

**ABS –MBA – MSc**

**Batch 2 – Assignment – Dubai**

**Student Name:** Nawal Hbous

**Student ID #:** ABSMBA19090029

**MGT 525 - Business Values & Ethics**

**Dr. Sampath Sreedharran**

**May 2020**

## Table of Contents

<i>Answer any 5 from the below. ....</i>	<i>Each question carries equal marks.</i>
.....	4
C.S#2) Marian, a top graduate from Loyola in Humanities, was hired by a major corporation into a management position. Marian finished the corporation's management training program top in her group, and is performing above the norm in her position... ..	4
a. Should Marian quit? .....	5
b. Are her co-workers correct in their evaluation? .....	6
c. Should Marian confront the co-workers? .....	6
d. Should Marian file a discrimination suit?.....	6
e. Should Marian go to the supervisor? .....	6
f. What else could Marian do?.....	6
 C.S#3) Joan, an employee of Great American Market, was warned about her excessive absenteeism several times, both verbally and in writing. The written warning included notice that "further violations will result in disciplinary actions," including suspension or discharge.... ..	7
a. Was the suspension fair? .....	8
b. Did Sylvia act responsibly? .....	8
c. Should Joan be fired?.....	8
d. Should the babysitter be fired? .....	8
e. Was Sylvia fair in her actions? .....	9
f. Is there ever a solution for working mothers?.....	9
g. Should working fathers take turns staying home?.....	9

C.S#4) Sandoz Nutrition Corporation is a subsidiary of the Swiss pharmaceutical giant, Sandoz Ltd. Sandoz, based in Minneapolis, Minnesota, began manufacturing Optifast 70, a liquid meal-replacement weight loss program in 1976.....	9
a. Were any ethical norms or principles violated by Sandoz? .....	9
b. Are liquid diet products ethical products? Justify your answer.....	10
c. What moral responsibility might Sandoz have considered when developing its promotion messages for the customers? .....	10
C.S#5) Arthur Edward Anderson (1885-1947), the founder of Arthur Anderson & Co. must have turned in his grave in 2001, as the auditor firm founded by him became a synonym for scandal in the accounting profession. On 15th August 2001, Sherron Watkins, an employee of Enron, questioned the company's accounting practices, in a single-page letter to its CEO.....	10
a. What do you think can be the outcomes of an accounting fraud to the society and business at large? .....	10
b. Why do you think that the history of accounting fraud repeats itself, such as so many frauds which we have heard after Enron scandal? .....	11
C.S#6) J.R. accepted a position at Cripple Creek Vocational University and he and his family made a permanent move. Soon, J.R. was promoted to Administrative Vice President, overseeing the purchasing department of the University.....	11
a. Since J.R. was over the purchasing department and had final decision authority, should purchasing have gone through the normal bidding routine? .....	12
b. Is it acceptable for a V.P. to bypass the normal routine to do business with a family member?.....	12
c. Was J.R.'s decision not to request bids an ethical choice?.....	12
d. What should the college purchasing agent do? .....	12
e. Should anyone else at CCVU have any interest in this activity?.....	13
f. Has Tiddley's Cripple Creek franchise owner been wronged?.....	13
g. Should Jim have made the sale? Received a commission? .....	13
<b>References .....</b>	<b>14</b>

***Answer any 5 from the below.***

***Each question carries equal marks.***

Below are the answers to Case Scenarios # → 2, 3, 4, 5, and 6

C.S#2) Marian, a top graduate from Loyola in Humanities, was hired by a major corporation into a management position. Marian finished the corporation's management training program top in her group, and is performing above the norm in her position...

I will start with a brief about this case scenario, then proceed with answering the questions.

To begin with, Employment Discrimination is the unfair treatment of employees based on prejudices. The forms of discrimination can be dependent upon equal pay compensation, sexual orientation, national origin/language, sex, pregnancy, religion, disability, age, and race. (Lombardo, 2013).

The Middle East and North Africa region is both a source and destination for many migrant workers. The Gulf States have been attracting a growing number of Asian migrant laborers mainly in the areas of construction, domestic work, and agriculture. Generally, women are still facing widespread challenges in entering the workforce. The rate for women's participation in the labor force has increased for the region by 4.5% over the past decade. Discrimination based on social origin, religion and ethnicity are still active in the region as well as discrimination experienced by those from the region seeking work outside their country of origin. Financial services companies in the Middle East are by far the most likely to discriminate against employees based on nationality or race than any other major financial center in the world. (ILO, n.d.) & (Clarke, 2014).

