

***Behavior in Organizations, 10e (Greenberg)***

**Chapter 2 Organizational Justice, Ethics, and Corporate Social Responsibility**

1) The concept of \_\_\_\_\_ involves people's perceptions of the fairness of the manner in which others treat them.

- A) distributive justice.
- B) informational justice.
- C) procedural justice.
- D) interpersonal justice.

Answer: D

Diff: 1 Page Ref: 41

2) A form of organizational justice that focuses on people's beliefs that they have received fair amounts of valued work-related outcomes is:

- A) distributive justice.
- B) corporate social responsibility.
- C) procedural justice.
- D) interpersonal justice.

Answer: A

Diff: 1 Page Ref: 38

3) People's perception of the fairness of the procedures used to determine the outcomes they receive is:

- A) distributive justice.
- B) corporate social responsibility.
- C) procedural justice.
- D) interpersonal justice.

Answer: C

Diff: 1 Page Ref: 39

4) Imposing new rules on workers without consulting them is thought to violate:

- A) distributive justice.
- B) informational justice.
- C) procedural justice.
- D) interpersonal justice.

Answer: C

Diff: 2 Page Ref: 39

5) When decisions that are made on the basis of unfair procedures make people dissatisfied with the *outcomes* they receive, the dissatisfaction with those *outcomes* alone is about:

- A) distributive justice.
- B) informational justice.
- C) procedural justice.
- D) interpersonal justice.

Answer: A

Diff: 2 Page Ref: 38

6) Charles belittles his employees and makes insensitive comments to them. Charles's behavior is likely to reduce:

- A) distributive justice.
- B) informational justice.
- C) procedural justice.
- D) interpersonal justice.

Answer: D

Diff: 2 Page Ref: 41

AACSB: Reflective Thinking

7) The concept of \_\_\_\_\_ involves people's perceptions of the fairness of the information used as the basis for making a decision.

- A) distributive justice
- B) informational justice
- C) procedural justice
- D) interpersonal justice

Answer: B

Diff: 1 Page Ref: 41

8) Steadman provides clear reasons for the decisions he makes. His behavior is likely to increase:

- A) distributive justice.
- B) informational justice.
- C) procedural justice.
- D) interpersonal justice.

Answer: B

Diff: 2 Page Ref: 41

AACSB: Reflective Thinking

9) Feeling valued by others in the organization provides an explanation for organizational justice effects. This explanation is known as:

- A) interaction effects.
- B) informational justice.
- C) group-value explanation.
- D) interpersonal justice.

Answer: C

Diff: 2 Page Ref: 41

AACSB: Reflective Thinking

10) The fair process effect is associated with:

- A) distributive justice.
- B) informational justice.
- C) procedural justice.
- D) interpersonal justice.

Answer: C

Diff: 1 Page Ref: 43

11) Letting employees know that you are always available to talk is BEST known as which of the following?

- A) Using suggestion systems
- B) Willingness to meet regularly
- C) Conducting employee surveys
- D) Using an open door policy

Answer: D

Diff: 1 Page Ref: 43 - 44

12) Which should NOT be done by managers who want to "promote voice" in an organization?

- A) Invite input
- B) Meet regularly
- C) Avoid suggestion systems
- D) Use an open-door policy

Answer: C

Diff: 1 Page Ref: 43 - 44

13) The results of training to promote justice have shown that:

- A) employees of trained managers are less inclined to respond negatively.
- B) employees of trained managers are more likely to engage in organizational citizenship behaviors.
- C) employees of trained managers are not impacted at all.
- D) Both A and B.

Answer: D

Diff: 2 Page Ref: 44

14) People's fundamental beliefs regarding what is right or wrong, good or bad are known as:

- A) ethical values.
- B) moral values.
- C) business ethics.
- D) social responsibility.

Answer: B

Diff: 1 Page Ref: 48

AACSB: Ethical Reasoning

15) Standards of conduct that guide people's decisions and behavior are known as:

- A) ethics.
- B) morals.
- C) business ethics.
- D) corporate social responsibility.

Answer: A

Diff: 1 Page Ref: 48

AACSB: Ethical Reasoning

16) It is a company's responsibility to set clear \_\_\_\_\_ and train employees to recognize and follow them.

- A) moral values
- B) standards of behavior
- C) normative guidelines
- D) representational axioms

Answer: B

Diff: 2 Page Ref: 48

AACSB: Ethical Reasoning

17) Which of the following companies had its founder serve time in prison after being found guilty of insider trading?

