TT TEXTBOOK TESTBANKS

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Easy

Multiple Choice (19)

Q1. *[Multiple Choice]*

A(n) ______ ethical dilemma occurs when the decision maker is aware of the ethical implications of a decision.

- **a) conscious ✓ correct**
- **b)** separation
- **c)** continuous
- **d)** unconscious

Q2. *[Multiple Choice]*

According to Ben Franklin, two passions that strongly influence human behavior are ______.

- **a)** fear and greed
- **b)** integrity and duty
- **c) ambition and avarice ✓ correct**
- **d)** power and knowledge

Q3. *[Multiple Choice]*

According to one study, 63% of the average corporation's market value can be attributed to ______.

- **a)** quality of product
- **b) reputation ✓ correct**
- **c)** share price
- **d)** market share

Q4. *[Multiple Choice]*

According to one survey of 250 Wall Street insiders, roughly one–fourth of respondents believed what incentivized employees to act unethically or illegally?

- **a)** ambiguity concerning what behavior was unethical
- **b) compensation plans and bonus structures ✓ correct**
- **c)** overt instruction by managers to engage in illegal/unethical acts
- **d)** individual workload

Q5. *[Multiple Choice]*

Employees exposed to abusive supervision are more likely to ______, which can increase organizational costs.

- **a)** enroll in company–sponsored therapy
- **b)** work unpaid overtime to avoid conflict
- **c) engage in retaliatory actions like reduced effort ✓ correct**
- **d)** transfer to a different department without notice

Q6. [Multiple Choice]

How does the text define “well–managed organization”?

- **a) A community of people on a common mission to be effective, efficient, and ethical. ✓ correct**
- **b)** A community of people seeking a common goal in the marketplace.
- **c)** An efficient hierarchy of managers and employees operating under conditions of discipline and trust.
- **d)** A community of employees and managers working together to provide a net benefit to society.

Q7. [Multiple Choice]

Milgram's experiment in which people were instructed to shock learners who gave the wrong answer demonstrated that people sometimes act unethically because they ______.

- **a)** are excited by breaking norms
- **b)** believe their actions have no real consequences
- **c) tend to obey authority figures ✓ correct**
- **d)** benefit personally from the action

Q8. [Multiple Choice]

One research study reported that nearly 25% of middle managers have written fraudulent internal reports, most often due to pressure from ______.

- **a)** customers and clients
- **b) their superiors ✓ correct**
- **c)** themselves
- **d)** employees seeking more resources

Q9. [Multiple Choice]

*Organizational culture*refers to ______.

- **a)** industry trends followed by a company
- **b)** government regulations on business practices
- **c)** company investment in office space and technology
- **d) values, policies, and behaviors that shape decision–making ✓ correct**

Q10. [Multiple Choice]

The Society for Human Resource Management and the Ethics Resource Center found the most common reason an employee was pressured to act unethically was ______.

- **a)** schedule stress
- **b)** wanting to help the team
- **c) directives from a boss ✓ correct**
- **d)** need for personal gain

Q11. [Multiple Choice]

What affects approximately 13% of U.S. workers and costs an estimated $23.8 billion annually?

- **a)** poor customer–employee relationships
- **b)** pressure to lie
- **c)** employee theft
- **d) abusive supervision ✓ correct**

Q12. [Multiple Choice]

What are the two core types of ethical dilemma?

- **a)** motivated and unmotivated
- **b)** action and inaction
- **c)** emotional and analytical
- **d) conscious and unconscious ✓ correct**

Q13. [Multiple Choice]
What did the U.S. Chamber of Commerce identify as the most common types of employee theft?

- **a)** personal calls and Internet usage
- **b)** office supplies, toilet paper, and printer ink
- **c) check tampering, payroll fraud, and expense padding ✓ correct**
- **d)** time theft by taking lengthy lunch and bathroom breaks

Q14. [Multiple Choice]
What does the Ethical Systems Model suggest organizations should do after disciplining an employee for unethical behavior?

- **a)** quickly move to a new project to limit the negative effects on morale
- **b) investigate systemic issues such as hiring, training, or evaluation processes ✓ correct**
- **c)** increase the severity of punishments for future violations
- **d)** publicly disclose the incident to show they take violations seriously

Q15. [Multiple Choice]
What is the first component of an action sequence?

