

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION - MAY 2008

COURSE TITLE : BUSINESS ENVIRONMENT AND SOCIETY
COURSE CODE : BA 111 – FULLTIME and IDE
CLASS : DIPLOMA IN COMMERCE
TIME ALLOWED : TWO (2) HOURS

INSTRUCTIONS:

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. SECTION (A) IS COMPULSORY
3. ANSWER ANY TWO (2) QUESTIONS FROM SECTION B
4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FOUR (4)

**NOTE; MARKS WILL BE AWARDED FOR GOOD COMMUNICATION
IN ENGLISH AND FOR ORDERLY PRESENTATION**

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR
HAS GRANTED PERMISSION

SECTION A

Advantica Restaurant Group, Inc. is one of the largest U.S. restaurant companies, including more than 1,800 Denny's restaurants, 480 Coco's, and over 120 Carrows restaurants. Denny's is one of the largest national family restaurant chains in market share and sales volume. Denny's restaurants recently reached the benchmark of operating in all 50 states and 5 foreign countries. Advantica has 22 percent of its Denny's restaurants in California, 11 percent in Florida, and 9 percent in Texas.

Through its Denny's chain, Advantica has suffered some negative publicity regarding alleged racist employees. A black family is suing the Denny's restaurant chain for \$10 million claiming that their group of 25 people was refused service. The suit alleges that the family waited for nearly two hours and was ultimately refused service based solely on their race. Rachelle Hood-Phillips, chief diversity officer for Advantica Restaurant Group Inc., apologized for the poor service but asked that people not confuse a delay of service with discrimination. In 1994, Denny's settled a similar suit for \$46 million that claimed black customers were denied service or forced to pay in advance.

Advantica has had much to be proud of concerning its diversity efforts. Because the Denny's chain has been making great strides in diversity, Advantica recently gained the number-one position on *Fortune's* "Best Companies for Minorities" list. The following factors helped the company achieve this acclaim: (1) the board of directors consists of 11 directors of which 36 percent are women and people of color (non-white), (2) the senior management committee consists of 33 percent women and people of color, and (3) all of Denny's employees, management and non-management, have completed diversity training.

In addition, Advantica's workforce is highly diverse. Of Advantica's more than 46,221 company employees, 48 percent are minorities. Of the minorities, 11 percent are African Americans and 31 percent are Hispanic American. Minorities hold 32 percent of Advantica's restaurant and supervisory positions. Also, minority employees represent 32 percent of Advantica's management team with African Americans, Hispanic Americans, and Asian Pacific Americans accounting for 12 percent, 14 percent, and 6 percent, respectively.

Advantica's management is focusing on building a diverse workplace. Unlike some companies, Advantica is achieving real success in building company diversity. Such success should be a major contributor to long run company viability.

1. How important is having a diverse workforce to Advantica? Discuss fully. (15 MARKS)
2. What challenges do you think managers face in working with diverse populations? Discuss only 5. (15 MARKS)
3. How would you control diversity activities at Advantica if you were top management? (10 MARKS)
4. As Advantica's top management, what steps would you take to build commitment for diversity throughout the organization? Be as specific as possible. (10 MARKS)

SECTION B

1. "Corporate Social Responsibility is not at all beneficial to society." Support this argument. (25 MARKS)
2. a. Can Business Executives be taught how to act ethically? (5 MARKS)
b. Discuss, with examples, the Egoistic and Social Relativism approaches to ethical behaviour (20 MARKS)
3. Why would a company that extracts and sells a natural resource, such as oil or gold, be concerned about other environments other than the natural environment? Discuss the importance of technological, political, and social environments to this company extracting a natural resource (25 MARKS).