

FINAL**ALTERNATIVE ASSESSMENT**

(COVER PAGE)

Session	:	April 2020
Programme	:	Diploma in Business (DIB) Diploma In Finance (DIF) Diploma In Marketing (DMKT) Diploma In Entrepreneurship (DENT)
Course	:	LAW2103: Business Ethics
Date of Examination	:	
Time Start	:	August 1, 2020 (Saturday) @ 10.00am
Time End	:	August 2, 2020 (Sunday) @ 10.00am
Duration	:	24 Hours
Special Instructions	:	
Answer ALL questions.		
Materials permitted	:	Nil
Materials provided	:	Nil
Examiner(s)	:	Vasudevan Arumugam , Dr Catherine Muthu, Gary Solibun, Kumaran and Nurnazida Nazri
Chief Moderator	:	Edi Hezri Hairi

This paper consists of 6 printed pages, including the cover page

DIPLOMA IN BUSINESS PROGRAMME (DIB)
DIPLOMA IN FINANCE PROGRAMME (DIF)
DIPLOMA IN MARKETING PROGRAMME (DMKT)
DIPLOMA IN ENTREPRENEURSHIP PROGRAMME (DENT)
LAW 2103: BUSINESS ETHICS
FINAL ALTERNATIVE ASSESSMENT: APRIL 2020 SESSION
24 HOURS

Instruction:

1. Answer all questions.
2. Your answer need to be typed in MS Word.
3. Your answer need to be submitted for plagiarism check using SafeAssign/Turnitin.
4. The cover page of the SafeAssign/Turnitin must be submitted together with your answers.
5. The plagiarism limit is 15%.
6. The word count limit:
 - (a) Question 1 – 1,500 words
 - (b) Question 2 – 1,500 words.
7. You are required to state the word count in your answer.
8. Late submission will not be marked. It will be at the discretion of the College to assess your submission.
9. Please clearly indicate your name and id number, the subject code and page number on each page when you scan and submit your answer.
10. Submit your answers onto the Blackboard.

Question 1**The Best Person for the Job**

After 25 years, Harun is finally ready to retire and take it easy. Harun teaches accounting and general business courses at PJCC Community College. The business department at PJCC offers business administration classes transferable to State University as well as professional and technical programs that culminate in a certificate after one year of study or an associate's degree after two years of study.

PJCC has a dual enrolment agreement with State, and as a result, many business students at PJCC are also enrolled at State.

Harun teaches several of the business transfer classes at PJCC, but his real love is the non-transfer professional accounting program. He was part of the faculty that created the program, and over the years he has taught hundreds of accounting students and helped them obtain internships and find employment in the community. Harun's golfing buddy sometimes jokes that every bookkeeper in town has been through Harun's accounting classes.

Besides the regular accounting classes and internships, PJCC maintains an accounting lab where students can get tutoring help if needed. The current lab tutor is David, who was hired two years ago when Dianne retired after nearly 10 years as the accounting tutor. David is a former student of Harun's and holds an associate's degree from PJCC and a bachelor's from State. The lab job is part-time, which works out perfectly for David, leaving him plenty of time to pursue his MBA in accounting at State. David wants to teach accounting at PJCC when he completes his MBA.

As a tutor, David has brought the accounting lab to life. He relates well with students, is an excellent tutor, and the faculty sees him as a valuable member of the department. In the two years he has worked in the lab, David has become good friends with Chong, the business department dean. They frequently have lunch together and even socialize with their wives outside of work. Last summer the families went camping together over the Merdeka weekend, and this year they expect to do the same.

Chong is chair of the committee to find Harun's replacement. The committee consists of Chong, two additional faculty members, an administrator from another department and Leena, the department chair for business and accounting. On Monday morning, Leena met with Chong to plan out the recruitment process.

"I know HR requires us to do a job search," said Chong, "but even so, there's no reason why we can't move David into Harun's position. He relates well with our students, knows all the ins and outs of the college, and is well liked by the faculty." Leena is surprised at Chong's suggestion. "David is a nice guy, and we all like him," she said, "but he's not qualified. This position requires a master's degree, and he's only got a bachelors."

“He doesn’t need a master’s degree to teach in the professional/technical program,” said Chong. “He’s perfectly qualified for that, and we have plenty of other faculty that can teach the transfer program. David is in school anyway. He’ll get his MBA next year, and until then, we’ll just schedule him for the professional/technical program, and we’ll fit the other classes into other faculty members’ schedules.” “This is not how we normally replace faculty,” said Leena.

She was particularly disturbed that Chong’s attitude indicated it was a done deal. “It’s no problem,” said Chong. “Recruitment is just an HR exercise anyway. I’ll have the paperwork ready for your signature by tomorrow.” The paperwork, marked “confidential,” was in Leena’s mailbox the following morning. It contained all the documents necessary for HR to launch a full-scale recruiting plan, including a new job description written by Chong.

Instead of the broad-based job description for a faculty member qualified to teach university-transferable and non-transfer classes, Leena found a job description that described David exactly. This is a set-up,” Leena mumbled to herself. She knows that even with five members on the hiring committee and the required selection process, the actual hiring decision is left to the dean. “It looks like David’s got the job no matter what.

What good is PJCC’s ethics committee when the deans have the power to do as they please anyway?” What should Leena do?

