

MBA 847 Assignment

Part A

1. Political processes shape a society's laws and constrain the activities of organizations and, thus creating both opportunities and threats, identify and discuss the major threats to businesses within Nigerian political environment.
2. Which laws govern the operation of businesses in Nigeria?
3. Discuss the environmental and social issues which businesses in Nigeria must focus to align with sustainable practices
4. Provide a brief reflection on the technological timelines by emphasising the major achievements
5. Give a chronological account of the industrial revolution
6. Identify and discuss both internal and external elements in the business external environment in Nigeria and how each of such elements impact on the business operations

Part B

Ethical Dilemmas at TransNational Manufacturing Nigeria Ltd

Background

TransNational Manufacturing Nigeria Ltd (TMNL) is a pharmaceutical and consumer goods manufacturer operating in Lagos, Kano, and Port Harcourt. The company employs 3,500 workers and has built a strong reputation across West Africa. CEO Amaka Okonkwo is known for her public commitment to corporate integrity and ethical business practices. However, TMNL now faces multiple interconnected ethical crises that threaten both its reputation and financial viability.

The Crisis Situation

a. *Environmental Pollution*

TMNL's Port Harcourt facility discharges industrial waste into a river serving 25,000 residents in five communities. Contamination levels exceed regulatory standards by 300%, and residents report health problems. Upgrading the waste treatment system costs ₦450 million and would reduce annual profit by 23%, potentially requiring 400 job cuts. Alternatively, a ₦15 million "facilitation payment" to environmental officials could ensure lax enforcement indefinitely.

b. *Labor Issues*

Workers earn ₦75,000 monthly (above minimum wage but below living wage). The union demands ₦275,000 monthly and threatens to strike. Internal assessments reveal unpaid mandatory overtime, inadequate safety equipment, fear of reporting concerns, 18% gender pay gap, and minimal female representation in management despite women comprising 45% of the workforce.

c. *Ethnic Homogeneity*

Of seventeen senior executives, fourteen share the CEO's ethnic background and state of origin. The CEO defends hiring people she trusts from her networks, citing their competence. However, this has created internal tensions and recruitment challenges as talented diverse candidates avoid joining a company perceived as ethnically exclusive.

d. *Child Labor in Supply Chain*

A key supplier providing 30% of herbal ingredients employs children aged 12-16 during harvest seasons. While culturally normalized in the rural area and economically necessary for families, this violates Nigerian labor law and TMNL's supplier code. Terminating the relationship requires nine months to find alternatives and could devastate the farming community economically.

e. Corruption Pressures

Politically connected intermediaries demand substantial "consultancy fees" for contract renewals representing 22% of revenue (refusing costs ₦1.2 billion over two years). Competitors bribe hospital procurement officials and gain market share despite TMNL's superior products. The sales director argues TMNL must "adapt to market realities."

f. Board Pressure

The board questions whether Okonkwo's ethical stance is financially sustainable. They cite competitors who maintain profitability through "pragmatic" approaches. Okonkwo has six months to reverse declining performance or face removal. International pharmaceutical companies have expressed acquisition interest with attractive valuations but potential workforce reductions.

Requirements

You are a consulting team advising CEO Okonkwo. Prepare a comprehensive analysis addressing the following questions in prose format:

Question 1: Using consequentialist, deontological, virtue ethics, justice, and care ethics frameworks, analyze TMNL's three environmental options (invest ₦450 million in upgrades, make facilitation payments, or close the facility). Which ethical framework provides the most compelling guidance for this situation and why?

Question 2: Does TMNL have a moral obligation to pay living wages above the legal minimum? Analyze this using at least two ethical theories. Should the company address the gender pay gap and workplace safety culture, and if so, how can this be done considering Nigerian power distance dynamics?

Question 3: Is TMNL's ethnically homogeneous leadership structure an ethical problem? Evaluate the tension between merit-based hiring and diversity goals in the Nigerian context. What practical steps should TMNL take to address diversity concerns without compromising leadership quality?

Question 4: Should TMNL continue or terminate its relationship with the supplier using child labor? Apply ethical theories to analyze both options. Does cultural context justify different standards, or should universal principles against child labor apply? Propose an alternative solution beyond the binary choice.

Question 5: How should TMNL respond to corruption pressures (facilitation payments, consultancy fees, bribery demands)? Are there morally relevant distinctions between different types of payments? Can ethical business practices be maintained in systemically corrupt environments?

Question 6: Develop an integrated strategic recommendation addressing all five issues. How should priorities be sequenced given resource constraints? Should TMNL maintain independence or consider acquisition? How can the company satisfy board demands while maintaining ethical standards?

Question 7: What does this case reveal about tensions between traditional African values, religious principles, and global business ethics standards? How can Nigerian businesses develop authentically African ethical frameworks that meet international expectations? What institutional changes would support more ethical business practices in Nigeria?

Part C

(Corporate Social Responsibility)

Cheshire Foods Plc is one of the largest food-processing companies in West Africa. The company has recently faced criticism from the public due to reports allegations of unfair

treatment of local farmers, environmental pollution from one of its factories, and concerns about unhealthy levels of additives in some of its products.

In response, the management proposes a new Corporate Social Responsibility (CSR) initiative with the following components:

1. **Environmental Sustainability:**

Implementing a waste-water treatment system and a commitment to cut carbon emissions by 30% within five years.

2. **Community Engagement:**

A programme to support local cassava and maize farmers through training, improved seeds, and guaranteed purchase agreements.

3. **Health & Nutrition:**

Reformulation of three major product lines to reduce artificial additives and salt.

4. **Employee Welfare:**

New internal policies on staff development, workplace safety and equal opportunity.

Despite the initiative, some stakeholders contend that Cheshire Foods Plc is only engaging in CSR to repair its tarnished reputation, while others believe the company is genuinely committed to ethical responsibility.

Required

1. Evaluate the proposed CSR initiatives using Carroll's CSR Pyramid (Economic, Legal, Ethical, and Philanthropic or Discretionary responsibilities).

2. Discuss the effectiveness of these CSR initiatives in enhancing the company's relationship with all its stakeholders, including shareholders, the community, customers, employees, the environment, and the government).

3. What are the probable reasons behind Cheshire Foods' decision to consider its social responsibilities?