- **a)** considering the consequences of the act
- **b) motivation ✓ correct**
- **c)** the act itself
- **d)** opportunity

Q16. [Multiple Choice]
What is the purpose of the Ethical Systems Model?

- **a)** to reduce the number of company–wide ethics trainings
- **b)** to eliminate legal risks from company operations
- **c)** to increase company profits and employee salaries
- **d) to reinforce positive behaviors and reduce ethical risks ✓ correct**

Q17. [Multiple Choice]
What is the relationship between organizational artifacts and behaviors, espoused values, and assumptions?

- **a)** Artifacts create values by visually demonstrating assumptions.
- **b)** Values are reinforced in assumptions and defined by artifacts.
- **c)** Artifacts reflect short–term values, whereas assumptions reflect long–term values.
- **d) Assumptions generate values, which are then represented as artifacts. ✓ correct**

Q18. [Multiple Choice]
What should be the primary ethical goal of managers in an organization?

- **a)** creating a common mission for employees
- **b)** appropriately serving the needs of customers
- **c)** producing a trustworthy product
- **d) fostering trust, efficiency, and integrity across a range of actions for stakeholders ✓ correct**

Q19. [Multiple Choice]
Which stakeholder group is specifically noted to prefer ethical organizations even when the anticipated return on investment is smaller?

- **a) investors ✓ correct**
- **b)** customers
- **c)** employees
- **d)** government regulators

True/False (4)

Q20. *[True/False]*
On the whole, people tend to respond to unfair or dishonest treatment with fair and honest treatment.

- **a)** True
- **b) False ✓ correct**

Correct answer: False

Q21. *[True/False]*
Organizations that focus narrowly on revenue and wealth generation are more likely to foster ethical behavior.

- **a)** True
- **b) False ✓ correct**

Correct answer: False

Q22. *[True/False]*
Research has demonstrated a positive causal relationship between corporate social responsibility and financial performance.

- **a) True ✓ correct**
- **b)** False

Correct answer: True

Q23. *[True/False]*
Small businesses are somewhat less prone to ethical challenges than larger corporations.

- **a)** True
- **b) False ✓ correct**

Correct answer: False

Medium

Multiple Choice (42)

Q24. *[Multiple Choice]*
A company discovers a pattern of unethical billing practices in their accounting department. As the company seeks to combat such behavior in the future, they will most likely experience ______.

- **a)** years of high employee turnover
- **b)** reduced need for compliance training
- **c)** increased absentee costs
- **d) increased monitoring costs ✓ correct**

Q25. *[Multiple Choice]*
A supervisor has received information that a high–performing and well–liked employee has acted in a way that violates company policy. They now must make the decision whether to terminate the employee. Which type of ethical dilemma is this an example of?

- **a)** truth versus loyalty
- **b)** individual versus community
- **c)** short term versus long term
- **d) justice versus mercy ✓ correct**

Q26. *[Multiple Choice]*

According to the Great Place to Work Institute in 2015, ethical companies ______.

a) required fewer compliance audits

b) had lower employee turnover but stagnant growth

c) had nearly a 300% greater stock price growth than their peers ✓ correct

d) offered the highest executive compensation in the market

Q27. *[Multiple Choice]*

Conscious ethical dilemmas differ from unconscious ethical dilemmas because in unconscious ethical dilemmas you ______.

a) are not aware of the moral issue occurring ✓ correct

b) know the action you are taking is wrong

c) know an action is right, but you are very tempted to do what is wrong

d) are aware a decision is a moral issue, but others are not

Q28. *[Multiple Choice]*

Erin, a millennial, has been interviewing for accounting manager positions. She has two competing offers. One company is offering a higher wage and has a shorter commute, but there have been reports of unethical dealings with customers billable hours. The second company is offering a slightly lower salary but is known industry wide as having high professional and ethical standards. Which factor is likely to have the most significance in which job Erin decides to accept?

a) company reputation ✓ correct

b) wage

c) commute time

d) opportunity for advancement

Q29. *[Multiple Choice]*

Ethical decisions where people must choose between competing values are also characterized as ______.

a) right versus right ✓ correct

b) right versus wrong

c) justice versus loyalty

d) good versus bad

Q30. *[Multiple Choice]*

Ethics can be defined as the ______.

