Determining a Job Candidate’s Ethics Profile:
Integrity, Personality and Moral Reasoning Level Tests

Professor Denis Collins, Edgewood College


Abstract

When an employer hires someone, the new employee’s ethics, as well as job skills and expertise, are brought to work. This chapter reviews current research on a variety of personality tests to screen job candidates for their ethics. The strongest predictors of ethical and unethical behaviors include integrity tests and surveys that measure conscientiousness, organizational citizenship behavior, and social dominance orientation. The Myers-Briggs Type Indicator, mental disabilities tests, and values orientation surveys do not provide meaningful information about a job candidate’s ethics. Using level of moral reasoning scales for job screening purposes remains a promising, though highly underdeveloped, area.

About the Author

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Outstanding MBA Faculty Member” in three consecutive alumni surveys conducted by Business Week. He has published numerous articles and books, including his latest book, Behaving Badly: Ethical Lessons from Enron (2006, Dog Ear Publishing). He currently serves on the editorial boards of Journal of Business Ethics and Journal of Academic Ethics.

Introduction

Sometimes, after dismissing an employee for an ethical breach, a manager might wonder – How did that person get through the hiring process?

Efforts to maximize ethical behavior at work, and minimize unethical behavior, must begin during the hiring process. Yet, most companies focus on screening job candidates for technical skills, not ethical skills. A new employee with great skills but questionable ethics can significantly alter an organization’s culture and lead a work unit down a destructive path. Including ethics as part of the job screening process is essential to an organization’s success given the tremendous damage an unethical person can cause an organization.

Hiring individuals of high integrity has obvious economic benefits. The biggest source of retail industry theft is employees, not customers. According to the 2006 National Retail Security Survey, employees accounted for $17.8 billion of the $37.4 billion worth of theft in the industry, exceeding the $12 billion attributed to shoplifting.\(^1\) The United States Chamber of Commerce attributes one-third of annual business failures to employee theft and other personnel crimes.\(^2\)

The Association of Certified Fraud Examiners report that a typical business organization losses

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\(^1\) [http://www.geninfo.com/backgroundreporter/june2006/nrs_page2.htm](http://www.geninfo.com/backgroundreporter/june2006/nrs_page2.htm)

six percent annually to fraud. This is particularly problematic for small businesses, which tend to have less ability to absorb such losses.  

Theft can occur at all levels of an organization. Dennis “Deal-A-Month” Kozlowski, one of the highest paid CEOs in the world, and other Tyco executives defrauded shareholders of more than $600 million. Other employee behaviors detrimental to a company’s economic performance include lying about work quality, verbal abuse that can contribute to high employee turnover, and alcohol and drug use. Organizations incur an economic risk by hiring an individual with violent or criminal tendencies. Companies can be sued for “negligent hiring” if the lives of other employees, customers, or the general public are put at risk.

Employers have a variety of job screening tools at their disposal, including surveys, reference checks, and background checks. Approximately 30 percent of U.S. companies perform psychological testing as part of the job selection process. This chapter summarizes and evaluates different types of surveys that can be administered to develop an ethical profile of a job candidate – integrity tests, personality tests, moral reasoning level tests, and values orientation.

**Integrity Tests**

Integrity tests, sometimes referred to as honesty tests, ask job candidates about their behaviors and attitudes regarding unethical workplace activities, such as theft. Three popular integrity tests are portions of the Reid Report, Stanton Survey, and Personnel Selection Inventory.

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These tests ask to what extent (from “Strongly Agree” to “Strongly Disagree”) a statement describes a job candidate’s behaviors or attitude.

Integrity tests may take any of the following four approaches:

1. Direct admission of performing an illegal or questionable activity: “I stole money from my previous employer.”

2. Opinions regarding illegal or questionable behavior: “It is okay for people to steal from employers.”

3. Personality traits related to dishonesty: “I constantly think about stealing from my employer.”

4. Reaction to a hypothetical situation featuring dishonest behavior: “If I saw an employee steal money, I would ignore the situation and wait for the boss to find out.”