Required:

- (a) Elaborate the ethical issues in the case above. (10 marks)
 - (b) Identify and explain the position of the stakeholder involved in this case. (10 marks)
 - (c) Describe the actions and possible solution that can be taken by Leena. (20 marks)
 - (d) Elaborate Leena’s action from utilitarian theory point of view. (10 marks)
- (Total 50 marks)**

Question 2

Gluck Corporation

Johan, now in his fourth year with Gluck Corporation, was made a factory manager three months ago after completing the company’s management-training program. Gluck owns pulp-processing factory that produce various grades of paper from fast-growing, genetically altered trees. Johan’s factory, the smallest and oldest of Gluck’s, is located in upstate Georgetown, near a small town. It employs between 100 and 175 workers, mostly from the nearby town. In fact, the factory boasts about employees whose fathers and grandfathers have also worked there. Every year Gluck holds a Merdeka picnic for the entire town.

Gluck’s policy is to give each manager a free hand in dealing with employees, the community, and the factory itself. Its main measure of performance is the bottom line, and the employees are keenly aware of this fact.

Like all pulp-processing factories, Gluck is located near a river. Because of the factory's age, much of its equipment is outdated. Consequently, it takes more time and money to produce paper at Johan's factory than at Gluck's newer factories. Gluck has a long-standing policy of breaking in new managers at this factory to see if they can manage a work force and a mill efficiently and effectively. The tradition is that a manager who does well with the upstate Georgetown factory will be transferred to a larger, more modern one. As a result, the factory's workers have had to deal with many managers and have become hardened and insensitive to change. In addition, most of the workers are older and more experienced than their managers, including Johan.

In his brief tenure as factory manager, Johan learned much from his workers about the business. Johan's secretary, Ramona, made sure that reports were prepared correctly, that bills were paid, and that Johan learned how to perform his tasks. Ramona has been with the factory for so long that she has become a permanent fixture. Johan's three foremen are all in their late 40s and keep things running smoothly.

Johan's wife, Irene, is having a difficult time adjusting to upstate Georgetown. Speaking with other managers' wives, she learned that the "prison sentence," as she called it, typically lasted no longer than two years. She had a large calendar in the kitchen and crossed off each day they were there.

One morning as Johan came into the office, Ramona didn't seem her usual happy self. "What's up?" Johan asked her. "You need to call the DOE," she replied. "It's not really important. Ali said he wanted you to call him."

When Johan made the call, Ali told him the mill's waste disposal into the river exceeded Department of Environment (DOE) guidelines, and he would stop by next week to discuss the situation. Johan hung up the phone and asked Ramona for the water sample results for the last six months from upstream, from downstream, and at the factory. After inspecting the data and comparing them with DOE standards, he found no violations of any kind. He then ordered more tests to verify the original data. The next day Johan compared the previous day's tests with the last six months' worth of data and still found no significant differences and no DOE violations. As he continued to look at the data, however, something stood out on the printouts that he hadn't noticed before. All the tests had been done on the first or second shifts. Johan called the foremen of the two shifts to his office and asked if they knew what was going on. Both men were extremely evasive in their answers and referred him to the third-shift foreman. When Johan phoned him, he, too, was evasive and said not to worry—that Ali would explain it to him.

That night Johan decided to make a spot inspection of the mill and test the wastewater. When he arrived at the river, he knew by the smell that something was very wrong. Johan immediately went back to the mill and demanded to know what was happening. Lee, the third-shift foreman, took Johan down to the lowest level of the factory. In one of the many rooms stood four large storage tanks. Lee explained to Johan that when the pressure gauge reached a certain level, a third-shift worker opened the valve and allowed the waste to mix with everything else.

“You see,” Lee told Johan, “the mill was never modernized to meet DOE standards, so we have to divert the bad waste here; twice a week it goes into the river.” “Who knows about this?” asked Johan. “Everyone who needs to,” answered Lee.

When Johan got home, he told Irene about the situation. Irene’s reaction was, “Does this mean we’re stuck here? Because if we are, I don’t know what I’ll do!” Johan knew that all the managers before him must have had the same problem. He also knew that there would be no budget for installing DOE-approved equipment for at least another two years. The next morning Johan checked the DOE reports and was puzzled to find that the mill had always been in compliance. There should have been warning notices and fines affixed, but he found nothing.

That afternoon Ali stopped by. Ali talked about the weather, hunting, fishing, and then he said, “Johan, I realize you’re new. I apologize for not coming sooner, but I saw no reason to because your predecessor had taken care of me until this month.”

“What do you mean?” Johan asked.

“Ramona will fill you in. There’s nothing to worry about. I know no one in town wants to see the mill close down, and I don’t want it to either. There are lots of memories in this old place. I’ll stop by to see you in another couple of months.” With that, Ali left.

Johan asked Ramona about what Ali had said. She showed him a miscellaneous expense of \$100 a month in the ledgers. “We do this every month,” she told him. “How long has this been going on?” asked Johan.

“Since the new DOE rules,” Ramona replied. She went on to clarify Johan’s alternatives. Either he could continue paying Ali, which didn’t amount to much, or he could refuse to, which would mean paying DOE fines and a potential shutdown of the factory. As Ramona put it, “Headquarters only cares about the bottom line. Now, unless you want to live here the rest of your life, the first alternative is the best for your career. The last manager who bucked the system lost his job. The rule in this industry is that if you can’t manage Gluck’s upstate Georgetown factory, you can’t manage. That’s the way it is.”

Questions

1. Identify **FOUR (4)** ethical and legal issues of which Johan needs to be aware
(10 marks)
 2. Discuss **FOUR (4)** possible decisions Johan could make in this situation. For each decision describe its advantages and disadvantages.
(20 marks)
 3. Identify the pressures that have brought about the ethical and legal issues.
(20 marks)
- (Total 50 marks)**

≈ The End ≈