a) moral code adopted by each person—and the actions taken under that code—with respect to those it will affect

b) quality of intention a person takes into each decision with respect to those whom the decision will affect

c) actions a person takes to determine if they improve or lessen the quality of life for the community

d) set of principles a person uses to determine whether an action is good or bad ✓ correct

Q31. *[Multiple Choice]*

Hae–Won, a middle manager at a sales company, wrote a dishonest internal report to make her team seem more productive than it was. Based on general trends, what is the most likely reason she wrote this report?

a) to avoid being fired

b) to gain new clients

c) for personal gain

d) in response to pressure from a superior ✓ correct

Q32. *[Multiple Choice]*

How are small businesses different from large businesses with respect to ethics violations?

a) The difficulties of managing morally questionable employees are somewhat smaller with small businesses.

b) They are less susceptible to bullying issues with large clients.

c) They are likely to have more respectful and less contentious relationships with clients and customers.

d) They are more likely to experience morally imperfect behavior. ✓ correct

Q33. *[Multiple Choice]*

Indira's financial services company knowingly financed high–risk securities during a time when all their competitors were doing the same, and like others, they were caught in the process. Over the next decade, what is likely to be the most quantifiable cost to the company?

a) fired employees and associated severance packages

b) lowered budgets for projects beginning the year the unethical conduct occurred

c) lowered employee morale ✓ correct

d) ongoing legal defenses

Q34. *[Multiple Choice]*

Janele was excited to interview for a position at a tech company. After the interview, she learns the company has a history of unethical behavior. Considering research in this area, statistically speaking, is Janele likely to accept the position if offered the job?

a) Yes, since this is a position she was excited about, she will likely accept the position.

b) Yes, most people accept the job, regardless of what it is, when offered to them.

c) No, learning that the company is unethical would likely result in her turning down the position. ✓ correct

d) It depends on whether she is currently employed or not.

Q35. *[Multiple Choice]*

Karen and her friend were in a hurry, so they jumped to the front of the line at the café in order to get their coffee quicker. Karen's friend said, "That wasn't good of us." Her friend just ______.

a) misapplied ethical reasoning

b) rejected analytical perspective

c) became a stakeholder

d) performed an ethical analysis ✓ correct

Q36. *[Multiple Choice]*

Key to successful long–term organizational growth are ______.

a) lack of employee turnover and experienced managers

b) minimal compliance training and employee autonomy

c) aggressive recruitment practices

d) honesty, trust, integrity and credibility ✓ correct

Q37. *[Multiple Choice]*

Perhaps the easiest way to quantify the costs associated with unethical behaviors is by ______.

a) interviewing defrauded clients

b) looking at lawsuits ✓ correct

c) surveying employees to determine work hours lost

d) comparing revenue of ethical companies to unethical ones

Q38. [Multiple Choice]

Two companies produce different proprietary versions of the same product. The two versions are very alike in quality and effectiveness, but the product from the company with a strong reputation for ethical performance costs slightly more. Given statistical research findings, what will most Americans who want this type of product do assuming they are familiar with the two companies?

a) Base their purchase on convenience and disregard ethical reputation.

b) Base their purchase not on ethics or price but solely on user reviews.

c) Pay the higher price for the product from the ethical company. ✓ correct

d) Pay the lower price for the product from the company with no reputation for ethics.

Q39. [Multiple Choice]

Unethical organizations tend to have higher employee turnover, which directly results in ______.

a) higher monitoring costs

b) increased legal costs

c) higher profit margins due to reduced staff

d) increased costs in recruiting and training new employees ✓ correct

Q40. [Multiple Choice]

What conclusion about ethical corporate behavior can be drawn from the lawsuits and payouts that firms such as Bank of America, Johnson & Johnson, and Philip Morris continue to be subject to?

a) Specific employee actions are more costly than a culture of unethical behavior.

b) Even if upper management initiates unethical behavior, lower–level employees often pay the highest costs.

c) Just because an organization's behavior is legal does not mean there will not be ethical and financial costs. ✓ correct

d) State and local governments can exact steep costs even from international corporations.