Integrity tests have been used as a pre-employment assessment tool since the late 1940s. Their popularity grew in 1988 when Congress passed the Employee Polygraph Protection Act, which significantly restricted non-government organizations from using lie detector machines as part of the job hiring process. In 1990, with more than 5,000 businesses using integrity tests, the federal government’s Office of Technology Assessment (OTA) published a report summarizing research on the tests’ validity (did the tests really measure integrity or something other than integrity?) and reliability (would the same person taking the test twice receive similar scores?).

The OTA found that many of the research studies had been conducted by businesses marketing the test and lacked appropriate scientific rigor, suggesting potential biases in the

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design of their research studies. Among the research studies that applied appropriate scientific methods, 94 to 99 percent of the individuals who passed the integrity test (and thus classified as honest) did not later steal from their employer. Depending on the study, however, 73 to 97 percent of the individuals who were hired despite being classified by test results as dishonest, also did not steal. In other words, the determined difference between the two groups – those classified as honest and those as dishonest – did not really exist.

This large group of “false positives” raised troubling questions about the tests’ validity. Another company could have denied employment to those classified as dishonest. These false positive applicants, who later turned out to be honest, would have been jobless for the wrong reason.

When presented with these findings, integrity test providers countered that the false positive applicants could still steal in the future, might have stolen but were not caught, or might have engaged in a dishonest behavior other than stealing. Civil libertarians pointed out that this reasoning, in which individuals are being assumed guilty (they will steal) until proven innocent, is contrary to constitutional law. The OTA report concluded that research had neither proved nor disproved whether these types of integrity tests measured an individual’s propensity to steal.

New, and more rigorous, scientific research studies with larger databases and better control for competing hypotheses, however, support the predictability of integrity tests. Researchers have found that individuals with low integrity test scores at the time of employment, compared to those with higher scores, are more likely to later engage in theft, have high absenteeism, break rules, cheat, and become disciplinary problems.9 One company used integrity

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tests to screen job candidates in 600 of its 1,900 stores and then compared inventory theft and employee turnover between the two groups of stores. The outcome differences were dramatic. After one year, the group of stores using integrity tests as a job screening tool experienced a 35 percent decline in inventory loss and 13 percent decline in employee turnover, while the stores not using integrity tests experienced a 10 percent increase in theft and a 14 percent increase in turnover.10

Despite these impressive findings, using self-report integrity tests may deny companies the services of some honest individuals. Researchers point out that integrity tests have a social desirability bias and the answers are easy to fake.11 Tutorials and coaches are available to help individuals score high on integrity tests. The “best” integrity test answer is often obvious and, as a result, dishonest individuals who lie can score higher than honest individuals. For example, a common integrity test statement is: “I am a trustworthy person.” A dishonest person wanting the job would lie by choosing “Strongly Agree.” Or, a criminal might perceive him/herself as trustworthy within a network of criminals. Meanwhile, an individual of high integrity, remembering a few untrustworthy past behaviors, might choose “Agree” to honestly note personal imperfections, thus resulting in a lower score.

Including integrity tests as part of the job screening process can have very positive impacts on reducing theft and employee turnover. They also signal to job applicants that integrity does matter and dishonest individuals may decide not to continue pursuing employment. But given the false positives and social desirability concerns, integrity tests should not be the sole

determining factor of a person’s ethics. Specific test statements with relatively lower scores should be corroborated with other ethics measures, such as reference checks, or discussed during the personal interview process.

**Personality Tests**

Integrity tests are primarily concerned about an individual’s experience and attitudes about theft and other unethical activities. Personality tests offer a much broader psychological understanding of the job candidate and identify characteristics that might be associated with ethical or unethical behaviors. There are literally hundreds of personality factors that can be measured. Personality measures that may provide the most insight into a job applicant’s ethics are reviewed in this section.

