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FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT  
BACHELOR OF BUSINESS ADMINISTRATION AND MANAGEMENT  
BBAM 111 EXAMINATIONS 2018/2019

**BUSINESS ETHICS: 3203**

Date: Wednesday, 08<sup>th</sup> May 2019

Time: 04.00pm-07.00pm

**Instructions**

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1. The paper has two Sections, A and B
  2. Answer ALL Questions in Section A and any other **Three** questions in Section B
  3. DO NOT WRITE ON THIS QUESTION PAPER
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**SECTION A:**

***Question One***

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

After Megan Jones finished her BS degree in Management at The University of Rhode Island, she landed a great job with the “app” developing Global App Creations (GAC). In her six months of training in Human Resources (HR) she faced challenges, but enjoyed working with people solving their problems.

On Monday morning Megan’s boss, Debbie, placed a 20 - inch-thick personnel folder on her desk. “Megan, I want you to review these files and by Friday start the process of finding possible ethics violations. Some employees know this is coming, while others don’t have a clue. It’s your job to write them up for ethics violations and suggest whether you think some of them should go to legal as well.

I will add my write-up to each one so you won’t be the only one making the decisions. For now, I’ll make the primary decisions, but sooner or later you’ll be in charge of these tasks. If you have any questions, just stop by and we can talk.”

That afternoon Megan began going through the files. Some were straightforward involving theft of office supplies, inappropriate remarks, and tardiness. GAC’s code was straightforward on such matters. Yet other events appeared confusing. One salesperson was getting an official reprimand for using a company car for personal activities. This didn’t make sense because all the salespeople drove company cars they took home after work.

According to the file, the person visited a hospital ten miles away every evening for the past month.

Megan realized every GAC car was equipped with a GPS device. While she didn't think it was illegal for companies to install tracking devices on items they owned, she heard having information about health or religion could become the basis of a lawsuit if the person's employment was terminated.

The most shocking file Megan reviewed was that of another employee being fired for sharing confidential information with a competitor. The file contained reports on computer activity, cell phone usage, GPS tracking, and included audio and video of personal conversations, dinners, and hotel rooms. On Tuesday Megan went to Jeremy, who worked for the company for several years, and asked him if he knew of employee tracking at the company.

Jeremy responded, "Well, I have heard rumors that managers want to keep track of employees and monitor whether they share confidential information with competitors. I've also heard they monitor where each employee goes through the GPS located in the company car."

Megan felt uneasy. "Jeremy, is what they are doing legal? Can they track and monitor our every move and conversation?"

Jeremy shrugged. "As far as I know it's legal, but I've never looked into the actual laws. I don't know why a company should track my personal time outside the office. But what are we supposed to do about it? We all need a job, and each one comes with a price."

On Thursday Megan met with Debbie and expressed her concerns about the information GAC collects through the employee tracking activities. After she finished, Debbie responded.

"Don't be so naïve, Megan. You know as well as I do what employees do outside of work could legally hurt the company. It's also necessary to make sure employees aren't sharing confidential information with rivals. This is a competitive industry."

"But what about this employee using the company car to visit his daughter in the hospital? It was outside work hours and I heard his daughter is sick. What about an individual's right to privacy concerning medical records?"

Debbie brushed her concerns aside. "We don't have access to anybody's medical records. We got this from the GPS device in the company-owned car issued to him. We can't make exceptions for these types of things. Our reputation for ethics is excellent."

Then Debbie said, "I hope you haven't spoken to anyone about these cases because that violates confidentiality. Your job is to review the files and suggest appropriate action. All files and communications about the files are confidential."

### **Required:**

- a) If tracking employees through technology is not illegal, why should Megan be concerned if she is not involved in any misconduct? (06 marks)
- b) At this point, what are Megan's alternatives to resolve her current dilemma about her involvement and knowledge about GAC's tracking employees? (8 marks)
- c) Who should have a stake or an interest in how GAC tracks and monitors its employees? (06 marks)

## ***Question Two:***

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

Jayla just landed an internship with Acme Incorporated in the payroll department. She was excited because these internships usually turned into a full time job after graduation. Jayla was hired by Deon, the head of the Payroll Department. He told her about their policies and stressed the need for maintaining strict confidentiality regarding employee salaries and pay scales. "Several years ago we had an intern who violated the confidentiality policy and was given a negative internship summary," explained Deon.