Q41. [Multiple Choice]

What cultural risk is posed by a workplace narrowly focused on wealth generation?

a) decreased efficiency

b) encouragement of innovation at the cost of structure

c) cutting ethical corners and ignoring others' well–being ✓ correct

d) lack of employee engagement in social media initiatives

Q42. [Multiple Choice]

What did the 2023 Ethics & Compliance Initiative (ECI) worldwide survey observe about the reporting of ethical violations?

a) Most who reported the misconduct said they did so in hopes of hurting the perpetrator.

b) Almost half of respondents experienced retaliation for reporting the misconduct. ✓ correct

c) Slightly less than half reported the misconduct.

d) Most respondents reported that they faced no consequences for reporting misconduct.

Q43. [Multiple Choice]

What does research show about Wall Street investors' response to new accounting laws requiring financial transparency?

a) They seek to invest in companies they believe will be most talented at avoiding the provisions of such laws.

b) They do not factor it into their calculations because such laws are applied across all companies.

c) They react poorly because they know companies will be less capable of maximizing profits.

d) They respond favorably because investors prefer higher ethical behavior in companies in which they invest. ✓ correct

Q44. *[Multiple Choice]*

What ethics policy trend was observed by the 2023 Ethics & Compliance Initiative (ECI) worldwide survey?

a) Most of the time, when managers were pressured to violate ethical standards, lawbreaking was involved.

b) Nearly half of managers had pressured their own subordinates to commit fraud for their department's gain.

c) Around 10% were forced out of their jobs for refusing to violate ethical standards when pressured.

d) Only 30% of employees reported their organization had even basic ethics programs in place. ✓ correct

Q45. *[Multiple Choice]*

What has research shown about the value Americans place on the ethical nature of their employer?

a) A minority of Americans consider an ethical culture a very important component in an employer.

b) The majority of Americans do not consider ethics when looking for an employer.

c) Most Americans would like to work for an ethical company but do not consider it a priority.

d) A vast majority believe it is highly important to work for an ethical company. ✓ correct

Q46. *[Multiple Choice]*

What is a primary criticism of the separation thesis theory?

a) It focuses too heavily on stakeholder satisfaction and not enough on profit.

b) It emphasizes ethical decision–making at the expense of efficiency.

c) It oversimplifies operational decisions by ignoring financial complexity.

d) It fails to acknowledge that ethical and economic considerations are inherently linked. ✓ correct

Q47. *[Multiple Choice]*

What is ethical behavior in the workplace most strongly influenced by?

a) financial incentives set by management

b) policies and procedures of the workplace

c) individual past behavior and current work environment ✓ correct

d) the severity of consequences set by the organization for unethical behavior

Q48. *[Multiple Choice]*

What is one benefit of ethical behavior in organizations?

a) legal immunity from lawsuits

b) reduced employee supervision ✓ correct

c) increase in salaries for executives

d) reduced pressure from government agencies

Q49. *[Multiple Choice]*

What is one strategic benefit ethical organizations gain with local governments and communities?

a) exemption from corporate tax obligations

b) direct control over public policy decisions

c) access to government funding programs

d) support from politicians during conflicts ✓ correct

Q50. *[Multiple Choice]*

What is the most likely cause for an individual to take a job at an unethical organization over an ethical one?

a) greater opportunity for personal enrichment through rule breaking

b) belief that workload will be easier/smaller

c) individual ignorance about ethics

d) much higher pay and benefits ✓ correct

Q51. *[Multiple Choice]*
What is the purpose of applying the “Total Quality Management of Ethics” approach when an unethical act occurs?

- **a)** to immediately terminate the employee
- **b)** to revise all company policies immediately
- **c)** to identify and punish all responsible parties
- **d) to determine the root cause of the unethical behavior ✓ correct**

Q52. *[Multiple Choice]*
What is the relationship between ethical behavior and financial performance?

- **a) Ethical behavior is seen as an aid to financial performance. ✓ correct**
- **b)** Businesses have a choice between financial performance and ethical behavior.
- **c)** Ethical behavior has little impact on organizational performance.
- **d)** Businesses prefer the short–term benefits of unethical action.

Q53. *[Multiple Choice]*
What key ethical tension is illustrated by the example of a manager withholding confidential information from an employee that it would negatively impact?

- **a) truth versus loyalty ✓ correct**
- **b)** justice versus mercy
- **c)** short–term versus long–term
- **d)** individual versus community

Q54. *[Multiple Choice]*
What lesson is the text trying to convey by relating the example of ignition switch malfunctions in General Motors cars?

