14000
- C) UN 5000
- D) SEC 100
- E) A sustainability report

Answer: A

Diff: 1

Objective: 3.08 Explain ISO 14000 and 14001.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

109) The European Parliament in late 2012 voted with an overwhelming 566-47 margin to

- A) reinstate commercial whaling.
- B) eradicate the practice of shark finning.
- C) add polar bears to the list of endangered species.
- D) outlaw international trade in ivory.
- E) None of the above

Answer: B

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.02 Explain why concern for wildlife is a strategic issue for firms.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

110) The Wall Street Journal article "America Gone Wild"

- A) reports an astonishing resurgence in wildlife populations in the USA.
- B) cites that deer-vehicle crashes in the USA cost \$1.5 billion a year.
- C) describes damage done to U.S. infrastructure by the resurgence in wildlife.
- D) reveals that the total annual cost of wildlife damage in the USA exceeds \$28 billion.
- E) All of the above

Answer: E

Diff: 1

Objective: 3.02 Explain why concern for wildlife is a strategic issue for firms.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

111) Discuss how business ethics, social responsibility, and sustainability are interrelated.

Answer: Business ethics, social responsibility, and sustainability are interrelated and impact all areas of the comprehensive strategic-management model. Many people, for example, consider it unethical for a firm to be socially irresponsible. Social responsibility refers to actions an organization takes beyond what is legally required to protect or enhance the well-being of living things. Sustainability refers to the extent that an organization's operations and actions protect, mend, and preserve rather than harm or destroy the natural environment. Polluting the environment, for example, is unethical, irresponsible, and in many cases illegal.

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

112) Discuss a code of business ethics and its role in an organization.

Answer: A new wave of ethics issues related to product safety, employee health, sexual harassment, AIDS in the workplace, smoking, Internet fraud, identity theft, affirmative action, waste disposal, etc., has accentuated the need for strategists to develop a clear code of business. Merely having a code of ethics, however, is not sufficient to ensure ethical business behavior. A code of ethics can be viewed as a public relations gimmick. To ensure that a code is read, understood, believed, and remembered periodic ethics workshops are needed to sensitize people to workplace circumstances in which ethics issues may arise. If employees see examples of punishment for violating the code as well as rewards for upholding the code, this reinforces the importance of a firm's code of ethics.

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

113) Explain why it is important to encourage whistle-blowing in a firm.

Answer: Some firms warn managers and employees that failing to report an ethical violation by others could bring discharge. The SEC recently strengthened its whistle-blowing policies, virtually mandating that anyone seeing unethical activity report such behavior. Whistle-blowing refers to policies that require employees to report any unethical violations they discover or see in the firm.

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.05 Explain why whistle-blowing is important to encourage in a firm.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

114) Within an organization, who is responsible for providing ethics leadership?

Answer: Primary responsibility for ensuring ethical behavior rests with a firm's strategists. However, an integral part of the responsibility of all managers is to provide ethics leadership by constant example and demonstration. Managers hold positions that enable them to influence and educate many people. This makes managers responsible for developing and implementing ethical decision making.

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

115) Describe how organizations can create an ethics "culture."

Answer: To create an ethics culture, many organizations have developed a code-of-conduct manual outlining ethical expectations and giving examples of situations that commonly arise in their business. Citicorp even developed a business ethics board game, played by thousands of employees worldwide, that gives players the opportunity to react to hypothetical ethical situations. Ethics workshops and training are also key. Ethics training programs should include messages from the CEO or business owners emphasizing ethical business practices, the development and discussion of codes of ethics, and procedures for discussing and reporting unethical behavior. Firms can align ethical and strategic decision making by incorporating ethical considerations into longer-term planning, by integrating ethical decision making in the performance appraisal process, by encouraging whistle-blowing, and by monitoring departmental and corporate performance regarding ethical issues.

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.04 Explain how firms can best ensure that their code of business ethics guides decision making instead of being ignored.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

116) Compare and contrast Ralph Nader's and Milton Friedman's positions on social responsibility. With whose view do you agree?

Answer: Ralph Nader proclaims that organizations have tremendous social obligations. Nader points out that ExxonMobil has more assets than most countries, and because of this such firms have an obligation to help society cure its many ills. The economist Milton Friedman asserts that organizations have no obligation to do any more for society than is legally required. Friedman may contend that it is irresponsible for a firm to give monies to charity. Students' responses will vary regarding their personal view on social responsibility.

