



**OBAFEMI AWOLowo UNIVERSITY, ILE-IFE, NIGERIA**  
**DEPARTMENT OF MANAGEMENT & ACCOUNTING**  
**Ethical Issues in Business & Public Agencies (ACC 853)**

**CASE STUDY**

Alhaji Donald Usman is the chairman of WAZOBIA Plc, a conglomerate in the oil and gas sector. He is also the nephew of King Jaja Nanah of Datunwa village and has unjustly acquired many hectares of ancestral land from the indigenes without adequate compensation, leveraging the king's influence. The conglomerate is situated in Datunwa village in the creeks of the Niger Delta. The company has been embroiled in a long-standing battle with the host community over various issues, including environmental degradation, which has negatively impacted WAZOBIA Plc's profits over the past three years. Other problems that have plagued the Conglomerate include: (i) indecent labor practices: In view of the less stringent labor laws, there are critical concerns about worker exploitation—such as low wages, poor working conditions, and lack of workers' rights; (ii) environmental concerns: The conglomerate makes use of obsolete production assets that lead to increased pollution, and also allow the waste elements in the production process to flow into the stream used by the villagers; (iii) false marketing tactics: The company uses an aggressive marketing campaign highlighting its production process in an environmentally friendly manner while downplaying or omitting details about the dangerous elements in the production process and its implications for health of the local communities; (iv) Sexual intimidation of casual workers: The Finance Director, Mr. Godson Usman, who is the first son of the Chairman has been accused by the casual workers of sexual harassment and intimidation. The Director was caught on a secret camera touching the breasts of the female workers and threatening to sack them if they made any complaint.

Finally, Alhaji Usman bowed to pressure and employed a private investigator to investigate the myriad accusations against the conglomerate. The findings of the investigation include the following:

- (a) The unethical activities of the conglomerate led to a campaign by the human rights activist for the communities to stop patronising the conglomerate's product, which has affected the bottom line.
- (b) The company has engaged in unethical and immoral activities by using sub-standard and dangerous raw materials in its production process without alerting the public to the danger in the product.
- (c) The waste materials from the production process are released into the stream used by the villagers, and this has resulted in severe health conditions for many of the villagers
- (d) The ancestral land of the villagers was forcefully taken from them without commensurate compensation.
- (e) The Financial Director sexually abused and verbally intimidated the female casual workers
- (f) The conglomerate should embark on corporate social responsibilities to alleviate the sufferings of the people affected by the economic activities of the Conglomerate.

Upon the release of the private investigation, the community made several demands on the conglomerate, which include the following: One, the firm should pay adequate compensation to the indigenes whose ancestral land was fraudulently acquired by the firm. Two, the firm should sack the Financial Director for the wrongdoing. Third, the firm should undertake extensive corporate social responsibility initiatives to alleviate the suffering of the community.

Therefore, Alhaji Usman called an emergency board of directors' meeting to deliberate on the report of the private investigator and the community's demands. Alhaji Usman has stood his ground and refused to yield to all the needs of the host community. He clearly stated at the board's meeting that "the business of business is to make profits for its shareholders and not to spend the shareholders' money on social amenities. He vowed to do everything within his power not to allow anybody to destroy the business he has built over the years through dint of hard work, self-sacrifice, and perseverance". He further posited that he has provided jobs to the teeming youth of Datunwa village in his firm, which he views as a sufficient way of giving back to the community. Additionally, he didn't see any correlation between ethical conduct and the conglomerate's bottom line. Mr Komsha Kunte, a long-time friend of Alhaji Usman and an independent director, gave us an insight into the personality of Alhaji Donald. According to him, Alhaji Usman is a man of strong character who follows self-chosen ethical principles of rights and acts in accordance with his personal principles when laws violate them.

**Required:**

1. Discuss the ethical ideology of Alhaji Usman
2. Enumerate five ethical misconducts that have been perpetrated in WAZOBIA as alleged by the Datunwa community
3. Situate Alhaji Donald Usman's personality and decisions within the framework of Kohlberg's Cognitive Moral Development Theory
4. Explain seven ethical steps that can be taken before the company can sack the Finance Director