- **a) Failure to report unethical behavior can be extremely costly. ✓ correct**
- **b)** People fail to report unethical behavior mainly out of concern for the person doing the action.
- **c)** Most unethical behaviors are intentional in nature.
- **d)** Failure to report unethical behavior is usually due to valuing short–term benefits over long–term benefits.

Q55. *[Multiple Choice]*
When asked to rate professions by how much they were trusted, what was the only profession Gallup Poll respondents rated higher than 30%?

- **a)** doctors
- **b)** nonprofit charity officers
- **c)** police officers
- **d) nurses ✓ correct**

Q56. *[Multiple Choice]*
When companies consistently act ethically, their suppliers are more likely to ______.

- **a)** reduce product costs and increase wages
- **b)** demand longer payment terms
- **c) be loyal ✓ correct**
- **d)** act unethically

Q57. *[Multiple Choice]*

When considering ethics, how does an action differ from the consequences of that action?

- **a)** Acts carry moral weight, while consequences are neutral to the person taking the action.
- **b) Acts are morally neutral, while consequences have ethical weight. ✓ correct**
- **c)** Acts carry concrete moral implications, while consequences are subject to interpretation.
- **d)** An act has moral implications for the actor, while consequences have moral implications only for those acted upon.

Q58. *[Multiple Choice]*

When it comes to the costs of unethical behavior, the Volkswagen (VW) emissions scandal demonstrates that companies can ______.

- **a)** commit unethical actions while trying to act ethically
- **b)** legal protection can shield upper management from the costs of unethical behavior
- **c) seriously underestimate the costs of unethical behavior ✓ correct**
- **d)** sometimes commit major ethical violations and not suffer a loss of reputation

Q59. *[Multiple Choice]*

Which is one general reason that good people sometimes behave unethically?

- **a) causing, but not intending, an unethical outcome ✓ correct**
- **b)** choosing not to justify an unethical behavior
- **c)** failing to prevent an unethical behavior out of self–doubt
- **d)** choosing one set of values that are self–serving

Q60. *[Multiple Choice]*

Which of the following could be classified as a stakeholder of a local clothing retail business?

- **a) a person who buys clothes from the business ✓ correct**
- **b)** the owners of a restaurant across the street
- **c)** a gift shop down the street
- **d)** a person who works at the coffee shop next door

Q61. *[Multiple Choice]*

Which of the following is one of the four types of ethical dilemmas based on competing values?

- **a)** short–term versus reward
- **b)** community versus common good
- **c)** truth versus justice
- **d) truth versus loyalty ✓ correct**

Q62. *[Multiple Choice]*

Which of the following was observed by employees included in the 2023 Ethics & Compliance Initiative (ECI) global survey about work–related ethics issues?

- **a) Less than a quarter reported their organization as having a strong ethical culture. ✓ correct**
- **b)** Only a few respondents observed an incident of ethical misconduct.
- **c)** Most of the misdeeds reported were ongoing behaviors.
- **d)** Senior management was implicated in very few ethical misdeeds, perhaps out of fear of retribution.

Q63. *[Multiple Choice]*

Which statement about sexual harassment in the workplace is accurate?

- **a)** The legal profession has the highest rate of reports for sexual harassment among professions.
- **b) Reporting of incidents by one female employee typically encourages others to come forward. ✓ correct**
- **c)** Roughly half of women subjected to sexual harassment report the incident.
- **d)** In surveys, some 60 percent or more of women report having been sexually harassed.

Q64. [Multiple Choice]

Which statement about the relationship between corporate social responsibility and corporate financial performance is accurate?

- **a)** Research has demonstrated a slightly negative causal relationship—greater social responsibility causes lower (but not low) financial performance.
- **b)** No direct relationship can be shown, but social responsibility should be pursued for its own sake.
- **c)** Companies in developing nations show greater return on financial performance for corporate social responsibility than companies in developed nations.
- **d) Research increasingly shows a positive causal relationship between the two. ✓ correct**

Q65. [Multiple Choice]

"Speaking up" is a common attribute of high–quality E&C programs, as evidenced by ______.

- **a)** senior leaders modeling integrity in their daily decision making
- **b) employees having multiple methods of reporting misconduct without retaliation ✓ correct**
- **c)** leadership reinforcing that consequences will occur for ethics violations
- **d)** a clear policy that defines response and escalation methods for significant ethics violations

True/False (6)

Q66. [True/False]

Companies can be held liable for unethical behavior even if everything they do is legal.

