

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

BML 203 : CORPORATE LEADERSHIP AND ETHICS

DATE: 1ST APRIL 2019

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:

HOW SAFE IS SAFE?

Perfect Plastics Incorporated (PPI) is a small injection molding plastics company that employs 50 people. The company is 10 years old, has a healthy balance sheet, and does about \$4 million a year in sales. The company has a good safety record, and the insurance company that has PPI's liability policy has not had to pay any claims to employees for several years. There have been no major injuries of any kind since the company began.

Tom Griffin, the owner, takes great pride in the interior design and working conditions at PPI. He describes the interior of the plant as being like a hospital compared with his competitors. Order, efficiency, and cleanliness are top priorities at PPI. It is a remarkably well-organized manufacturing company.

PPI has a unique approach to guaranteeing safe working conditions. Each year, management brings in outside consultants from the insurance industry and the Occupational Safety and Health Administration (OSHA) to audit the plant for unsafe conditions. Each year, the inspections reveal a variety of concerns, which are then addressed through new equipment, repairs, and changed work-flow designs. Although the inspectors continue to find opportunities for improvement, the overall safety improves each year. The attorneys for PPI are very opposed to the company's approach to safety. The lawyers are vehemently against the procedure of having outside auditors. If a lawsuit were to be brought against PPI, the attorneys argue that any previous issues could be used as evidence of a historical pattern and knowledge of unsafe conditions. In effect, the audits that PPI conducts voluntarily could be used by plaintiffs to strengthen a case against the company.

The president and management recognize the potential downside of outside audits, but they point out that the periodic reviews are critical to the ongoing improvement of the safety of everyone in the plant. The purpose of the audits is to make the shop a secure place, and that is what has occurred. Management also points out that PPI employees have responded positively to the audits and to the changes that result.

Required

- a) Explain as a company, if you would describe PPI as having an identifiable philosophy of moral values. Illustrate how its policies contribute to this philosophy (8 marks)
- b) Identify which ethical perspective best describes PPI's approach to safety issues. Would you say PPI takes a utilitarian-, duty-, or virtue-based approach? (5 marks)
- c) Regarding safety issues, explain how management see its responsibilities toward its employees. How do the attorneys see their responsibilities toward PPI? (6 marks)
- d) Assess why it does appear that the ethics of PPI and its attorneys are in conflict (6 marks)

QUESTION TWO

- a) Explain the term "Ethical Leadership" and discuss the key dimensions in ethical leadership (9 marks)
- b) Contrast the contributions of Socrates and Aristotle, two of the leading ethics philosophers in moral reasoning (6 marks)

QUESTION THREE

- a) Describe Corporate Governance and explain the major four principles of corporate governance (10 marks)
- b) It is helpful to think of the ethical leader as exercising authority within five modes or levels of intervention into the judgments and actions of followers. Discuss the five modes within which an ethical leader can exercise authority (5 marks)

QUESTION FOUR

- a) Leadership research identifies the essentiality of leaders not only modeling moral integrity and ethical standards in their personal lives but also in their professional

lives. Evaluate leader dimensions that contribute to unethical leadership behavior

(8 marks)

- b) Charismatic leadership process undergoes six steps from the rise of the leader to the final routinization and thus the fall of the leader. Discuss (7 marks)

QUESTION FIVE

- a) In order to keep the organisational culture alive, the organisation has to ensure that its culture is transmitted to organisational members (Martins & Martins, 2003). Examine three basic stages in which organisational culture can be sustained in the organization (9 marks)

- a) Director recruitment is a responsibility of the nominating/governance committee. Describe the directors recruitment process (6 marks)

QUESTION SIX

- Define the code of conduct and explain the process of developing it (15 marks)