- A) Adelpia
- B) Arthur Andersen
- C) Martha Stewart
- D) WorldCom

Answer: C

Diff: 3 Page Ref: 47

AACSB: Ethical Reasoning

18) Executives at which of the following companies were charged with using corporate funds for making exorbitant purchases?

- A) Adelpia Communications
- B) Arthur Andersen
- C) Enron
- D) Tyco

Answer: A

Diff: 3 Page Ref: 47

AACSB: Multicultural and Diversity

19) Which company had its officers cited for "cooking the books" for personal gain?

- A) Enron
- B) Sears
- C) Tyco
- D) Fortes Telecom

Answer: A

Diff: 3 Page Ref: 47

AACSB: Ethical Reasoning

20) Companies whose leaders explicitly express strong ethical commitment returned \_\_\_\_\_ the value to shareholders.

- A) twice
- B) three times
- C) four times
- D) ten times

Answer: A

Diff: 3 Page Ref: 49

AACSB: Ethical Reasoning

21) Companies with reputations for treating people well are:

- A) ignored by prospective employees.
- B) highly sought by prospective employees.
- C) unknown by prospective employees.
- D) None of the above.

Answer: B

Diff: 2 Page Ref: 49

AACSB: Ethical Reasoning

22) Companies that deliver products and services ethically:

- A) do not draw more customers.
- B) do not draw more employees.
- C) draw more customers and employees.
- D) draw only more customers.

Answer: C

Diff: 2 Page Ref: 49

AACSB: Ethical Reasoning

23) Which of the following laws was the earliest law enacted bearing on ethical behavior?

- A) Foreign Corrupt Practices Act
- B) False Claims Act
- C) Sarbanes-Oxley
- D) Federal Sentencing Guidelines for Organizations

Answer: B

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

24) Which of the following laws provides mechanisms for reporting fraudulent behavior against U.S. government agencies?

- A) Foreign Corrupt Practices Act
- B) False Claims Act
- C) Sarbanes-Oxley
- D) Federal Sentencing Guidelines for Organizations

Answer: B

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

25) Which of the following laws forbids paying bribes to foreign officials?

- A) Foreign Corrupt Practices Act
- B) False Claims Act
- C) Sarbanes-Oxley
- D) Federal Sentencing Guidelines for Organizations

Answer: A

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

26) Which of the following laws specifies guidelines for judges to follow?

- A) Foreign Corrupt Practices Act
- B) False Claims Act
- C) Sarbanes-Oxley
- D) Federal Sentencing Guidelines for Organizations

Answer: D

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

27) Which of the following laws was enacted to guard against future accounting scandals?

- A) Foreign Corrupt Practices Act
- B) False Claims Act
- C) Sarbanes-Oxley
- D) Federal Sentencing Guidelines for Organizations

Answer: C

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

28) Which of the following laws specifies that actions taken by the organization to discourage criminal behavior will be recognized?

- A) Foreign Corrupt Practices Act
- B) False Claims Act
- C) Sarbanes-Oxley
- D) Federal Sentencing Guidelines for Organizations

Answer: D

Diff: 1 Page Ref: 50 - 51

AACSB: Ethical Reasoning

29) Being ethical is not the same as being legal. Therefore, it is useful to think of the law as:

- A) something that ethical corporations simply have to work around.
- B) raising the bar for acceptable standards that companies must reach.
- C) taking the place of ethical behavior by corporate executives.
- D) providing the minimum acceptable standard to which companies must adhere.

Answer: D

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

30) Which of the following laws is a revision of a previous law?

- A) Foreign Corrupt Practices Act
- B) Federal Prosecution of Business Organizations
- C) Sarbanes-Oxley
- D) Federal Sentencing Guidelines for Organizations

Answer: B

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

31) Which of the following laws was the most recent law enacted bearing on ethical behavior?

- A) Foreign Corrupt Practices Act
- B) Federal Prosecution of Business Organizations
- C) Sarbanes-Oxley
- D) Federal Sentencing Guidelines for Organizations

Answer: B

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

32) In which of the following countries is using pirated software considered acceptable?

- A) Indonesia
- B) Japan
- C) Germany
- D) China

Answer: D

Diff: 2 Page Ref: 58

AACSB: Ethical Reasoning

33) In which of the following countries is bribing an official considered an acceptable cost of doing business?

