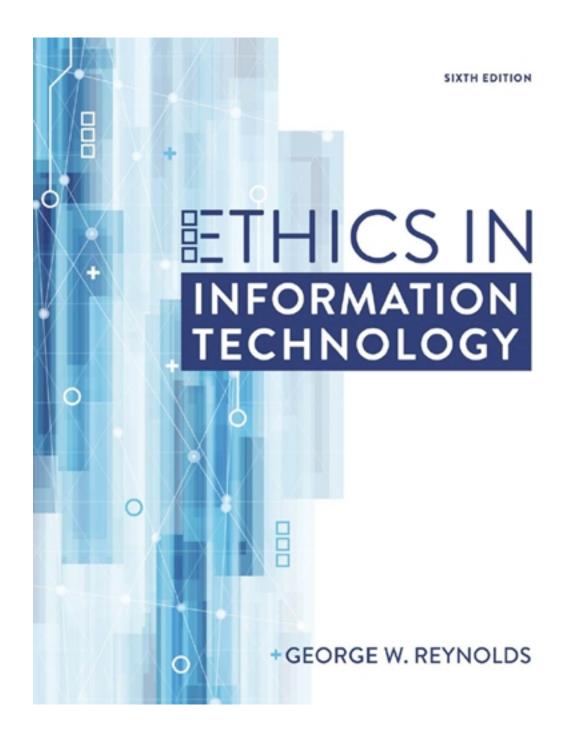
## Solutions for Ethics in Information Technology 6th Edition by Reynolds

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# Solutions

## Chapter 1 An Overview of Ethics

#### **Self-Assessment Questions**

- 1. c. virtues
- 2. c. Morals
- 3. False
- 4. Bathsheba syndrome
- 5. d. Misuse of company time
- 6. c. About 40 percent
- 7. False
- 8. False
- 9. c. Some 6.2 million
- 10. b. Code of ethics
- 11. c. Become familiar with various philosophers and how they dealt with ethical issues.
- 12. a. Define the problem
- 13. a. Drop this option, and implement the same policy as your competitors.
- 14. True

#### **Discussion Questions**

### 1. What does it mean for an organization to act ethically? How can one evaluate whether this is the case?

Students' answers may vary. Some students may focus on the need for organizations to follow all laws and regulations governing their industry. Others may suggest that an organization that acts ethically treats its employees fairly, acts responsibly towards the communities where they are located, and has a comprehensive corporate social responsibility (CSR) program that focuses on its shareholders, employees, suppliers, and customers.

Students may say that an organization's actions can be evaluated by looking at whether or not it follows the law. An organization can also be evaluated by looking at whether or not it has assigned a senior executive, along with other staff, to run and monitor its CSR program and by determining if the organization is meeting its own CSR program goals. Other indicators that students might mention include: an organization's volunteer and charitable-giving programs, its commitment to supply chain sustainability, and data on whether or not employees report being able to report unethical behavior without fear of retaliation.

2. Identify two important life experiences that helped you define your own set of morals.

Students' answers will vary based on their personal experiences.

3. In ethics, a slippery slope begins when one small unethical action is rationalized by the perpetrator as innocuous because nobody really got hurt or because everybody else does it. This rationalization process, called moral disengagement, can lead people to slip into a pattern of bad behavior that becomes difficult to stop. Embezzler Bernie Madoff admitted to starting by stealing a few hundred and then a few thousand from investors. When he got comfortable with that, it eventually ballooned into something really big—he ultimately stole \$85 billion from his investors. Can you provide an example of when you or someone you know was tempted to succumb to the slippery slope?

Students' answers will vary based on their personal experiences. Students may share examples relating to cheating in an academic setting, unethical behavior related to a job, or bad behavior on social media.

4. It is easy to say that an organization should hire, reward, and dismiss employees based on their character as well as their knowledge and skill, but how could such a policy be implemented?

Students' answers may vary. Student may suggest that to better assess a job candidate's character, an organization could use new, more creative, screening tools in its hiring process (including a review of the social media activity of all job candidates, the use of online personality tests, and a more extensive interview process that includes the use of scenario-based questions focused on ethical decision making). An organization could emphasize the importance of ethical behavior when choosing to reward or dismiss employees by establishing a code of ethics and including specific criteria in their employees' performance evaluations that focus on treating others fairly and with respect; operating effectively in a multicultural environment; accepting personal accountability; continually developing others and themselves; and operating openly and honestly with suppliers, customers, and other employees.