It is crucial to state the Ethical Dilemma or the problem here, where Marian came to know the discriminatory feelings of her co-workers about her. The Dilemma is whether she should file a discriminatory suit against her co-workers, or she must quit. Also, it is important to mention the following facts:

- Marian has topped the corporate training program and is performing quite well at her job
- She is the only woman manager in the office, and she feels isolated as the company has quite fewer female workers
- She overheard a conversation of two of her peers with their supervisor in which the peers were making discriminatory remarks about her and expressing their dissatisfaction about her being in the company

Besides, it is imperative to list down the potential alternative resolutions and the outcome of each:

1) Marian can file a discriminatory suit against her co-workers:

- She would not have any proof of the remark as it was just a conversation and there were no witnesses
- There are high chances that she may lose the lawsuit

2) Marian can go to her supervisor and report the incident:

- Marian can go to her supervisor as well as the HR department and report the incident
- They might issue a warning letter to the concerned employees
- The HR could organize some trainings to facilitate the awareness and demonstrate the importance of diversity and inclusion
- The HR alongside the top management might plan to hire more employees from diverse background to encourage diversity and inclusion in the company

3) Marian can quit the job:

- This is the least preferred solution
- It would sound more like the principle of Normative Ethics being followed here
- Marian is performing at her best in the job and leaving will make her feel like a loser

Ultimately, in alignment with the principles of Applied Ethics, Marian is ought to confront her co-workers at first, then she shall report the incident to the supervisor and the HR Department. Especially, if confronting her colleagues was not remarkably effective.

Taking into consideration that Normative Ethics is concerned with the practical means of determining a moral course of action, while Applied Ethics is concerned with what a person is obligated (or permitted) to do in a specific situation or a particular domain of action. (Wikipedia, 2020).

#### a. Should Marian quit?

No, Marian should not quit, rather she should face the situation. She was a top performer in her group during management training and must demonstrate the same capability by staying in her position and performing at her best. Afterall, this world is filled with so many sick people that can be found everywhere. If Marian joins in a new firm, there is no guarantee that she will be safe or might continue without any challenges.

b. Are her co-workers correct in their evaluation?

No, her co-workers are not correct in their evaluation. Marian has sufficient qualifications as she was hired for the job. Also, she does not have an unpleasant personality, rather she finds it tough to open-up with her male colleagues. Her co-workers must help her out to deal with the situation.

c. Should Marian confront the co-workers?

Yes, Marian should confront her co-workers. They have a wrong image of her in their minds. Marian should talk to them and clear things. It will also help her to be social with male colleagues.

d. Should Marian file a discrimination suit?

No, Marian should not file a discrimination suit. She was just being misunderstood at the workplace because of her reserved personality and individualistic behavior. She should become a bit social and build a bond with her colleagues. Besides, there are high chances that she will lose the lawsuit where she overheard a casual conversation and would have no proof of the remark to provide.

e. Should Marian go to the supervisor?

Marian should go to the supervisor only if she does not become successful in confronting her colleague. The first course of action should be to handle the things from her hand. In case, it does not work out, she can go to the supervisor.

f. What else could Marian do?

Marian should become a bit social. She could start talking to her male co-workers more often. She can drink coffee with them while maybe discussing the projects they are handling. She can also help them out or ask their help sometimes to build a bond and continue doing the same to maintain the bond.

C.S#3) Joan, an employee of Great American Market, was warned about her excessive absenteeism several times, both verbally and in writing. The written warning included notice that "further violations will result in disciplinary actions," including suspension or discharge....

The case describes a clash between obligations towards professional life and personal duties of a mother. Joan's over-absenteeism and not being sincere about finding other options like swapping of shifts or looking for another babysitter called for a drastic disciplinary action, as she was warned beforehand so many times. However, Sylvia should have been more considerate and thoughtful towards her subordinate and not rush into penalty. Knowing Joan's pressures were needed before arriving at any disciplinary action, which is the characteristic of any decent company. 15 days suspension is rigorous considering Joan's difficult choice between her baby and the job. She would have awarded a lenient punishment since she was alerted beforehand and then could have taken further measures based on further investigations.

The supervisor's decision is based on pure professional conduct and she followed formal procedures. In this sense she acted responsibly. However, she should have investigated the reason of Joan's over-absenteeism and not just service ultimatums. Then she could have taken certain corrective movements so that Joan might become more contented in ensuring regularity.

Firing Joan ought to be established on thorough investigation. If she is utterly at fault and deserves punishment, she must be fired. If she is only fired based on surface knowledge and office procedures, this will demonstrate wrong example for other workers of how the company handles its employees without caring about them.

Ultimately, Sylvia was supposed to examine the logic behind Joan's over-absenteeism. Moreover, she should have checked the company if it is mother-friendly like having nursery facilities or maternity leave. To place the whole blame on workers and not understanding their challenges is unethical and unfair. The bosses must be more considerate and thoughtful. Consequently, without understanding Joan's problems and just punishing her in the name of following procedures is unfair and unjust.

a. Was the suspension fair?