**Big Five Personality Profile Model**

Over the course of several decades, personality theorists and researchers have reached a general consensus on a broad personality profile called the “Big Five Model.” The five personality factors are listed in Table 1.12

<table>
<thead>
<tr>
<th>Personality Factor</th>
<th>Descriptors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraversion</td>
<td>talkative, assertive, energetic</td>
</tr>
<tr>
<td>Agreeableness</td>
<td>empathetic, cooperative, trustful</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>responsible, dependable, hard-working</td>
</tr>
<tr>
<td>Emotional Stability</td>
<td>calm as opposed to anxious, insecure or bad-tempered</td>
</tr>
</tbody>
</table>

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Openness to Experience | independent-minded, imaginative

Researchers report that scores on three of the Big Five personality factors – agreeableness, conscientiousness, and emotional stability – correspond to integrity test scores. Of these three, conscientiousness is the strongest predictor of ethical behavior. Individuals who behave ethically also happen to be responsible, dependable, and hard-working. This is particularly noteworthy because conscientiousness is also a strong predictor of job performance. Ethical behavior is not related to being extroverted or introverted, nor is it related to being imaginative or pragmatic.

Table 2 below lists survey statements used to measure conscientiousness. Survey respondents self-report to what extent each item describes their behaviors. As with integrity tests, personality tests can be prone to eliciting socially desirable answers because the character trait being measured is somewhat obvious. For example, individuals may report that they get chores done right away when that is not the case. This can be verified later when a reference check is conducted.

<table>
<thead>
<tr>
<th>Positively Stated Items</th>
<th>Negatively Stated Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Am always prepared</td>
<td>Leave my belongings around</td>
</tr>
<tr>
<td>Pay attention to details</td>
<td>Make a mess of things</td>
</tr>
<tr>
<td>Get chores done right away</td>
<td>Often forget to put thinks back in their proper place</td>
</tr>
</tbody>
</table>

16 http://ipip.ori.org/newBigFive5broadKey.htm#Conscientiousness
Like order | Shirk my duties  
Follow a schedule | Neglect my duties  
Am exacting in my work | Waste my time  
Do things according to a plan | Do things in a half-way manner  
Continue until everything is perfect | Find it difficult to get down to work  
Make plans and stick to them | Leave a mess in my room  
Like to tidy up

Organizational Citizenship Behavior

Organizational Citizenship Behavior (OCB) is another measure that can help managers better understand the ethics of job candidates.\(^{18}\) OCB refers to voluntary helping behaviors that go beyond normal job requirements, such as aiding others with their job-related problems. OCB is most often measured using five factors: altruism, courtesy, civic virtue, conscientiousness, and sportsmanship.\(^{19}\) Researchers report that individuals who score high on OCB also score high for task effectiveness and performance.\(^{20}\)

Social Dominance and Bullies

Managers should also consider using the “Social Dominance Orientation” (SDO) scale for determining a job candidate’s ethics. Ethics demands sincere, open-minded conversations about alternative actions under consideration. SDO is the belief that an individual’s group (defined in terms of race, gender, religion, or ethnicity) is superior to other groups. Individuals with high SDO scores believe that their superior group must bully and control the inferior group.

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to achieve desired goals. SDO survey items include: “To get ahead in life, it is sometimes necessary to step on other groups” and “Inferior groups should stay in their place”.21

In a survey of U.S. workers, approximately 30 percent reported being bullied by a boss or co-worker.22 Being “bullied” was defined as experiencing at least two negative acts weekly for at least six months. The three most common forms of bullying were having information held that affected job performance, being exposed to an unmanageable workload, and being ordered to do work below one’s level of competency. A predisposition to bullying others has been associated with racial and gender discrimination.23

Even an ethical bully is something to be concerned about. Ethics requires that everyone’s opinion be expressed and respected, though not necessarily agreed with or followed. An ethical person with dictatorial tendencies can be just as belligerent as an unethical bully, and be just as damaging to workplace morale.