5. The Ethics Resource Center identified five characteristics of a successful ethics program. Suggest a sixth characteristic, and defend your choice. Which characteristic do you think is the most important and why?

Students' answers will vary. Students might suggest one of the following as a sixth characteristic:

- Employees are treated fairly.
- Company conducts regular social audits.
- Employees are able to report unethical behavior without fear of retaliation.
- Employees regularly participate in ethics training.

Students' answers about the most important characteristic will vary based on their

personal experiences and beliefs.

6. It is a common practice for managers to hold people accountable to meet "stretch" goals, quotas, and budgets. How can this be done in a way that does not encourage unethical behavior on the part of employees? Defend your response.

The organization must have a code of ethics, and the employees must know how and to whom they can report violations without fear of retaliation. Managers can set an example by communicating the code of ethics and using it in their own decision making. Employees should be aware of sanctions for breaching the code of ethics. Employees could be rewarded with bonuses of some sort when meeting "stretch" goals while not violating their code of ethics.

7. Hypothesis: It is easier to establish an ethical work environment in a nonprofit organization than in a for-profit organization. Provide three facts or opinions that support this hypothesis. Provide three facts or opinions that refute the hypothesis.

Students' answers will vary based on their beliefs and experiences with different organizations.

8. Do you believe that software manufacturers should be tolerant of the practice of software piracy in third-world countries to allow these countries an opportunity to move more quickly into the information age? Why or why not?

Students' responses will vary. Some students might suggest that helping to increase access to software by people in less-developed countries is the right thing to do. Others may say that, given the trend toward globalization, it is in the best interest of all companies to help less-developed countries speed up the development of their economies by encouraging a more rapid implementation of technology in those countries because doing so increases the overall market for software in the long term.

Other students may feel that companies (and people) should never be tolerant of behavior that breaks the law. Others may point out that for-profit companies have a right to be compensated for their intellectual property and that companies have a duty to their investors (and to their employees) to protect their intellectual property.

9. Comment on the efforts of your employer to promote a work environment in which employees are encouraged to act ethically.

Students' responses will vary based on their work experiences. Students may talk about their organization's corporate social responsibility, values, code of ethics, ethics training, etc.

10. Do you believe that the senior managers and executives of an organization should be able to escape criminal liability for the acts of a few of its employees if the organization has a strong corporate social responsibility program focused on protecting the environment, contributing to charitable causes, hiring and promoting women, and treating customers and suppliers fairly? Why or why not?

Students' answers will vary, but students should consider the following questions in making their decision:

- What was the corporation doing to prevent and detect misconduct in the workplace?
- Did the managers and executives of the company effectively implement policies designed to ensure that the organization's employees were acting legally and ethically?
- How egregious were the acts of its employees?
- How did the senior managers and executives respond once the employees' misconduct was detected?
- Were the employees involved disciplined?

#### What Would You Do?

1. Students' responses will vary. Students may point out that no matter how strong an organization's policies are, it is still up to individuals to decide how they will act, and because of that, organizations should invest more time and energy in understanding the character of people before hiring them. Students may say that hiring honest and ethical employees who will support the organization's effort to act ethically and legally is in the best interest—financially and otherwise—of the organization.

Student may suggest a range of screening methods, including a comprehensive review of the social media activity of all job candidates, the use of online personality tests, and a more extensive interview process that includes use of scenario-based questions focused on ethical decision making.

- 2. Students' responses will vary. Some of them may say that before deciding they would like to know how the 3 percent increase in salary is going to be financed. They may want to find out whether the money will come out of their department's overall budget or from another funding source. It is also important that the students identify the stakeholders not directly involved and gain some insight about their position on the issue. Finally, students should recognize the need to evaluate their own motivations when making the decision—including balancing their own professional goals against what is fair for the people they manage.
- 3. Students' responses will vary. At the very least, students should recognize that a performance review should be accurate. If their friend is not a dependable worker, sooner or later others will notice. They might also note that in the long run, their review of their friend may say a lot more about them than their friend. Other students might emphasize the importance of friendship, even in a work setting. Others may suggest that the ethical approach would be to be honest with their friend about how their view his work performance. This approach would give the friend the opportunity to choose someone else to complete his review, while also providing him with feedback on how he could improve his performance.
- 4. Students' responses will vary. It is wrong to lie on a résumé, regardless of how difficult it is for a