Yes, the suspension was fair because Joan was warned about it many times verbally and in writing that being absent from work again can result in her suspension or discharge. With a prior warning like this, she must have prepared for plans to deal with situations like arranging an alternative baby sitter, implying strict rules on the current baby sitter, explaining her situation to the management, and requesting for permission to skip work often this way etc. She did not acknowledge the warning in the way she should have; but instead took another leave from work. This behavior of hers proved her ignorance towards company policies and productivity which was affected with increased absenteeism hence the suspension was fair.

b. Did Sylvia act responsibly?

Being Joan's supervisor, Sylvia was duty bound to not turn another blind eye to Joan's ignorance. So yes, Sylvia acted responsibly. She primarily dealt the matter with verbal and written warnings about the absenteeism and then when Joan did not address them, and actually got absent again, Sylvia informed her that as she has exceeded the allowed number of absences, she has to report to avoid being suspended. Only after Joan did not show up at work after her warning also did Sylvia suspend her as per the warning giving to her in writing and warned about to her before taking the action.

c. Should Joan be fired?

No, Joan should not be fired right away and given a chance to arrange for the babysitting issue within these 15 days suspension period time. Though the warning of suspension should be still implemented after she joins back with an additional warning of being fired too, and then if she demonstrates the same conduct such action can be taken against her.

d. Should the babysitter be fired?

The babysitter cannot be fired because Joan got suspended due to her ignorance and carelessness about the warnings she got. Yes, the babysitter can be fired if Joan had given a similar type of warnings to her for her being absent and the reason for her absence was not convincing to Joan.



e. Was Sylvia fair in her actions?

Sylvia's punishment was severe yet fair. She could have suspended Joan for two to five days maybe; however, the 15 days suspension will not necessarily improve Joan's reliability or productivity. Nonetheless, she was fair where Joan was already informed about her absentness and given enough number of warnings.

f. Is there ever a solution for working mothers?

Yes, there are many solutions now for working mothers where firms provide daycare facilities. Also, private nurseries are available. Besides, opting for a sensible babysitter and avoiding duties that cannot be fulfilled easily.

g. Should working fathers take turns staying home?

Fathers are equally responsible for the children as the mothers, so the couple should strike a balance and consider all the chances before reaching any decision.

C.S#4) Sandoz Nutrition Corporation is a subsidiary of the Swiss pharmaceutical giant, Sandoz Ltd. Sandoz, based in Minneapolis, Minnesota, began manufacturing Optifast 70, a liquid meal-replacement weight loss program in 1976....

a. Were any ethical norms or principles violated by Sandoz?

Yes, Sandoz has violated the ethical norms or principles by launching an advertisement program which is exaggerating in nature. The promotional brochures are misleading the customers and putting false impression of product by claiming that the product is clinically proven and safe to use while as the research has associated the use of liquid diets with various issues such as dizziness, headaches, nausea, gallbladder problems, and irregular heartbeat. Thus, the product in real is not safe to use, therefore falsifying the claim. Moreover, the promotional strategies also claim that customers can control the weight for the rest of their life which has not proven true in case of Oprah Winfrey. Therefore, Sandoz has used bluff marketing to attract customers by promising the use experience of product which is not true as Oprah has regained 17 pounds during the first year after she completed the Optifast program.

b. Are liquid diet products ethical products? Justify your answer

No, liquid diet foods are not ethical items because liquid diet foods do not support the body's general production and growth and do not have the required quantity of nutrition that solid diets offer. Liquid diets do not have all the necessary criteria of the body's healthy diet for its j-nutrition. The repeated or heavy use may cause problems with health. Moreover, since liquid diets are often associated with dizziness, vomiting, nausea, trouble with the gallbladder and irregular heartbeat, this can be considered an immoral drug.

c. What moral responsibility might Sandoz have considered when developing its promotion messages for the customers?

Sandoz owed the moral responsibility of reflecting on the true facts in its promotional campaign or advertisements by giving real impression and highlighting all the possible or potential issues associated with using Optifast program and following a liquid diet. Rather than exaggerating the claims in its brochure it could have instead been transparent with the customers about its short-lived effect and the risk of regaining the weight steadily after the diet program. Sandoz might have not made any false claims considering its moral responsibility towards the health of the candidates. Its promotional message should have mentioned only true facts and awarded the customers about the potential risk of regaining the weight.

C.S#5) Arthur Edward Anderson (1885-1947), the founder of Arthur Anderson & Co. must have turned in his grave in 2001, as the auditor firm founded by him became a synonym for scandal in the accounting profession. On 15th August 2001, Sherron Watkins, an employee of Enron, questioned the company's accounting practices, in a single-page letter to its CEO....

a. What do you think can be the outcomes of an accounting fraud to the society and business at large?