- **a) True ✓ correct**
- **b)** False

Correct answer: True

Q67. [True/False]

Implementing more components of an ethics program in an organization is linked to a decrease in observed unethical behavior.

- **a) True ✓ correct**
- **b)** False

Correct answer: True

Q68. [True/False]

In an action sequence, the motivation for the act is the only component that carries ethical weight.

- **a)** True
- **b) False ✓ correct**

Correct answer: False

Q69. [True/False]

Most Americans claim that they would not take a job from a company with an unethical reputation even if unemployed.

- **a) True ✓ correct**
- **b)** False

Correct answer: True

Q70. [True/False]

One of the reasons good people engage in unethical behavior is because they don't know that the consequences of their actions are unethical.

- **a) True ✓ correct**
- **b)** False

Correct answer: True

Q71. *[True/False]*

Only senior leadership is expected to act in line with the organization's ethical values.

- **a)** True
- **b) False ✓ correct**

Correct answer: False

Essay (5)

Q72. *[Essay]*

Describe the typical costs of abusive supervision to a business.

> ***Suggested answer:*** *Sample response: Employees respond in many different ways to abusive supervision by management. Absenteeism can increase, health care costs can rise dramatically, and worker productivity often decreases. Some employees also retaliate by abusing others or stealing from the organization.*

Q73. *[Essay]*

Give an example of a stakeholder in an organization.

> ***Suggested answer:*** *Sample response: A stakeholder is any person or organization that is affected by, or could affect, an organization's ability to accomplish its goals. A customer, a supplier, a competitor, or even a government regulator who must deal with the organization are examples.*

Q74. *[Essay]*

List two of the four general reasons that good people behave unethically.

> ***Suggested answer:*** *Sample response: There are four possible answers, which are not intending to generate the unethical outcome of an action, choosing one set of values over a competing set of values, justifying the unethical action based on a more compelling reason to act, and choosing not to prevent an unethical action for compelling reasons (like survival).*

Q75. *[Essay]*

What is the cost of lost reputation to a business?

> ***Suggested answer:*** *Sample response: The costs of lost reputation are often multidimensional. The most direct cost is lost business; however, the effects can also be felt in loss of current employees and difficulty hiring quality new employees. Most organizations count on a good reputation as part of their market value.*

Q76. *[Essay]*

Why is it important for organizations to address the root causes of unethical behavior rather than just disciplining the employee involved?

> ***Suggested answer:*** *Sample response: It is important to address the root causes of unethical behavior because simply disciplining the employee treats the symptom but not the system that allowed the behavior to happen. According to the Ethical Systems Model, unethical actions often result from failures in organizational structures like hiring practices, ethics training, or performance evaluation systems. Without identifying and fixing these underlying issues, similar problems are likely to recur. This approach is like total quality management, where the goal is to reduce ethical risks to near zero by improving the systems that shape behavior.*

Hard

Multiple Choice (17)

Q77. *[Multiple Choice]*

Angela works as a hiring manager at her firm. She does her best to hire ethical employees. What cost, which includes the loss of company time, may be directly incurred by her organization if she hires untrustworthy employees?

- **a) theft ✓ correct**
- **b)** damaged reputation
- **c)** customer disloyalty
- **d)** legal

Q78. *[Multiple Choice]*

Harold was caught lying about his worked hours on a time sheet, admonished, and allowed to stay on at the company. What type of company cost related to Harold will rise now that the incident has already occurred?

- **a)** costs due to loss of company time
- **b)** public reputation
- **c) monitoring costs ✓ correct**
- **d)** lost salary costs

Q79. *[Multiple Choice]*

If a sales manager asks subordinates to falsify their sales numbers and justifies it by saying, "The end justifies the means," the manager is likely making an argument that ______.

- **a)** lying is essentially a victimless crime
- **b) the company must do anything it can to succeed in the marketplace ✓ correct**
- **c)** helping her subordinates do well justifies the minor ethical issue with lying
- **d)** loyalty is no excuse for poor work performance

Q80. *[Multiple Choice]*

If an office worker sometimes takes supplies home for personal use without asking and justifies it because others in the company do the same, what is the worker using to justify the action?