**Myers-Briggs Type Indicator**

Is there anything about an individual’s ethics that a company can learn from one of the most popular personality assessment tools, the Myers-Briggs Type Indicator (MBTI)? Annually, more than 2 million job candidates and employees take MBTI,24 which provides individuals with a better understanding of their personal preferences. As with zodiac signs, none of the 16 MBTI profiles are meant to imply that one person is more ethical than another. Rather, each MBTI

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profile has different strengths and weaknesses in terms of leadership style, working with others, and conflict resolution.

Questions are continually raised about MBTI’s validity and reliability. MBTI proponents, on the one hand, provide a list of studies that support scientific claims. But more independent researchers dispute these research studies.

MBTI does not provide any useful information about an individual’s ethics and would be an inappropriate ethics screening tool.

Other popular personality survey instruments include the California Psychological Inventory, Personnel Reaction Blank, PDI Employment Inventory, and Reliability Scale of the Hogan Personality Series. Many of these scales, along with the Big Five, are available on the internet.

Mental Health Tests

Tests that measure general personality attributes must be differentiated from those that diagnose personality disorders or mental disabilities, such as the Minnesota Multiphasic Personality Inventory (MMPI), for legal reasons. MMPI, the most frequently used instrument for diagnosing personality disorders, includes scales for hysteria, paranoia, schizophrenia, and

27 Websites with personality scales: 204 Scales Website: [http://ipip.ori.org/newIndexofScaleLabels.htm](http://ipip.ori.org/newIndexofScaleLabels.htm); Values in Action Survey Items: [http://ipip.ori.org/newVIAMKeY.htm#Integrity_Honesty](http://ipip.ori.org/newVIAMKeY.htm#Integrity_Honesty); Big 5 and other Scales: [http://ipip.ori.org/newNEOKey.htm#Altruism](http://ipip.ori.org/newNEOKey.htm#Altruism); Big 5 Scales: [http://ipip.ori.org/newBigFive5broadKey.htm#Conscientious](http://ipip.ori.org/newBigFive5broadKey.htm#Conscientious); California Psychological Inventory: [http://ipip.ori.org/newCPIKey.htm#Dominance](http://ipip.ori.org/newCPIKey.htm#Dominance); HEX: [http://ipip.ori.org/newHEXACO_PI_key.htm#Greed_Avoidance](http://ipip.ori.org/newHEXACO_PI_key.htm#Greed_Avoidance); Personal Attributes Survey (PAS): [http://ipip.ori.org/newPASKey.htm#Locus-Of-Control](http://ipip.ori.org/newPASKey.htm#Locus-Of-Control); Jackson Personality Inventory: [http://ipip.ori.org/newJPI-RKey.htm#Machiavellianism](http://ipip.ori.org/newJPI-RKey.htm#Machiavellianism)
depression. Both physical and mental disabilities have “protected class” status under the Americans with Disabilities Act. It is illegal to administer mental health and other medical tests until after a bona fide job offer has been made. If these tests reveal a physical or mental disability, the company must provide accommodations unless doing so is burdensome.

An individual diagnosed with manic-depression, for instance, cannot be screened out of the candidate pool solely for having a mental disability, just as a woman cannot be screened out solely because of her gender. With proper medication, the disability may not negatively impact job performance. A person with manic-depression or bi-polar disorder, for instance, can only be denied a job if the mental disability directly affects job performance or puts the public at risk.

Mental health tests are recommended, and at times mandated by law, for jobs involving high levels of stress, personal risk, and responsibility. Customers and the general public have a strong interest in not wanting individuals with a mental illness to obtain jobs such as nuclear power plant operators, armed security guards, or air traffic controllers. Mental health tests like the MMPI are not a valid way to determine an individual’s ethics. A person with a manic-depression disorder who takes the appropriate medication is no more, or less, ethical than the general population.

### Moral Reasoning Level

Several methods are available to assess a job candidate’s level of moral reasoning or stage of moral development. Employees experience many situations on a daily basis in which rules are ambiguous, unknown, or not applicable; at these times they must rely on their moral

judgment to determine what action should be taken. Complex issues require a sophisticated degree of moral reasoning.

