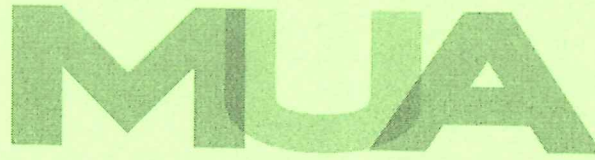


The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

UNDERGRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BML 203 : CORPORATE LEADERSHIP AND ETHICS

DATE: 8TH AUGUST 2024

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **SIX (6)** questions.
4. Question **ONE** is compulsory.
5. Answer any other **THREE** questions.
6. Question **ONE** carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

RE-ASSESSING A RECOMMENDATIONS

After working 10 years as the only minority manager in a large printing company, Jerry Jones decided he wanted to set out on his own. Because of his experience and prior connections, Jerry was confident he could survive in the printing business, but he wondered whether he should buy an existing business or start a new one. As part of his planning, Jerry contacted a professional employer organization (PEO), which had a sterling reputation, to obtain an estimate for human resource services for a startup company. The estimate was to include costs for payroll, benefits, workers' compensation, and other traditional human resource services. Because Jerry had not yet started his business, the PEO generated a generic quote applicable to a small company in the printing industry. In addition, because the PEO had nothing tangible to quote, it gave Jerry a quote for human resource services that was unusually high. In the meantime, Jerry found an existing small company that he liked, and he bought it. Then he contacted the PEO to sign a contract for human resource services at the previously quoted price. Jerry was ready to take ownership and begin his new venture.

He signed the original contract as presented. After Jerry signed the contract, the PEO reviewed the earlier proposal in light of the actual figures of the company he had purchased. This review raised many concerns for management. Although the goals of the PEO were to provide high-quality service, be competitive in the marketplace, and make a reasonable profit, the quote it had provided Jerry appeared to be much too high. It was not comparable in any way with the other service contracts the PEO had with other companies of similar size and function.

During the review, it became apparent that several concerns had to be addressed. First, the original estimate made the PEO appear as if it was gouging the client. Although the client had signed the original contract, was it fair to charge such a high price for the proposed services? Would charging such high fees mean that the PEO would lose this client or similar clients in the future? Another concern was related to

the PEO's support of minority businesses. For years, the PEO had prided itself on having strong values about affirmative action and fairness in the workplace, but this contract appeared to actually hurt and to be somewhat unfair to a minority client. Finally, the PEO was concerned with the implications of the contract for the salesperson who drew up the proposal for Jerry. Changing the estimated costs in the proposal would have a significant impact on the salesperson's commission, which would negatively affect the morale of others in the PEO's sales area.

After a re-examination of the original proposal, a new contract was drawn up for Jerry's company with lower estimated costs. Though lower than the original proposal, the new contract remained much higher than the average contract in the printing industry. Jerry willingly signed the new contract.

Required:

- a) Examine the role ethics does have in the composition of a proposal like this one. Did the PEO do the ethical thing for Jerry? How much money should the PEO have tried to make? What would you have done if you were part of management at the PEO? **(5 marks)**
- b) Elaborate how you would describe the ethics of the PEO from a deontological (duty) perspective and a teleological (consequences) perspective. **(8 marks)**
- c) Explain how you would evaluate the PEO on the ethical principles of respect, service, justice, honesty, and community based on what the PEO did for Jerry. **(6 marks)**
- d) Examine how you would assess the ethics of the PEO if you were Jerry, if you were among the PEO management, if you were the salesperson and if you were a member of the printing community. **(6 marks)**

QUESTION TWO

- a) Describe Ethical Leadership and examine three essence of ethical behavior. **(7 marks)**
- b) Examine the contributions to moral reasoning made by two of the most influential philosophers of ethics, Socrates and Aristotle. **(8 marks)**

QUESTION THREE

- a) Describe four components of ethical leadership that must be understood and developed. **(4 marks)**
- b) Disclosure and transparency are among the principles of good corporate governance. Discuss. **(11 marks)**

QUESTION FOUR

- a) Discuss intrapersonal leader dimensions that contribute to unethical leadership behavior. **(8 marks)**
- b) Describe charismatic leaders' style and highlight five traits which are identified with charismatic leadership. **(7 marks)**

QUESTION FIVE

- a) Analyze three disadvantages of achievement dimension. **(6 marks)**
- b) Explain three basic stages in which organizational culture can be sustained in the organization. **(9 marks)**

QUESTION SIX

- a) Examine the process of selecting a board of directors. **(6 marks)**
- b) A company can replace a director for a variety of reasons, both positive and negative. Explain. **(6 marks)**
- c) Describe three positive roles of the code of ethics to an organization. **(3 marks)**