student to get a job. Rather than lying on a résumé, students might suggest trying to schedule informational interviews with potential employers who may be able to suggest ways for them to develop the skills they are lacking. Students could also apply for an internship position, which would help them beef up their résumé. Students might also discuss the importance of tailoring their cover letters to the specific position they are applying for. Other students might suggest talking to the brother-in-law about the possibility of performing some part-time work for him while looking for a full time position. Any job experience that they can obtain, even if it is unpaid, would enhance their résumé.

5. Students' responses will vary. Students might point out that some companies underpay their employees while setting work and travel expectations that require employees to spend considerable time away from their families. Students, however, should also note that padding an expense report is unethical and fraudulent. Students should also be aware that companies are becoming more adept at spotting these inaccuracies, so it would be in their best interest to reconsider this approach.

#### Cases

#### **Case 1: VW Cheats on Emissions Testing**

1. Students' answers may vary. Some students may agree with this explanation for the emission scandal based on experiences they have had working with other students or colleagues who were particularly competitive and who were willing to bend or break rules in order to be successful. Other students may point out that while many of the VW engineers may have been "promotion-obsessed workaholics," they may also have been reasonably worried about losing their jobs if they did not perform to the expectations set by VW's executive management. The fear of losing one's job might have led some employees to make ethical compromises in their work. Other students may point out that each employee at VW had a legal and ethical responsibility to stop and/or expose the deception. Those students might find the tendency to blame one's bosses for one's own bad behavior to be insufficient and unacceptable.

Still others might disagree with this explanation for the emission scandal because they believe it lets the executive management team at VW off the hook. These students might think it more likely that VW's leaders were actually fully aware of how the software functioned and supported the use of it because their priority was ensuring the financial success of the company.

- 2. Students' answers may vary, but might include suggestions such as overhauling the employee review and compensation process so that unethical behavior is penalized rather than rewarded; placing a higher priority on hiring engineers who exhibit a commitment to ethical behavior; requiring all employees (including top-level executives) to participate in ongoing ethics training; and establishing a code of ethics that provides mechanisms for reporting unethical conduct and fostering a culture of honesty and accountability within the organization.
- 3. Students' answers may vary depending on their research. Some students might note that Bosch

likely had some understanding of how its engine control unit was being used at VW, and, therefore, deserves to be sanctioned for its part in a deception that impacted millions of car owners, while also negatively affecting the air quality of countless other people. Students will also likely point out that Bosch did end up paying hundreds of millions of dollar in civil cases in addition to having to defend itself against criminal charges in multiple countries.

#### **Case 2: Toshiba Accounting Scandal**

1. Students' responses may vary. Students in favor of a full-scale investigation of workers and managers at all levels within Toshiba may point out that only by weeding out employees who acted unethically and illegally can the company ensure that no similar scandals will occur in the future. These students might also point out the value of such an investigation in making employees feel that everyone in the company, no matter how high up, will be held accountable to the same ethical and legal standards.

The cons of such an investigation might include the creation of an ongoing distraction within the company that consumes financial resources as well as the time and energy of many employees who could otherwise be focused on work that is intended to help the company move past the scandal and achieve success again. Such an investigation might also be seen by some students as having an ongoing negative impact on the morale of all Toshiba employees.

- 2. Students' responses may vary. Students might suggest that the use of outside panels could be useful if the panels were given the power to compel employees to cooperate with an investigation and to establish the parameters of the investigation based on their own research rather than the direction of the board of directors. Such panels might also be more effective if the member of the panel had a fiduciary duty to shareholders. Students might suggest a range of other options and might also point to successes and failures of such efforts at U.S. companies.
- 3. Students' responses may vary. Some students may do research to help them understand which countries are considered to be role models in this area and what specific laws and regulations those countries use to compel corporate governance transparency and board independence. Specific measures that students might suggest include establishing stricter financial audit requirements, requiring more complete financial disclosure by Japanese companies, and setting new standards to ensure that the boards of directors of Japanese companies are able (and required) to act independently from company management.