Accounting and audit firms have a moral responsibility and an implicit form of fiduciary duty towards society, government, and the overall financial system. Naturally, this means that they need to be honest and report any wrongdoings. If they are involved in fraud, then the overall financial system loses its trust and eventually will lose its functionality.

Consider the equivalence of a situation where the policemen themselves are corrupted and criminals. Naturally, in such a society, the value of law enforcement will be nil. The same situation can be considered in financial system when accounting firms begin participating in frauds.

Ultimately, even frauds in large organizations such as Enron or WorldCom can cause economic disturbances in various pockets of society. This can result in unemployment, lower growth rate, higher rate of crime, lawlessness, etc. Nonetheless it is the duty of the audit firms to keep companies such as these in the line. However, if both the parties are involved in fraud then it becomes lose-lose situation for the companies and the society.

b. Why do you think that the history of accounting fraud repeats itself, such as so many frauds which we have heard after Enron scandal?

Accounting frauds are performed with the help of the accounting firms or by the participation of a large portion of the leadership teams within an organization. This is often due to the pressure of the shareholders, market expectation, management greed, etc. In most cases, the reason why such frauds take place is because people are inherently greedy.

Even though the firms may set out with a good intention, there may be employees/manager, or partners who are unethical. The process of ethical stands and checks are often ignored in large corporations. This results in the policies becoming relaxed. Naturally, adding to this the component of human weakness and greed, the events of accounting fraud keeps repeating itself.

C.S#6) J.R. accepted a position at Cripple Creek Vocational University and he and his family made a permanent move. Soon, J.R. was promoted to Administrative Vice President, overseeing the purchasing department of the University.....

J.R. just got promoted as an Administrative Vice President and he has the ability to oversee the transactions and operations that is happening in his workplace. He has the final decision on what they should do and how to execute that choice. His subordinates and the university should be his number one priority since he is the one leading them. They chose him to get promoted for a reason and J.R. should fulfill the expectations of the University and be a role model to his subordinates. After seeing the need of computers in his office, he made a bad move on purchasing expensive yet low quality computers at Tiddley's Computer Corporation where his son works.

The University has a bidding policy and he should follow that policy, given that he is an Administrative Vice President. He should prioritize his people and the university and not his personal interest. This is clearly unethical for ignoring the policy and choosing to have a transaction in a family member without really thinking and analyzing his choices. They could at least save cash in purchasing computers at IBM clones but since he made an awful decision, he just waste the resources of the University. So next time he will make a paramount decision, he should think rationally and carefully because what he decides can made a huge impact on his subordinates and in the University.

a. Since J.R. was over the purchasing department and had final decision authority, should purchasing have gone through the normal bidding routine?

Yes. Irrespective of who oversees the department, the process should be followed. Be it purchasing or ordering or selling. As an organization and institute, every department has the responsibility to be disciplined and follow the process. They should have followed a normal bidding routine.

b. Is it acceptable for a V.P. to bypass the normal routine to do business with a family member?

No. it is not acceptable that a VP bypass the normal routine to do business with a family member.

c. Was J.R.'s decision not to request bids an ethical choice?

No. JR's decision not to request bid was an unethical choice. This favors his family but not his organization (key stakeholder).

d. What should the college purchasing agent do?

The college purchasing agent should bring this to notice of the board in the college. We should not forget that JR's decision has cost the institute \$1500 additional per computer.

e. Should anyone else at CCVU have any interest in this activity?

The institute is hampered by the decision of JR. The board, principals, and the students should all be interested in this activity.

f. Has Tiddley's Cripple Creek franchise owner been wronged?

Yes. Tiddley's Cripple Creek franchise owner has been wronged. By normal process, the company should have contacted the local franchise first. However, this was not done.

g. Should Jim have made the sale? Received a commission?

There is no issue in Jim making the sale. He and his company should be welcome to place a bid and participate in the bidding process. However, they should win the bidding process through a fair process. If Jim could win against other competitors such as IBM clones and Tiddley's Cripple Creek franchise, then there is no harm in him getting a commission.

## References

Clarke, P., 2014. *The Middle East is the worst region for racial and nationality discrimination*. [Online] Available at: <https://news.efinancialcareers.com/uk-en/184324/middle-east-worst-region-racial-nationality-discrimination> [Accessed 3 5 2020].

ILO, n.d. *Discrimination at Work in the Middle East and North Africa*. [Online] Available at: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_decl\\_fs\\_92\\_en.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_decl_fs_92_en.pdf) [Accessed 3 5 2020].

Lombardo, J., 2013. *What is Discrimination at the Workplace? - Forms, Policies & Practices*. [Online] Available at: <https://study.com/academy/lesson/what-is-discrimination-at-the-workplace-forms-policies-practices.html> [Accessed 3 5 2020].

Wikipedia, 2020. *Ethics*. [Online] Available at: <https://en.wikipedia.org/wiki/Ethics> [Accessed 3 5 2020].