**Moral Judgment Interview**

Psychologist Lawrence Kohlberg and his colleagues, influenced by the writings of developmental psychologist Jean Piaget, studied the reactions of children and adults to moral dilemmas and concluded that there are three levels of moral reasoning, each consisting of two stages. The first level (pre-conventional) of moral reasoning is based on self-interest, the second level (conventional) is based on conformity to social norms and expectations of family and peers, and the third level (post-conventional) is based on universal ethical principles centered on the concept of “justice.” Individuals advance through these stages sequentially, with universal ethical principles, the sixth stage, characterized by the most complex ethical analysis. Progress might stop at any stage.

Kohlberg and his colleagues developed a “Moral Judgment Interview” (MJI) instrument, a 45-minute semi-structured interview that involves coding responses to an individual’s verbal response to three hypothetical ethical dilemmas. A major virtue of MJI is that respondents express their own moral reasons for justifying a particular action. MJI, however, is not practical for an HR Department because of the complicated, and time consuming, 24-step coding procedure. Kohlberg’s scoring manual numbers more than 800 pages.

**The Defining Issues Test**

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James Rest, a Professor of Educational Psychology, simplified the scoring process tremendously by developing the Defining Issues Test (DIT), a multiple choice moral reasoning survey instrument, consisting of six one-paragraph hypothetical ethical dilemmas that can be group administered and computer scored. The respondent chooses a preferred behavior and then evaluates a list of already articulated reasons for justifying such action. Multiple ethical dilemmas are provided to determine consistency or trends in the individual’s reasoning process. The ethical dilemmas use a third person format (John or Sue is faced with this situation) to reduce social desirability bias.

The DIT is a well-validated and reliable instrument and has been used in thousands of research studies. DIT-2, an updated version of DIT, consists of five dilemmas on general topics, some of which are related to a business situation. The dilemma contexts have been revised for a contemporary audience.

At the conclusion of the dilemma the respondent is asked whether he or she agrees with a particular action the decision maker could take. Next, the respondent is given a list of reasons the decision maker might consider (i.e., “Shouldn’t the community’s laws be upheld?”) and rates each reason on a 5-point Likert scale ranging from “Great Importance” to “No Importance.”

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34 See the appendix for the Heinz dilemma, which is available on the Center for the Study of Ethical Development’s website: [http://www.centerforthestudyofethicaldevelopment.net/DIT%20-%20Sample%20Dilemma.htm](http://www.centerforthestudyofethicaldevelopment.net/DIT%20-%20Sample%20Dilemma.htm)


36 [http://www.centerforthestudyofethicaldevelopment.net/DIT2.htm](http://www.centerforthestudyofethicaldevelopment.net/DIT2.htm); The five dilemmas of DIT-2 are: (a) a father contemplates stealing food for his starving family from the warehouse of a rich man hoarding food; (b) a newspaper reporter must decide whether to report a damaging story about a political candidate; (c) a school board chair must decide whether to hold a contentious and dangerous open meeting; (d) a doctor must decide whether to give an overdose of pain-killer to a suffering but frail patient; (e) college students demonstrate against U.S. foreign policy.
Each reason represents a unique stage of moral reasoning. A respondent might report that every issue listed is of great importance (meaning all ethical theories are of equal value), or demonstrate a preference for one level of moral reasoning. Lastly, the respondent rank orders the four most important reasons the decision maker should consider. This forces the respondent to choose one stage of moral reasoning as being the most important for this particular situation. See Appendix A for an example.

A “P-Score” and “N2-Score” are calculated, each of which ranges from 0 to 95. The P-Score, meaning “Principled Judgment,” is the percentage of times the respondent uses the highest levels of moral reasoning, Kohlberg’s post-conventional stages 5 and 6. The N2-Score modifies the P2-Score by taking into consideration the respondent’s rejection of self-centered reasons (Kohlberg’s stages 1 and 2). The higher the P and N2 scores, the more sophisticated an individual’s moral reasoning and the higher the stage of moral development.