- **a) organizational culture ✓ correct**
- **b)** avoiding pain
- **c)** short–term gain for long–term success
- **d)** deserved rewards

Q81. *[Multiple Choice]*

In which situation is unintentional unethical behavior more likely to occur?

- **a) A salesperson lacks knowledge about a product's warranty. ✓ correct**
- **b)** An employee believes they may be punished for underperforming.
- **c)** Management has set unrealistically high sales goals.
- **d)** Company leaders believe competitors are engaging in questionable behavior.

Q82. *[Multiple Choice]*

Joan works as a personal injury attorney, and her husband, Ali, is a consultant for a financial services firm. What particular type of ethical misconduct might they both be tempted to commit that is a common issue in, and somewhat unique to, their professions?

- **a) charging for unearned billable hours ✓ correct**
- **b)** overusing unpaid internships
- **c)** dishonesty with clients
- **d)** colluding with competitors to guide the market

Q83. *[Multiple Choice]*

Kamilah runs a medium–sized real estate agency in her hometown. After some clients reported violations, it became public knowledge—and was printed in the newspaper—that the company inflated its closure numbers with fake sales. The most direct reputation cost for Kamilah's company will be ______.

- **a)** employees leaving the company
- **b)** governmental sanctions
- **c)** an inability to hire quality employees
- **d) lost business ✓ correct**

Q84. *[Multiple Choice]*

Natalia is a millennial searching for a new job. If she is in the statistical majority, what would be the most important factor for her in choosing a company to work for?

- **a) ethical culture/operation ✓ correct**
- **b)** salary
- **c)** company reputation for financial success
- **d)** schedule flexibility and work/life balance

Q85. *[Multiple Choice]*

There is a high level of mistrust between construction owners and contractors. When these two groups must work together on a project, this high level of mistrust is going to raise what cost in particular?

- **a)** reputation costs
- **b) monitoring costs ✓ correct**
- **c)** direct costs related to theft
- **d)** legal costs

Q86. *[Multiple Choice]*

When addressing unethical behavior using the Total Quality Management approach, an action must include a(n) ______.

- **a)** public apology and employee bonus plan
- **b)** HR audit and job reassessments for all involved
- **c)** legal review and partial restructuring of the organization
- **d) clearly stated problem, obstacles, recommendations and success metrics ✓ correct**

Q87. *[Multiple Choice]*

Which behavior is an example of the "speaking up" attribute of high–quality ethics and compliance programs?

- **a)** sharing financial results publicly
- **b)** promoting employees based on tenure
- **c)** offering cash bonuses for reporting wrongdoing
- **d) providing multiple channels to report misconduct ✓ correct**

Q88. *[Multiple Choice]*

Which behavior is considered unethical behavior in the workplace?

- **a)** clocking out for lunch and returning to work 15 minutes late
- **b)** booking the most expensive hotel room allowed by the company for a sales trip
- **c) letting a teammate take the blame for a shipping delay that was your fault ✓ correct**
- **d)** failing to provide feedback to your manager because the email request was overlooked

Q89. *[Multiple Choice]*

Which behavior qualifies as an unintended unethical behavior?

- **a)** punching a stranger because they insulted you
- **b)** failing to report an unwanted sexual advance for fear of being fired
- **c) a store manager using a waste disposal service that secretly pollutes ✓ correct**
- **d)** going along with a boss’s unethical request because one values loyalty

Q90. *[Multiple Choice]*

Which conclusion about human nature and morality can be drawn from the Stanley Milgram experiment involving electric shocks?

- **a)** Personal gain does not often factor into unethical behavior that harms others.
- **b)** People will choose to harm others if they believe it makes the community healthier.
- **c)** Good people have basic moral boundaries that almost nothing will compel them to cross.
- **d) Direction from authority can convince good people to harm others. ✓ correct**

Q91. *[Multiple Choice]*

Which of the following exemplifies the “strategy” attribute of a high–quality ethics and compliance program?

- **a)** Senior leaders receive ethics training.
- **b)** Disciplinary actions are published company–wide.
- **c) E&C objectives are integrated into business strategy. ✓ correct**
- **d)** Ethical conduct is reviewed during employee performance reviews.

Q92. *[Multiple Choice]*

Which of the following is an example of a “justice versus mercy” ethical dilemma based on competing values?

