

Tyco corporation

[Business](#), [Management](#)



1. What role did Tyco's corporate culture play in the scandal? The corporate culture at Tyco under the control of Dennis Kozlowski (and previous CEO, Joseph Gaziano) placed huge importance on aggressive leadership style and acquisition rate, trying to increase the overall earnings of the company by expansion rather than thrifty and careful planning to increase the profits for shareholders. Additionally, the corporate culture seems to have encouraged managers and employees of Tyco to use false or ambiguous accounting styles to allow the continuing expansion of the company. Using these accounting styles, as well as the decentralization of the different branches of Tyco meant that the organizational culture of the company under Kozlowski allowed for falsification and secrecy in the accounting, misleading investors and diverting funds towards Kozlowski.

2. How did Dennis Kozlowski have the opportunity to steal \$137 million in unauthorized bonuses?

As previously mentioned, there were several accounting tricks and slights of hand involved in the accounting at Tyco under Kozlowski, and this meant there were several loopholes and several areas which were not being accounted for as they should be in such a company. The fact that these bonuses were not authorized could have meant that Kozlowski could siphon them off into a personal account without any board interference, particularly as all departments worked in semi-isolation and reported to Kozlowski before reporting to the board members.

3. Why is Kozlowski, now a prisoner for a long time, unrepentant about his conduct as CEO of Tyco?

Kozlowski continues to claim innocence to this day, which suggests that he

feels that these actions he took were not criminal. Additionally, he claims that the jurors that sentenced him were “jealous”, presumably because of his large wealth (parts of which were gained through the aforementioned criminal activities). Kozlowski, then, is unrepentant because he claims his innocence, presumably because he feels that as CEO he had some right to alter or falsify some of the figures to give Tyco a large profit; he probably felt that in some way he was benefiting the shareholders during this act, giving him a clean conscience.