- A) Indonesia
- B) Japan
- C) Germany
- D) China

Answer: A

Diff: 2 Page Ref: 58

AACSB: Ethical Reasoning

34) In which of the following countries must you purchase a gift for the other party in order to conduct business?

- A) Indonesia
- B) Japan
- C) Germany
- D) China

Answer: B

Diff: 2 Page Ref: 58

AACSB: Ethical Reasoning

35) The idea that no culture's ethics are better than any other is embraced by which of the following:

- A) ethical imperialism.
- B) ethical relativism.
- C) Sarbanes-Oxley.
- D) False Claims Act.

Answer: B

Diff: 1 Page Ref: 58

AACSB: Ethical Reasoning

36) The possibility of condoning acts that violate one's own sense of morality can occur in which of the following:

- A) ethical imperialism.
- B) ethical relativism.
- C) Sarbanes-Oxley.
- D) False Claims Act.

Answer: B

Diff: 2 Page Ref: 58

AACSB: Ethical Reasoning

37) Which of the following countries allows companies to dispose of toxic chemical waste?

- A) Canada
- B) Japan
- C) Nigeria
- D) China

Answer: C

Diff: 2 Page Ref: 58 - 59

AACSB: Ethical Reasoning

38) The idea that no matter where you are, you should do whatever you consider to be right at home is called:

- A) ethical imperialism.
- B) ethical relativism.
- C) ethical convenience.
- D) ethical double standards.

Answer: A

Diff: 1 Page Ref: 59

AACSB: Ethical Reasoning



39) The U.S. style of training in avoiding sexual harassment would be questioned in which of the following regions?

- A) South America
- B) Africa
- C) Middle East
- D) Northern Europe

Answer: C

Diff: 2 Page Ref: 59

AACSB: Ethical Reasoning

40) The U.S. style of training in avoiding sexual harassment when done abroad would be a problem in terms of:

- A) ethical relativism.
- B) ethical imperialism.
- C) organizational justice.
- D) None of the above.

Answer: B

Diff: 2 Page Ref: 59

AACSB: Ethical Reasoning

41) Hiring one's own relatives would be considered ethical in which of the following countries?

- A) India
- B) Japan
- C) Nigeria
- D) China

Answer: A

Diff: 2 Page Ref: 60

AACSB: Ethical Reasoning

42) "I'm not going to behave unethically because I don't want to get into trouble." This is moral thinking at which of the following levels?

- A) Preconventional level
- B) Conventional level
- C) Postconventional level
- D) Relativistic level

Answer: A

Diff: 2 Page Ref: 52

AACSB: Ethical Reasoning

43) In which of the following levels of moral reasoning do two-thirds of adults fall?

- A) Preconventional level
- B) Conventional level
- C) Postconventional level
- D) Ethical imperialism

Answer: B

Diff: 2 Page Ref: 53

AACSB: Ethical Reasoning

44) "I'm going to do what society thinks is right." This is moral thinking at which of the following levels?

- A) Preconventional level
- B) Conventional level
- C) Postconventional level
- D) Relativistic level

Answer: B

Diff: 2 Page Ref: 52 - 53

AACSB: Ethical Reasoning

45) The belief that financial success is the only thing that matters is known as:

- A) ethical relativism.
- B) bottom-line mentality.
- C) exploitative mentality.
- D) Madison Avenue mentality.

Answer: B

Diff: 1 Page Ref: 53

AACSB: Ethical Reasoning

46) "I'm not going to do what is right, even if others don't agree." This is moral thinking at which of the following levels?

- A) Preconventional level
- B) Conventional level
- C) Postconventional level
- D) Relativistic level

Answer: C

Diff: 2 Page Ref: 52 - 53

AACSB: Ethical Reasoning

47) Most employees are sensitive to organizational efforts to promote ethical behavior because these represent social standards of right and wrong. This thinking is prevalent at which of the following levels?

- A) Preconventional level
- B) Conventional level
- C) Postconventional level
- D) Relativistic level

Answer: B

Diff: 2 Page Ref: 53

AACSB: Ethical Reasoning

48) Which of the following situational forces do NOT feature prominently in people's tendency to behave unethically?

- A) Organizational norms that encourage unethical behavior
- B) Managerial values that discourage integrity
- C) Impact of unethical behavior by leaders
- D) National culture

Answer: D

Diff: 1 Page Ref: 53

AACSB: Ethical Reasoning

49) Kohlberg's theory of cognitive moral development includes which of the following stages?

