

# REDEEMER'S UNIVERSITY

EDE, OSUN STATE



## COLLEGE OF MANAGEMENT SCIENCES

### DEPARTMENT OF ECONOMICS AND BUSINESS STUDIES

COURSE CODE /TITLE: BUS 406 BUSINESS ETHICS AND CORPORATE GOVERNANCE  
2<sup>ND</sup> SEMESTER EXAMINATIONS, 2015/2016 SESSION

**INSTRUCTIONS ON CHOICE OF QUESTIONS TO BE ANSWERED:** Answer question 1 and any other 3 questions

**TIME ALLOWED:** 2 ½ hours

#### Question 1

Edwin was the best all-around waiter the New Wave Restaurant ever had. He was a natural for being promoted to supervisor when the time came. During Edwin's first few weeks as section supervisor, everything went well. He obviously knew the work from A-Z. Given this chance, he quickly cleared long standing bottlenecks. His experience and good judgment easily won the respect of the people who worked for him. On the other hand, he was a stern and serious taskmaster. He was fair and courteous with employees, but showed little interest in them beyond their ability to get the work done.

As Edwin settled into the job, however, he had an uneasy feeling that something wasn't quite right on his shift. Employees came to depend on his decisions in the slightest matters. If a problem arose, they were likely to wait for orders from Edwin. At first he felt flattered by this dependence. But this caused his workload to gradually build. Increasingly, he found himself giving curt instructions and short answers to people in his work group. One employee in particular, Obong Ofofili, really irritated him. Regardless of what the assignment was, he found some fault with it. Additionally, Obong regularly complained about table assignments, the menu, order delays, tips or his co-workers. Edwin responded to each of Obong's complaints and requests with some attempt to accommodate him or set the problem straight.

To make matters worse, the quality of Obong's work, which had otherwise been unspectacular but acceptable, began to fall off. He was sarcastic to customers. Frequently he was tardy for work. When this continued, Edwin took Obong aside and said "I've been very patient with your unending complaints and requests, but lately your work has been far below what is considered satisfactory. If it continues, I'm going to recommend that you be suspended or discharged." "I'm sorry about my work," said Obong. "I've had all kinds of problems at home. My oldest son was expelled from high school for drug dealing a couple of months ago. I can't seem to keep him out of trouble anymore. It's driving me crazy."

"Family troubles are a bother, I know," said Edwin, "but you can't let them interfere with your work. What important right now to you is the fact that the quality of your work is no longer acceptable. If it continues, you will lose your job. My advice to you is to find some ways to keep your concerns about your son from affecting your work. Otherwise, your problems will be even worse. I've been very fair with you, but you owe your first attention now to improving your work. Unless it improves, I'll have to put you on notice"

Required:

What do you think Edwin should do? Use AAA ethical decision making model as basis for your advice.

20 marks

### Question 2

- a. Comment briefly on the views of the scholars that attended the recently concluded conference at Abuja Sheraton Hotel and Tower on the 'place of business ethics in business organisations' and take a position. A group was of the opinion that instituting business ethics in a waste of time in business organisation while the other group believed it is a baby of necessity in business organisation. **10 marks**
- b. What is rational decision making model? Identify the appropriate and perfect condition or situation where this model is applicable. **5 marks**

### Question 3

In 1936, Standard Oil Company of California (SOCAL) found oil in Saudi Arabia and the following year it joined with Texaco to form CASOC – renamed ARAMCO in 1948 – a jointly owned subsidiary staffed by American managers and formed to drill for oil in Saudi Arabia. Saudi Arabia' oil became and remains till today, an economic necessity for the United States. The managers of SOCAL and TEXACO, however, were unsure how much of Saudi culture they should accept or go along with.

Saudi Arabia is the birth place of Islam and their legal, political and social system, which are based on the "Sunni" version of Islam are viewed by the Saudis as divinely inspired. For Saudis, Islam is the only legitimate source of morality. This morality, however, does not recognise basic right such as freedom of speech, freedom of press, the right to vote, or the right to run for office. It does not recognise the right to a trial by jury; crimes are tried before Islamic judges who base their decisions on the teaching of Islam. It does not recognise freedom of religion: every Saudi must be Muslim under penalty of death.

The Saudi brand of Islam treats women in ways the Westerners would label as discriminatory. Women cannot supervise men, must wear in public a black veil covering the entire body including the head and face, must be accompanied by a male relative, and must enter bus from the rear door and sit in special sections. Men can have up to four wives but women only one husband. Although men can divorce without giving cause, women can divorce only for cause. Saudi Arabia does not recognise the right of free association or the right to unionise. Saudis repeatedly asserted that Saudi morality did not accept Westerners' understanding of human rights. Saudi claimed that Islam set the moral norms people should follow, and apart these, other moral standards have no validity.

Use appropriate ethical theory to advise the management of SOCAL and TEXACO on what to do. **15 marks**

### Question 4

In Nigeria today the inability to have a stable structure in work place that will facilitate smooth accomplishment of organisational set objectives has been traced to organisational culture which is always contingent upon leadership i.e for every change in leadership there is always a corresponding change in the ways of life in such organisation. How best do you think an enduring structure free from this incessant change of leadership which will not completely change the organisational ways of life can be created? **15 marks**

### Question 5

- a. In the wake of corrupt practices in the country, most of the scholars have identified corporate governance as a tool to curb this menace in organisations irrespective of the size and nature. As a management student who has completed 13 weeks of intensive training in corporate governance, how do you think the call for corporate governance can be a panacea to the corrupt practices in the country's business organisation? **10 marks**
- b. Highlight the various challenges confronting business ethics and corporate governance in Nigeria. **5 marks**

### Question 6

The President of your country confided in you about the decadence in the morals and values system of the country with a view to providing suggestions that would bring back the one time cherished morals and values system. Discuss in details the suggestion you believed would enshrine sound ethics in terms of morals and values system in the country. **15 marks**