The “N2-Score” is considered more useful because it takes into consideration both post-conventional and pre-conventional responses.37 Almost all research using DIT or DIT-2, however, report only P-Scores. In studies comparing different groups of people, moral philosophers and theologians had average P-Scores of 65.2, whereas graduate business students and college students scored 42.8 and 42.3 respectively, prison inmates 23.5, and junior high school students 21.9.38

Developers of the DIT have improved the instrument’s utility in response to critics.39 For instance, the DIT had been criticized for a political bias – political “liberals,” compared to

“conservatives,” were more likely to choose the highest principled reasons. The bias has been significantly reduced in DIT-2.\textsuperscript{40}

Thinking in morally sophisticated ways, however, does not necessarily mean that the person will choose the most moral action. As dramatized in an infinite number of novels, movies, and biographies, individuals may know what is “right,” and then do what is “wrong.” Researchers have explored the relationship between reasoning and actual behavior. They report only moderate relationships between stage of moral reasoning and action variables such as helping behaviors, job performance, cheating, and stealing.\textsuperscript{41}

The copyrighted DIT-2 dilemmas and scoring system are available through The Center for the Study of Ethical Development.\textsuperscript{42} DIT-2 type ethical dilemmas related to specific job functions (such as accounting, marketing, finance, etc.), and available for public use, can be found in many business textbooks. Unfortunately, these dilemmas do not include a list of responses representative of different stages of moral development, or an accompanying scoring system.

\textbf{Other Moral Reasoning Orientation Surveys}

Several other survey instruments measure a person’s level of moral reasoning, and some of these provide dilemmas that emphasize business situations. William Boyce and Larry Jensen

\textsuperscript{42} \texttt{http://www.centerforthestudyofethicaldevelopment.net/index.html}
developed a Moral Content Test (MCT) based on Kohlberg’s ethical dilemmas. Their questionnaire consists of six dilemmas, including whether Heinz should steal an expensive drug for his dying spouse, followed by ten reasons justifying the action. Each reason is rated on a 1-5 scale in terms of importance and then the four most important reasons are ranked. The reasons represent egoism, utilitarianism or deontology. The ranking of each ethical theory is inserted into a chart and then the totals are accumulated for the six ethical dilemmas to determine a pattern in moral reasoning.

Linda Thorne tested four dilemmas that are very relevant for auditors: being instructed to modify negative client information, assisting a client to recruit a CFO, disclosing relevant client information to another client, and disclosing a substantial management fee in a related party transaction. Thorne provides a list of twelve moral concerns for each dilemma. See Appendix B for a dilemma example.

Greg Loviscky, Linda Trevino and Rick Jacobs have created a Managerial Moral Judgment Test (MMJT) designed specifically for use by Human Resources personnel, though it requires additional scholarly testing for validity and reliability. The MMJT consists of six business related ethical dilemmas: misuse of sick days, funding employee training, providing substandard product quality in order to meet an important deadline, providing negative feedback to an abrasive employee, reporting a budget mistake, and a promotion decision. A list of

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44 For a scoring example, see Appendix, pp. 262-267, in Boyce, William D., & Larry Cyril Jensen, 1978, Moral Reasoning: A Psychological-Philosophical Integration, Lincoln, Nebraska: University of Nebraska Press.
responses for each dilemma is provided, and a scoring sheet is available from the authors upon request.

Another DIT-2 type survey under development is the Moral Reasoning Inventory (MRI).\(^{47}\) The MRI consists of two ethical dilemmas, each about responding to an unethical boss, followed by eight justifications for either obeying or not obeying the boss.

All of these measures require further testing for validity and reliability.

**Values Orientation**

Knowing a job candidate’s value orientation might also provide useful information about the person’s ethics. Value systems help clarify an individual’s basic convictions about what is right or wrong.