- A) Preconventional level
- B) Conventional level
- C) Postconventional level
- D) All of the above.

Answer: D

Diff: 1 Page Ref: 52 - 53

AACSB: Ethical Reasoning

50) In which of the following stages does an individual do whatever keeps her from getting punished?

- A) Preconventional level
- B) Conventional level
- C) Postconventional level
- D) All of the above.

Answer: A

Diff: 2 Page Ref: 52

AACSB: Ethical Reasoning

51) In which of the following stages does an individual do whatever fulfills the obligations of society?

- A) Preconventional level
- B) Conventional level
- C) Postconventional level
- D) Ethical relativism

Answer: B

Diff: 2 Page Ref: 52

AACSB: Ethical Reasoning

52) In which of the following stages does an individual do whatever adheres to universal moral principles?

- A) Preconventional level
- B) Conventional level
- C) Postconventional level
- D) Ethical relativism

Answer: C

Diff: 2 Page Ref: 52

AACSB: Ethical Reasoning

53) The practice of willingly hiding relevant information by being secretive and deceitful is known as:

- A) counternorms.
- B) ethical relativism.
- C) stonewalling.
- D) ethical imperialism.

Answer: C

Diff: 1 Page Ref: 54

AACSB: Ethical Reasoning

54) Practices that are accepted within the organization, although they are contrary to the prevailing ethical standards of society at large, are known as:

- A) counternorms.
- B) ethical relativism.
- C) stonewalling.
- D) ethical imperialism.

Answer: A

Diff: 1 Page Ref: 54

AACSB: Ethical Reasoning

55) The belief that financial success is the only thing that matters is known as:

- A) ethical relativism.
- B) bottom-line mentality.
- C) exploitative mentality.
- D) Madison Avenue mentality.

Answer: B

Diff: 1 Page Ref: 53

AACSB: Ethical Reasoning

56) The belief that concern for others is less important than one's own immediate interests is known as:

- A) ethical relativism.
- B) bottom-line mentality.
- C) exploitative mentality.
- D) Madison Avenue mentality.

Answer: C

Diff: 1 Page Ref: 53

AACSB: Ethical Reasoning

57) The \_\_\_\_\_ asserts that one's own immediate interests are more important than the concern for others.

- A) conventional paradigm
- B) bottom-line mentality
- C) exploitative mentality
- D) internal-external model

Answer: C

Diff: 1 Page Ref: 53

AACSB: Ethical Reasoning

58) Greater concern for how things appear to others rather than how they really are is known as:

- A) ethical relativism.
- B) bottom-line mentality.
- C) exploitative mentality.
- D) Madison Avenue mentality.

Answer: D

Diff: 1 Page Ref: 53

AACSB: Ethical Reasoning

59) "If it looks ethical, it is ethical" represents which of the following mentalities::

- A) imperialist mentality.
- B) bottom-line mentality.
- C) exploitative mentality.
- D) Madison Avenue mentality.

Answer: D

Diff: 2 Page Ref: 53

AACSB: Ethical Reasoning

60) \_\_\_\_\_ involve doing what is right and good for everyone.

- A) Philanthropic responsibilities
- B) Legal responsibilities
- C) Ethical responsibilities
- D) Financial responsibilities

Answer: C

Diff: 2 Page Ref: 61

AACSB: Ethical Reasoning

61) The tendency for companies to do well by doing good is known as:

- A) corporate social responsibility.
- B) the pyramid of corporate social responsibility.
- C) the virtuous circle.
- D) ethical imperialism.

Answer: C

Diff: 1 Page Ref: 64

AACSB: Ethical Reasoning

62) In which of the following do senior-level managers assist the CEO in making ethical decisions?

- A) Ethics officers
- B) Ethics hotlines
- C) Ethics audits
- D) Ethics committees

Answer: D

Diff: 1 Page Ref: 57

AACSB: Ethical Reasoning

63) Which of the following involves a high-ranking organizational official who is expected to provide strategies for ensuring ethical conduct throughout the organization?

- A) Ethics officers
- B) Ethics hotlines
- C) Ethics audits
- D) Ethics committees

Answer: A

Diff: 1 Page Ref: 58

AACSB: Ethical Reasoning

64) Which of the following involves special phone numbers that employees can call to ask questions?

