

Ethics Quiz Answers

The following states the answers to the quiz questions along with the names of the research studies.

Answer Q1. (d) All of the above are true statements. (a) is based on research by Eastman, Eastman, and Eastman 1996; (b) is American Society of CLU and CFC Ethics Officer Association); (c) Cooper and Frank, 1991. People with high ethical values in their personal lives may act unethically in their business practices because of what is expected and rewarded in their work. (Reilly, Kij 1990)

Answer Q2. (a) A strong culture can lead to more ethical behavior if the culture's values and purposes are ethical but it can also lead to conformity of unethical behavior. (Diacon & Ennew, 1996); (b) is true (Trevino 1986); (c) is true because responsibility is more diffused in large organizations (Ford & Richardson, 1994); (d) (Ford & Richardson 1994)

Answer Q3. (b) (Diacon & Ennew, 1996). (d) this is one of the myths exposed in the book by Jim Collins entitled *Built To Last*. In a study of the most successful and enduring companies in America, 17 out of 18 companies were more ideologically driven, and less purely profit driven than their peers. Contrary to business school doctrine, what drives a company is its belief that it provides a value and makes some contribution to society. Maximizing shareholder wealth, or profit maximization, has not been the dominant force for visionary companies. Instead they pursued a cluster of objectives. Making money was only one, and not necessarily the primary one. They are equally guided by a purpose and core values beyond just making money. Profits are what sustain the life of an organization, but they are not what drive the organization to succeed in the long run.

Answer Q4. (c) is the only one that is not true. Countless studies show that although some core values may not change, most values and ethical standards of conduct are influenced by supervisors and management actions; (a) is true (Tyson 1992), people judge themselves by their intentions and they judge others by their actions. (Cooper, 1996); (b) Nel & Watson, 1989, Cooper & Frank, 1992)); (d) True, (Javidan, Memmels, Devine & Dastmalchian).

Answer Q5. (d) As in other training in other aspects, training on how to make decisions is more effective in changing behaviors than training that sets out lists of rules to abide by. (Mahoney, 1997); (a) less than half of employees state that their company's ethical position is stated in training; (b) The existence of a formal code has no relationship on ethical behavior. (Weaver, Trevino, Cochran, 1999) Enron, for example, had an award-winning 79 page Code of Conduct. (c) Unfortunately, awareness by employees does not affect their behavior either. (Kohut & Corriher, 1994, Vitell, 1997). However, clearly communicated and strongly enforced guidelines do make a difference. (Laczniak & Inderrieden, 1987).