- **a)** A mother wonders if she should try to restrict spending money on her young children so that she can save for their college fund.
- **b)** A city council has to vote on whether or not to allocate the majority of their resources to help a few people whose property was damaged by a fire.
- **c)** A man needs to feed his children but has no job and wonders if he should steal food for them.
- **d) A police officer sees a woman accidentally break the law and wonders if he should arrest her. ✓ correct**

Q93. *[Multiple Choice]*

Which of the following is an example of the “accountability” element in an effective ethics program?

- **a)** clearly defined employee wellness initiatives
- **b)** mandatory dress codes enforced at all levels
- **c)** the CEO personally signing employee performance reviews
- **d) code of conduct specifying that ethics violations will have consequences ✓ correct**

Essay (5)

Q94. *[Essay]*

A mid–size company in the financial services sector is facing a public scandal after it was discovered that employees manipulated customer data to meet aggressive sales quotas. Senior leadership is blaming a few "bad actors" and has terminated them. However, similar incidents occurred the year before. Using the Ethical Systems Model, how should the company address the root causes of this recurring unethical behavior? Identify two likely contributing factors and explain what the company should do next.

> ***Suggested answer:*** *Sample response: The company should go beyond blaming individuals and assess the systemic causes of the behavior. Two likely contributing factors are (1) unrealistic work goals, as aggressive quotas may have pressured employees to act unethically, and (2) manager role model problems, if leaders failed to model ethical behavior or encouraged rule-bending to meet targets. To address this, the company should evaluate and adjust performance metrics to ensure they're ethical and attainable, and conduct leadership training to reinforce ethical expectations. They should also review their ethics training and reporting systems to ensure employees feel supported in speaking up.*

Q95. *[Essay]*

If you are a manager, what is your role in helping to create a well–managed organization?

> ***Suggested answer:*** *Sample response: Broadly, one's job as a manager is to help your employees take on a common mission to help the community of people who make up an organization become effective, efficient, and ethical. All three of these attributes are interrelated. In an effective organization, the people accomplish their goals; in an efficient one, they do so without wasting resources. For ethical organizations, people accomplish these tasks while respecting the integrity and dignity of others. As a manager, one must help create an ethical environment for any of the other components to be present, and that can include choosing good people and applying ethical standards to their conduct and your own.*

Q96. *[Essay]*

Why might a company be held liable for unethical behavior even if that behavior is entirely legal in nature?

> ***Suggested answer:*** *Sample response: Governments and laws are not perfect, and they cannot always force fully ethical behavior on an organization through laws that are part of the democratic process. If an organization has prior knowledge that a product they produce can cause serious illness in a consumer, then it may later be deemed highly unethical—and thus subject to civil legal challenge—if they continue with that behavior anyway, even though there may be no specific laws blocking it. The text gives the example of cigarette manufacturers, who knew that their products caused illness for decades but continued to sell cigarettes anyway and are now subject to legal ramifications for that negligence.*

Q97. *[Essay]*

You are the HR manager of a growing tech company that has seen a sharp increase in employee turnover. During exit interviews, many employees cite a lack of ethical leadership and trust in the company's direction as key reasons for leaving. The CEO believes compensation is the issue and wants to raise salaries to improve retention. Based on the research about ethical organizational culture and performance, how would you advise the CEO? Provide two specific reasons grounded in the reading to support your recommendation.

> ***Suggested answer:*** *Sample response: I would advise the CEO that while compensation is important, addressing the ethical culture of the company is more critical for long-term employee retention. First, ethical organizations attract and retain high-quality employees because people want to work where their values align with the company's. Second, a strong ethical culture leads to higher employee satisfaction and commitment, reducing turnover. Simply raising salaries without addressing trust and leadership may not solve the core issue.*

Q98. *[Essay]*

Your company is evaluating two suppliers: Supplier A has a lower cost but a history of poor labor practices, while Supplier B charges more but is known for ethical sourcing and fair labor treatment. From a long–term strategic and financial performance perspective, which supplier would you recommend, and why? Use evidence from the reading to justify your decision.

Suggested answer: *Sample response: I would recommend Supplier B despite the higher cost. Research shows that ethical organizations attract high-quality suppliers and benefit from stronger supplier loyalty. Working with ethical suppliers aligns with our values, enhances our brand reputation, and reduces risks of future public backlash or legal issues. Over time, this builds trust with customers and investors, potentially leading to higher profitability and brand loyalty.*