Diff: 2

AACSB: Analytical Thinking

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

117) Discuss how Japan is dealing with problems associated with an aging and shrinking workforce.

Answer: The percentage of persons age 65 or older exceeds 20 percent in Japan. Unlike the USA, Japan is reluctant to rely on large-scale immigration to bolster its workforce. Instead Japan is providing incentives for its elderly to work until ages 65 to 75. In addition to keeping the elderly at work, Japan's other key remedy for sustaining its workforce in factories and businesses involves reversing the old-fashioned trend of keeping women at home.

Diff: 2

AACSB: Diverse and multicultural work environments

Objective: 3.03 Explain why good ethics is good business in strategic management.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

118) Describe a sustainability report.

Answer: A sustainability report is an annual report that reveals how the firm's operations impact the natural environment. It may include information about the firm's labor practices, product sourcing, energy efficiency, environmental impact, and business ethics practices. The Global Reporting Initiative recently issued a set of detailed reporting guidelines specifying what information should go into sustainability reports. The proxy advisory firm Institutional Shareholder Service reports that an increasing number of shareholder groups are pushing firms to provide sustainability information annually.

Diff: 2

Objective: 3.06 Discuss the nature and role of corporate sustainability reports.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

119) List five reasons why preserving the environment should be a permanent part of doing business.

Answer: Students should list any 5 of the following 7 reasons why firms should be "green:" 1) Consumer demand for environmentally safe products and packages is high. 2) Public opinion demanding that firms conduct business in ways that preserve the natural environment is strong. 3) Environmental advocacy groups now have over 20 million Americans as members. 4) Federal and state environmental regulations are changing rapidly and becoming more complex. 5) More lenders are examining the environmental liabilities of businesses seeking loans. 6) Many consumers, suppliers, distributors, and investors shun doing business with environmentally weak firms. 7) Liability suits and fines against firms having environmental problems are on the rise.

Diff: 2

Objective: 3.07 Discuss specific ways that firms can be good stewards of the natural environment.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

120) Discuss ISO 14000 and ISO 14001.

Answer: ISO 14000 refers to a series of voluntary standards in the environmental field. The ISO 14000 family of standards concerns the extent to which a firm minimizes harmful effects on the environment caused by its activities and continually monitors and improves its own environmental performance. Included in the ISO 14000 series are the ISO 14001 standards in fields such as environmental auditing, environmental performance evaluation, environmental labeling, and life-cycle assessment. ISO 14001 is a set of standards adopted by thousands of firms worldwide to certify to their constituencies that they are conducting business in an environmentally friendly manner.

Diff: 2

Objective: 3.08 Explain ISO 14000 and 14001.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

121) Why should companies have policies addressing workplace romance?

Answer: Workplace romance between two consenting employees simply happens, so the question is generally not whether to allow the practice, or even how to prevent it, but rather how best to manage the phenomena. Organizations should establish guidelines or policies that address workplace romance for at least 6 reasons: 1) Guidelines can enable the firm to better defend itself against and avoid sexual harassment or discrimination charges; 2) Guidelines can specify reasons why workplace romance may not be a good idea; 3) Guidelines can specify resultant penalties for romancing partners if problems arise; 4) Guidelines can promote a professional and fair work atmosphere; 5) Guidelines can help assure compliance with federal, state, and local laws and recent court cases; 6) Lack of any guidelines sends a lackadaisical message throughout the firm.

Diff: 2

AACSB: Ethical understanding and reasoning

Objective: 3.01 Discuss the ethics of workplace romance.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management

122) What drawback has the resurgence of wildlife populations in the USA had?

Answer: A recent Wall Street Journal article titled "America Gone Wild" talks about how wildlife populations in the USA have experienced an "astonishing resurgence." A drawback of the resurgence is that the total cost of wildlife damage to U.S. crops, landscaping, and infrastructure now exceeds \$28 billion a year, including \$1.5 billion from deer-vehicle crashes alone.

Diff: 2

Objective: 3.02 Explain why concern for wildlife is a strategic issue for firms.

Learning Outcome: Discuss the roles of ethics and social responsibility in strategic management