The seminal work on value orientation was performed by Milton Rokeach.\(^{48}\) He maintained that individuals possessed a hierarchy of values that were relatively stable and enduring. Rokeach differentiated between two types of values – terminal values and instrumental values. Terminal values are end-states that individuals hope to achieve. The terminal value list includes a comfortable life, an exciting life, a sense of accomplishment, a world of peace, and equality. Instrumental values are those values that are a means to achieving terminal values. This list includes being ambitious, broad-minded, honest, obedient, and responsible. Survey respondents are asked to rank order these values in terms of their importance.

Researchers have found minimal differences between social groups and their value preferences, which calls into question the utility of this survey instrument. For instance, one would expect corporate managers to possess a uniquely different set of values than either union

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members or community activists. But that is not the case. The top three terminal values for corporate executives – self-respect, family security, and freedom – were among the top four values for union members and the top five values for community activists. The executives’ top three instrumental values – honest, responsible, and capable – were within the top five for both union members and community activists, with honesty being the top value for both the executives and community activists, and second for the union members. Knowing a job candidate’s rank ordering of instrumental and terminal values is not a useful way to determine differences in ethical behavior.

Concluding Comments

Administering ethics-based surveys during the job screening process sends a strong message to both job candidates and current employees that ethics matter. This chapter reviewed a wide range of survey methods that could help companies determine a job candidate’s ethics profile.

Integrity tests ask job candidates about unethical behaviors, such as having stolen money or property from previous employers. This information accurately predicts future theft, absenteeism, and disciplinary problems.

Of the hundreds of possible personality measures, “conscientiousness” – which measures responsibility, dependability, and work ethic – is the best predictor of ethics and job performance. Social Dominance Orientation and bullying measures predict a propensity for racial and gender discrimination, and can result in hostile work environments. Organizational Citizenship Behavior measures an individual’s propensity to help others. Social desirability

Biases must be taken into consideration when interpreting the results of these useful survey instruments. “Moral Reasoning Level” is an underused and underdeveloped survey instrument, but can be very helpful. The higher the score the more sophisticated a person’s ethical analysis.

The Myers-Briggs Type Indicator, mental health surveys, and values orientation surveys do not provide useful information about an individual’s ethics. There is no evidence that one particular MBTI profile, or one particular set of instrumental or terminal values, is any more ethical than the others. Eliminating a job candidate, prior to a job offer, based solely on a mental health score violates the American Disabilities Act because the survey instrument measures mental disabilities, not personality.
APPENDIX A: DIT-2 Sample Story – The Famine

The small village in northern India has experienced shortages of food before, but this year's famine is worse than ever. Some families are even trying to feed themselves by making soup from tree bark. Mustaq Singh's family is near starvation. He has heard that a rich man in his village has supplies of food stored away and is hoarding food while its price goes higher so that he can sell the food later at a huge profit. Mustaq is desperate and thinks about stealing some food from the rich man's warehouse. The small amount of food that he needs for his family probably wouldn't even be missed.

What should Mustaq Singh do? Do you favor the action of taking the food? (Check one)

Strongly Favor: 1 ___
Favor: 2 ___
Slightly Favor: 3 ___
Neutral: 4 ___
Slightly Disfavor: 5 ___
Disfavor: 6 ___
Strongly Disfavor: 7 ___

Rate the following 12 ISSUES in terms of importance (1 = great, 2 = much, 3 = some, 4 = little, 5 = no). Please put a number from 1 to 5 after each of the 12 issues.

1. Is Mustaq Singh courageous enough to risk getting caught for stealing? _____
2. Isn't it only natural for a loving father to care so much for his family that he would steal? _____
3. Shouldn't the community's laws be upheld? _____
4. Does Mustaq Singh know a good recipe for preparing soup from tree bark? _____
5. Does the rich man have any legal right to store food when other people are starving? _____
6. Is the motive of Mustaq Singh to steal for himself or to steal for his family? _____
7. What values are going to be the basis for social cooperation? _____
8. Is the epitome of eating reconcilable with the culpability of stealing? _____
9. Does the rich man deserve to be robbed for being so greedy? _____
10. Isn't private property an institution to enable the rich to exploit the poor? _____
11. Would stealing bring about more total good for everybody concerned or not? _____
12. Are laws getting in the way of the most basic claim of any member of a society? _____

