

The
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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: 24TH SEPTEMBER 2020

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:

AFYA BORA NURSING HOME:

Lucinah the chief nursing officer and who also doubles as the chief executive officer (CEO) of Afya Bora nursing home in Nairobi has been accepting expensive gifts, such as diamond watches and fully paid retreats in Mombasa and in other five star hotels in and outside Kenya from a pharmaceutical company in exchange for prescribing that company's new antihypertensive drug to her patients with high blood pressure. This has given the particular pharmaceutical company an undue advantage over others who year in year out keep on buying tender documents with the hope of securing a supply contract.

Employees at Afya Bora Nursing Home including senior managers aware of Lucinah's behaviour but none has dared confront her for fear of victimization. The board of directors of this medical facility has never been made aware of Sandra's dealings and keeps on reminding employees during end of year parties to treat all their suppliers with impartiality and to observe the highest standards of integrity in all the company's transactions and interactions with customers, suppliers and indeed all stakeholders as stipulated in the hospital's ethical code of conduct policy document.

In the year 2019 the board of director's relaunched its five- year (2019-2022) strategic plan so as to align it to the universal health care pillar of the Kenya government's big four agenda with the strategic intent of positioning Afya Bora Nursing Home to reap big from public-private partnerships in the health sector. The relaunched strategic plan emphasized retention of its core values namely honesty, impartiality with all stakeholders, customer care, professionalism and social responsibility. Lucinah as the chief executive officer was given the responsibility of implementing the relaunched strategic plan.

In December 2019, a supplier of cleaning detergents filed a complaint with Lucinah's officer alleging that the head of procurement was demanding some kickbacks before signing new orders for detergents while the chief accountant was also demanding some cash to release payments for past deliveries. The supplier further told Lucinah that the two officers had indirectly suggested that the CEO too was receiving inducements from a supplier to act in their favour. Lucinah in her capacity as the chief executive officer promised this supplier that action would be taken against the two officers but deep in her heart she was very much troubled because she feared her dealings with the pharmaceutical company could have been leaked to employee and any punitive action against the two employees could open a can of worms

She had already put herself on a collision course with the provisions of the hospital's ethical code of conduct. Nonetheless, as the CEO of Afya Bora Nursing home she had an obligation to act on the allegations made against her two employees to the satisfaction of the complainant.

REQUIRED

- a). **Analyze** *two* ethical dilemmas presented in this case (**4 marks**)
- b). **Assess** the extent to which you consider Afya Bora Nursing Home an ethical organization based on the materials presented in this case (**7 marks**)
- c). If you were hired to advise the board of directors of Afya Bora Nursing Home nursing on how to create a more ethical organization, **suggest** specific areas you would focus on based on evidence from this case (**6 marks**)
- d). **Discuss** *four* consequences of Lucinah's unethical conduct to her organization as its chief executive officer (**8 marks**)

QUESTION TWO

- a). **Explain** your understanding of the term corporate governance (**3marks**)
- b). **Discuss** three principles of good corporate governance (**6 marks**)
- c). **Describe** any three modes within which an ethical corporate leader can exercise authority (**6 mark**)

QUESTION THREE

- a) **Define** ethical leadership (**3 marks**)
- b) **Discuss** the reasons why corporate leaders should embrace ethical leadership (**12 marks**)

QUESTION FOUR

Discuss how a business organization can build its competitive advantage in the market through embracing ethical leadership (**15 marks**)

QUESTION FIVE

- a). Define the term organizational culture (**3 marks**)
- b). Organizational culture can manifest itself in several forms. Describe any three of these forms (**6 marks**).
- c). Discuss the criteria you would use to assess how ethical an organization is (**7 marks**)

QUESTION SIX

- a). **Define** the term *code of ethics* and **explain** how it can lay the foundation for creating ethical leadership in organizations (**7 marks**)
- b). Analyze the *strengths* and *weaknesses* of the Utilitarian theories (**8marks**)