- A) Ethics officers
- B) Ethics hotlines
- C) Ethics audits
- D) Ethics committees

Answer: B

Diff: 1 Page Ref: 58

AACSB: Ethical Reasoning

65) The active investigation and documentation of incidents of dubious ethical value occur in which of the following?

- A) Ethics officers
- B) Ethics hotlines
- C) Ethics audits
- D) Ethics committees

Answer: C

Diff: 1 Page Ref: 56 - 57

AACSB: Ethical Reasoning

66) Which of the following is NOT an element in the pyramid of corporate social responsibility?

- A) Philanthropic
- B) Ethical
- C) Financial
- D) Cultural

Answer: D

Diff: 2 Page Ref: 61

AACSB: Ethical Reasoning

67) Donating money to social causes would fall under which of the responsibilities of corporate social responsibility?

- A) Philanthropic
- B) Ethical
- C) Economic
- D) Financial

Answer: A

Diff: 1 Page Ref: 61

AACSB: Ethical Reasoning

68) Which of the following is at the base of the pyramid of corporate social responsibility?

- A) Cultural
- B) Financial
- C) Ethical
- D) Legal

Answer: B

Diff: 1 Page Ref: 61

AACSB: Ethical Reasoning

69) Adhering to Sarbanes-Oxley would fall under which of the responsibilities of corporate social responsibility?

- A) Philanthropic
- B) Ethical
- C) Legal
- D) Financial

Answer: C

Diff: 2 Page Ref: 61

AACSB: Ethical Reasoning

70) Exceeding the prevailing legal and ethical standards and embracing values that promote the greater welfare of society at large is the domain of distributive justice.

Answer: FALSE

Diff: 2 Page Ref: 38

71) Organizational justice that focuses on people's beliefs that they have received fair amounts of valued work-related outcomes is known as distributed justice.

Answer: TRUE

Diff: 1 Page Ref: 38

72) The perception of the fairness of the procedures used to determine the outcomes they receive is known as procedural justice.

Answer: TRUE

Diff: 1 Page Ref: 39

73) The anterior insula part of the brain is activated in response to procedural injustice.

Answer: FALSE

Diff: 1 Page Ref: 42

74) Procedural injustice activates the part of the brain associated with cognition.

Answer: TRUE

Diff: 1 Page Ref: 42

75) Departments in which employees felt treated unfairly had significantly higher rates of turnover.

Answer: TRUE

Diff: 2 Page Ref: 42

76) Providing employees explanations of why something had to be done will not reduce some of the problems of distributive injustice.

Answer: FALSE

Diff: 2 Page Ref: 44

77) Justice training reaps many benefits to managers.

Answer: TRUE

Diff: 2 Page Ref: 44

78) Standards are about ethics while beliefs are about moral values.

Answer: TRUE

Diff: 1 Page Ref: 48

AACSB: Ethical Reasoning

79) Sears was found guilty of creating bogus partnerships.

Answer: FALSE

Diff: 2 Page Ref: 47

AACSB: Ethical Reasoning



80) Starbucks and Dell have been recognized for their efforts to advance the interests of women.

Answer: TRUE

Diff: 2 Page Ref: 64

81) The False Claims Act provides procedures for reporting fraudulent behavior against U.S. government agencies.

Answer: TRUE

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

82) Sarbanes-Oxley is designed to guard against future accounting scandals.

Answer: TRUE

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

83) The Federal Prosecution of Business Organizations is a revision of the Federal Sentencing Guidelines for Organizations.

Answer: TRUE

Diff: 1 Page Ref: 50

AACSB: Ethical Reasoning

84) In Japan, you must give a small gift to conduct business.

Answer: TRUE

Diff: 2 Page Ref: 58

AACSB: Ethical Reasoning

85) Ethical relativism calls for adopting the ethics of the country in which one is doing business.

Answer: TRUE

Diff: 1 Page Ref: 58

AACSB: Ethical Reasoning

86) Ethical imperialism asserts that the ethical standards in one's own culture are superior.

Answer: TRUE

Diff: 1 Page Ref: 59

AACSB: Ethical Reasoning

87) Decisions made on conventional levels of moral development are motivated by doing what society thinks is correct.

Answer: TRUE

Diff: 2 Page Ref: 52

AACSB: Ethical Reasoning

88) Decisions made on preconventional levels of moral development are motivated on not getting into trouble.