Which of the 12 issues above is the 1st most important? (write the number of the item) _____

a. Which of these 12 issues is the 2nd most important? _____
b. Which of these 12 issues is the 3rd most important? _____
c. Which of these 12 issues is the 4th most important? _____

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APPENDIX B: Accounting Ethical Dilemma

Alice and the ABC Company

Alice is a senior auditor and a Certified Accountant for a national Certified Accounting firm that provides auditing, tax, and consulting services. The firm has developed a package called the ACME Accounting System which is sold to the general public as well as the firm’s clients. Alice is the auditor in charge of the field work on the ABC Company, Inc. audit. During the course of this audit assignment, Alice is asked to evaluate the quality control of the accounting system which happens to be the ACME package. Alice uncovers several severe control weaknesses in the ACME system. Before rendering the management letter to ABC management, Alice is told by her boss to modify the negative comments regarding the ACME package.

Ideally, should Alice amend the management letter? (Check one)

Alice should amend it _____ I can’t decide _____ Alice should not amend it _____

In the process of advising Alice whether she should amend the management letter, many issues need to be considered. Rate the following 12 ISSUES in terms of importance (1 = great, 2 = much, 3 = some, 4 = little, 5 = no). Please put a number from 1 to 5 after each of the 12 issues.

1. Whether the weaknesses in the ACME system may be easily remedied by compensating controls. _____
2. Would a good employee defer to her superior’s judgment? _____
3. Whether Alice’s job may be threatened by her refusal to revise the letter. _____
4. Whether fair deliberation on the client’s financial position can predict professional reputation. _____
5. What is best for Alice’s firm? _____
6. Whether Alice has a duty to ensure the management letter is accurate. _____
7. What is the potential value of an independent audit in lieu of society’s current perspective on an enterprise’s net worth? _____
8. How is society best served? _____
9. Whether clients really care about internal control or if all they ever really want is a clean audit opinion. _____
10. Would amending the management letter be consistent with what Alice thinks is right? _____
11. What action would Alice’s peers in the audit firm expect her to make? _____
12. What factors are relevant in determining Alice’s professional responsibility? _____

From the list above, rank the four issues of greatest importance to an “ideal” response:

Most Important _____ 3rd Most Important _____
2nd Most Important _____ 4th Most Important _____

51 Thorne, L. (2000). The development of two measures to assess accountants’ prescriptive and deliberative moral reasoning. Behavioral Research in Accounting, 12, 139-169; format slightly modified.
Scoring System

Alice Accounting Dilemma

Step #1: The M (“validity check”) issues are answers 4 and 7.
Step #2: If the “Most Important” issue is 4 or 7, person gets 4 “M” points
Step #3: If the “2nd Most Important” issue is 4 or 7, person gets 3 “M” points
Step #4: If the “3rd Most Important” issue is 4 or 7, person gets 2 “M” points
Step #5: If the “4th Most Important” issue is 4 or 7, person gets 1 “M” points
Step #6: Add up these points for the person’s total “M” score
Step #7: If the “M” score is 6 or greater, then the instrument is invalid

Step #8: The P (“principled”) issues are answers 8, 10, and 12.
Step #9: If the “Most Important” issue is 8, 10 or 12, person gets 4 “P” points
Step #10: If the “2nd Most Important” issue is 8, 10 or 12, person gets 3 “P” points
Step #11: If the “3rd Most Important” issue is 8, 10 or 12, person gets 2 “P” points
Step #12: If the “4th Most Important” issue is 8, 10 or 12, person gets 1 “P” points
Step #13: Add up these points for the person’s total “P” score
Step #14: If “P” score is:

- 2 or less – Pre-conventional stage of moral reasoning
- 3 or 4 – Conventional stage of moral reasoning
- 5 or higher – Post-conventional Principled stage of moral reasoning