"I understand, sir," Jayla responded. Jayla was determined to learn as much as she could about the job. She made sure she was always on time, followed all of the policies and procedures, and got along well with her co-workers. She started to feel like she fit in at Acme and dreamed of the day when she worked there permanently. However, one day while studying the books, Jayla began to notice abnormalities in one of the salespeople's salary. Greg, one of the senior sales representatives, made three times as much as the next highest earning salesperson in the company. Jayla assumed he must be a spectacular salesperson and worked efficiently. She often overheard Mia, the General Manager, and Deon praise Greg for his sales numbers. She also noticed the three of them would often go to lunch together.

One morning, Deon handed a stack of client folders to Jayla. He explained, "These are the clients for the salespeople for the week. They will come to you when they need more work, and they are only to take the files on top of the pile. You are in charge of making sure the salespeople don't pick and choose the files.

This is how we keep things fair among the sales force."

"I will make sure the files are distributed fairly," Jayla promised. She was excited to be trusted with this responsibility, and she made sure she did her best. Mary, one of the salespeople, came by to get files for the week. They made small talk as Mary looked into her files. She looked disappointed.

"You didn't get any good clients?" Jayla asked. "Nope, not a one," replied Mary, "which is just my luck!" She threw down the files in exasperation.

Jayla was concerned and asked, "What's the matter?"

"I'm sorry," she replied, "It's just that my sales have been slipping, and my paychecks are much smaller than they used to be. If my pay decreases much further, I may lose my health benefits. My daughter is asthmatic, and she has been in and out of the hospital over the last few months." Jayla looked at Mary sympathetically and tried her best to console her.

The next week, before the salespeople started coming into the office to pick from the pile, Jayla had some documents for Deon to sign. When she arrived at his office, the door was slightly open. She peeked in and saw Deon and Greg going through the stack of clients. Jayla watched as Greg rifled through the pile and picked out files.

"Thanks, Deon. These are the top clients for the week," Greg said.

"No problem, Greg," Deon responded "Anything for my favorite brother-in-law. Just keep up the good work."

Jayla stood there, mouth open. She turned to walk back toward her desk. She could not believe what she just saw. The boss was giving Deon all the good clients, while the rest of the salespeople had no choice in which they were assigned. Jayla knew this favoritism was a serious conflict of interest. Then she thought of Mary and her situation.

"What am I supposed to do?" Jayla wondered.

"If I say something to Deon, he will give me a bad evaluation. If I say anything to Mia, I may get fired.

And I definitely can't say anything to the other salespeople. There would be a riot." Saddened, she sat at her desk and wondered what to do.

**Required:**

- a) Discuss how this conflict of interest situation affects other salespeople, the organizational culture, and other stakeholders. (9 marks)
  - b) Describe the decision that Jayla must make. What are the potential ramifications of her choices? (7 marks)
  - c) Are there legal ramifications to this kind of behavior? If so, what are the potential consequences? (4 marks)
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**SECTION B:**

*Attempt any three Questions*

**Question Three:**

Write short notes on the following

- a) Ethics and environment (5 marks)
- b) Ethics in financial reporting (5 marks)
- c) Whistle blowing (5 marks)
- d) Corporate codes of Ethics (5 marks)

**Question Four:**

- a) “Ethical value systems support Business performance”, Explain the statement. (8 marks)
- b) Distinguish between Deontology and Utilitarianism as Ethical theories in Business. (8 marks)
- c) What is Virtue Theory? (4 marks)

**Question Five:**

- a) Define Ethical issues in the context of organizational ethics. (2 marks)
- b) Outline at least eight ethical issues and dilemmas in Business. (8 marks)
- c) Examine the challenges of determining an ethical issue in Business. (4 marks)
- d) How can an organization incorporate Ethical practices in their Business? (6 marks)

**Question Six:**

Explain in detail a criterion a Business Manager would adopt in ensuring an ethical decision making process. (20 marks)

**Question Seven:**

- a) What is the relationship between Business Ethics and the Law? (5 marks)
  - b) “Only human beings have a moral responsibility for their action.” Critically assess this proposition in the context of attempts to ascribe a moral responsibility to Corporation. (5 marks)
  - c) State the duties of Employers and Employees in a Corporation. (10 marks)
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