



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

**DEPARTMENT OF ACCOUNTING, FINANCE AND HUMAN CAPITAL
MANAGEMENT**

EXAMINATION PAPER

MODULE CODE : CHR 423
MODULE TITLE : LEADERSHIP AND ETHICS
DURATION : 3 Hours
LEVEL : 4.2
DATE : 28 NOV 2025

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue
2. Answer question number **one (1)** in section A (Compulsory) and any other three (3) questions in section B
3. The number of marks for each question or part question is shown in brackets []
4. Begin each question on a new page.
5. **DO NOT OPEN THIS PAPER UNTIL THE INVIGILATOR INSTRUCTS YOU.**

SECTION A (COMPULSORY)

CASE STUDY

Rudo Furnitures was once a thriving manufacturing company in Zimbabwe, known for its innovative products and strong market presence. However, over the past few years, the company has been embroiled in a series of scandals and controversies that have severely tarnished its reputation and led to a dramatic decline in its financial performance.

The root of Rudo Enterprise's downfall can be traced back to the abuse of power by its top leadership team, particularly the CEO, James and the CFO, Ndlovu. James, who had been at the top of the company for over a decade, had achieved significant influence and control over the organization's decision-making processes. Ndlovu, his close ally, played a crucial role in enabling and concealing James's unethical practices.

One of the primary ways in which James and Ndlovu abused their power was through the misappropriation of company funds. They routinely approved lucrative contracts and deals that benefited their personal interests and those of their associates, rather than the company's best interests. This included inflating the costs of supplier contracts, diverting funds to pocket companies owned by their family members and authorizing excessive executive bonuses and perks.

Moreover, James and Ndlovu actively suppressed disagreements and whistleblowing within the organization. They intimidated and threatened employees who dared to question their decisions and even went so far as to terminate the employment of those who raised concerns about the company's unethical practices. This created a general culture of fear and lack of accountability, where employees were afraid to speak up against the leadership's wrongs.

The abuse of power also extended to the company's board of directors, which James and Ndlovu had effectively handpicked and controlled. They ensured that the board members were compliant and did not challenge their decisions, even when they were clearly not in the best interest of the company and its stakeholders.

As a result of these unethical practices, Rudo Furnitures' reputation in the market began to deteriorate, leading to a loss of customer trust and a decline in sales. The company's financial performance also suffered, with declining profits and a dropping share price. Regulatory authorities eventually investigated Rudo Furnitures' practices, leading to hefty fines and legal proceedings against James, Ndlovu and their complicit executives.

QUESTION 1

- (i) Discuss the different forms of abuse of power exhibited by the CEO, James and the CFO, Ndlovu, at Rudo Furnitures. **[5 marks]**

(ii) Asses the specific ways in which they misused their authority and influence to serve their personal interests at the expense of the company and its stakeholders. **[7 marks]**

(iii) Develop a brief plan to address the abuse of power issues, including strategies for strengthening corporate governance, enhancing ethical decision-making and fostering a culture of transparency and accountability. **[13 marks]**

SECTION B – ANSWER ANY THREE QUESTIONS

QUESTION 2

Assess the key ethical principles and frameworks that organizational leaders should consider when making important decisions. In your answer explain how these principles, can help leaders navigate complex ethical challenges in the workplace. **[25 marks]**

QUESTION 3

Evaluate the role of organizational policies, codes of conduct and ethics training programs in helping employees recognize and respond to ethical challenges and provide recommendations on how Zimbabwean companies can more effectively integrate ethics into their management practices. **[25 marks]**

QUESTION 4

Explore the critical leadership competencies required to effectively guide organizational change and innovation. Use examples in your answer. **[25 marks]**

QUESTION 5

Examine the critical role that ethical leadership plays in driving sustained organizational performance and long-term success. **[25 marks]**

QUESTION 6

- (i) Explain the core principles and values that underpin ethical conduct in the workplace. **[10 marks]**
- (ii) Discuss the assertion that "*Organizational ethics goes beyond individual morality.*" Use practical examples to explain your answer. **[15 marks]**

END OF EXAMINATION PAPER

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