

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
Vidyavihar, Mumbai- 400077**

**Program: PGDM – IB - (Batch 2017-19), Trim.VI
Subject: Business and Personal Ethics
(End Term Examination)**

Maximum Marks: 25

Duration: 2 Hrs.

Date : 16/04/2019

Instructions

Question 1 is compulsory. (10 marks)

Attempt any 3 from the remaining questions. (5 marks each)

QUESTION 1

Whistle blowing at Boeing:

According to federal court records, David Sabey, whose Sabey Corporation had contracted to erect the buildings for Boeing, didn't meet the company's ultra-strict specifications. Wiring in some areas of the complex, for example, didn't meet code. In other places, safety measures were not up to the mark.

Kevin Kelly had been an electrician at the Boeing Co. for a couple of years when, in 1987, he got a call from his bosses to take on a special assignment. "I've had a lot of experience, 40 to 45 years, getting people to fulfill their contracts. When I go to Boeing and say there's something wrong, they do nothing and I'm not satisfied. When you go against the company, nobody wants you. But I have to live with my own conscience." Kelly commented.

Kevin Kelly's assignment was to go into Oxbow plant, identify the problems, and assist with what would amount to millions of dollars in repair work. What Kelly found, federal court records show, was that instead of Boeing holding Sabey Corporation responsible for the repairs, the aerospace company merely billed the work back to the government.

Kelly told his superiors that Sabey's people should have been doing the work. Kelly was told not to worry about it. Time and time again, Kelly brought the problem to the attention of Boeing managers, and time and time again, he was told to mind his own business.

Seven months after he first stumbled upon the suspicious activity, Kelly's conscience kicked into overdrive. He decided he had no other choice but to blow the whistle on Boeing.

Kelly handed over piles of internal Boeing records that revealed how the company went about billing the government for work that Kelly believed Sabey Corporation was responsible for doing. Convinced that Boeing may indeed have been ripping off the government, the Defense Department's Office of Inspector General slapped Boeing with a subpoena in April 1989, demanding records pertaining to the top-secret Oxbow facility.

Questions:

a) Did Kelly do the right thing blowing the whistle when he knew that he might not win his

case?

- b) When his original suspicions were aroused and management did nothing to correct the oversight, what is the action that he should have taken?
- c) Should Kelly have handed over private company records to prove his allegations of misbilling?
- d) What are the steps for solving an ethical dilemma?
- e) How would you have handled this situation?

QUESTION 2 Explain with an example the problem faced by people with power and complex responsibilities. What is Badaracco's frame work?

QUESTION 3 What is meant by "corporate culture? How can an internal ethics policy shape the culture of an organization?

QUESTION 4 What can be the role of celebrities and brand ambassadors in defending a brand which has come under a regulatory upheaval?

QUESTION 5 How are ethical issues looked at differently from the perspective of Asian and western countries? Give examples to support your answer.