Answer: TRUE

Diff: 2 Page Ref: 52

AACSB: Ethical Reasoning

89) An exploitative mentality believes that what looks right is right.

Answer: FALSE

Diff: 1 Page Ref: 53

AACSB: Ethical Reasoning

90) Identify the different factors that people take into consideration when forming judgments of procedural justice.

Answer: In forming judgments, people take into account (1) voice in the making of decisions, (2) consistency in applying rules, (3) accuracy in use of information, (4) opportunity to correct errors, and (5) the provision of safeguards against bias.

Diff: 2 Page Ref: 39

91) Discuss the steps organizations take to mitigate the severity of the Federal Sentencing Guidelines.

Answer: The Guidelines specify that companies can take actions, such as the following, to show efforts to prevent and detect violations of the law. (1) Develop compliance standards and procedures designed to minimize criminal conduct. (2) Make high-level personnel responsible for overseeing compliance with such standards and procedures. (3) Avoid assigning to positions any employees they know (or should know) to be inclined to pursue illegal activities. (4) Communicate ethical standards through training programs or by disseminating publications that explain appropriate behavior. (5) Monitor behavior by having in place a system that employees can use to report criminal behavior without fear of retribution. (6) Develop a system for enforcing standards, such as by disciplining employees appropriately. (7) Respond appropriately to offenses by taking reasonable steps to ensure that they will not be repeated.

Diff: 2 Page Ref: 51

AACSB: Ethical Reasoning

92) Identify the three levels of moral reasoning.

Answer: (1) *Preconventional Level* (the person does what keeps him/her from being punished), (2) *Conventional Level* (the person does what fulfills the obligations of society), and (3) *Postconventional Level* (the person adheres to universal moral principles).

Diff: 2 Page Ref: 52, 53

AACSB: Ethical Reasoning

93) Identify the three managerial mentalities that discourage ethical behavior.

Answer: (1) Bottom-line mentality, in which financial success is the only thing that matters, (2) exploitative mentality, in which concern for others is less important than ones immediate interests, and (3) Madison Avenue mentality, in which the concern is for how things appear rather than how they really are.

Diff: 2 Page Ref: 53

AACSB: Ethical Reasoning

94) Identify the four types of corporate social responsibility.

Answer: The most basic type is financial responsibilities, followed by legal responsibilities, ethical responsibilities, and philanthropic responsibilities.

Diff: 1 Page Ref: 61

AACSB: Ethical Reasoning

95) What does one do to promote voice in organizations?

Answer: (1) Meet regularly and invite input, (2) conduct employee surveys, (3) keep an open-door policy, and (4) use suggestion systems.

Diff: 1 Page Ref: 43 - 44

96) Distinguish between ethical relativism and ethical imperialism.

Answer: Ethical relativism refers to the idea that there are no internationally acceptable standards of right and wrong. Conversely, ethical imperialism is the idea that the ethical standards of one's own country are most appropriate.

Diff: 2 Page Ref: 58 - 59

AACSB: Ethical Reasoning

97) Identify the three guiding principles of global ethics.

Answer: (1) Show respect for core human values, (2) demonstrate sensitivity to local traditions, and (3) recognize that context matters when distinguishing between right and wrong.

Diff: 2 Page Ref: 59

AACSB: Ethical Reasoning

98) Identify the typical components of a corporate ethics program.

Answer: Typical corporate ethics programs consist of some combination of the following components. A *code of ethics* is a document describing that for which an organization stands and the general rules of conduct expected of employees. Codes of ethics are especially effective when they are used in conjunction with *ethics training* programs that reinforce the company's ethical values. Just as companies regularly audit their books to check on irregularities in their finances, they should also conduct *ethics audits* to assess the behavior of employees and identify irregularities in ethical activity. An *ethics committee* is a group of senior-level managers from various areas of the organization who assist the CEO in making ethical decisions. An *ethics officer* is a high-ranking organizational official who is expected to provide strategies for ensuring ethical conduct throughout the organization. To be effective, companies must have a *mechanism for communicating ethical standards*, and clearly articulate (and reinforce) ethical expectations to employees.

Diff: 2 Page Ref: 56

AACSB: Ethical Reasoning

99) Identify what happens to employees when companies have ethics programs.

Answer: (1) They are more likely to report ethical misconduct, (2) they are considered more accountable for ethics violations, and (3) they face less pressure to compromise standards of business conduct.

Diff: 2 Page Ref: 58

AACSB: Ethical Reasoning