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UNIVERSITI SAINS MALAYSIA

**Doctor of Business Administration**

Second Semester Examination  
Academic Session 2007/2008

April 2008

**AGW 708: Current Issues in Business and Management**

Duration: 3 hours

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Please check that this examination paper consists of **FOURTY FIVE** pages of printed material before you begin the examination.

Answer **THREE** questions. Section A is **COMPULSORY**. Answer and choose any **TWO (2)** questions from Section B. Please write your index number clearly on every new page of the answer script. Start a new page when answering a new question.

**Section A: COMPULSORY**Question 1

Based on the readings from part report, Manual on Gender Budgeting in Malaysia: Ministry of Women, Family and Community Development, 2005, ISBN 983-41432-2-2 of **Appendix A**, answer the following questions.

- (a) Discuss the main gender concepts used in gender budgeting. Give your inputs on how these concepts can be integrated in the Bursa Malaysia Corporate Social Responsibility Agenda: Environment, Community, Workplace and Marketplace.

[ 20 marks ]

- (b) What are your opinions and critiques on how gender budgeting is done at any public universities in Malaysia? Your debate and arguments should include some measures or indicators which can be construed as gender needs budget allocation in that particular university

[ 20 marks ]

- (c) What have you learnt from gender budgeting? Please give specific learning points and how these affect your budgeting at professional and personal levels

[ 10 marks ]

**Section B. Answer any TWO (2) questions from this section.**Question 2

Read the following case and answer the questions at the end of it

**Corporate Social Responsibility: Is it worth it?*****Misguided virtue?***

Corporate social responsibility has definitely come of age now that the critics have started to swarm. Misguided virtue was one economist's claim: "CSR will make us worse off when put into effect with higher costs for questionable benefits". And, "business should act responsibly by not fully endorsing CSR". The London *Observer* shouts that the concept of corporate social responsibility has "rarely been paid more than lip service" and *The Economist* is, as ever, quick to jump on any negative bandwagon that does not have unadulterated profits as its goal when it smugly headlines "ethical reporting as irresponsible". Now we see the US president parading in front of large signs proclaiming 'Corporate Responsibility' quickly followed by subversion at the US' regulatory body the SEC, we know that the 'social' in CSR means an awful lot more than merely 'corporate responsibility'.

*Poorly defined concept?*

There is some truth in the background to the critics' assertions. Poorly defined concepts abound, doing well by doing good is universally accepted but when does doing good stop? It is accepted that CSR means treating a companies' stakeholders in an ethically responsible manner. But who are the stakeholders? What does ethical mean? My responsibility might be another's irresponsibility? And why just talk about social, what about economics, the environment, psychology and sociology?

*Body blows?*

First, a recent decision in California to consider all Nike communications on human rights and related issues as 'commercial speech', and therefore unprotected by the US First Amendment on freedom of speech, could lead to profound consequences whereby any CSR report by a company will be considered commercial. Thus social statements not backed up by concrete evidence or were shown to be untrue even for marginal cases could lead to prosecution. More than 40 companies and others have joined Nike in urging the US Supreme Court to overturn the decision. This could mean reporting on CSR activities being nipped in the bud, at least in the short-term, in the US especially given the conservative nature of the US Supreme Court. I say 'short-term' simply because it is inevitable that businesses will be ever more socially responsible over the coming decades since they will be unable to ignore social problems and issues that have been, to date, largely the preserve of Governments. There are bound to be a few hiccups on the way.

Second, calls for such things as triple-bottom line reporting could set back business interest in CSR simply because life is getting too complicated. The case for an economic bottom line that would take account not only of income and expenditure but also intangible items such as intellectual capital, natural capital and social capital is attractive and some companies such as Skandia have advanced considerably in including such items in their reporting. However, financial analysts and pension fund managers that drive stock market valuations keep their eye firmly attached to the profit and loss sheet of companies. Consequently, the two bottom lines for social and environmental actions are lost in the fog of competing demands. A company that rapes the countryside for trees at low cost and has a healthy profit is immediately the stock market darling. Yet, thanks to environmental lobbying, no company can pay lip-service to environmental concerns these days without analysts querying its long-term sustainability. Similarly, lobbyists have placed exploitative pay to workers in developing countries on the agenda for all companies located in rich countries that produce in poor ones. Simply said, even if social and environmental concerns cannot be captured in one number, their growing importance is reflected in the key number – the profit and loss account.

This latter point means that attempts to produce three bottom lines are nonsensical. What is needed is to incorporate serious social and environmental concerns into one number – how do they affect profits and losses. The sentiment behind triple bottom line reporting is well meant, unfortunately it is conceptually suspect. Better to concentrate on the tangible measures of CSR (we include environmental questions under CSR) and try to work out their costs and benefits.

***A CSR code?***

The London *Observer* expressed its skepticism, “CSR is dead” it glibly slipped in its article. But then it listed six items in what it called a ‘corporate responsibility code’. These were:

- Don't abuse your workforce.
- Don't cause unnecessary damage to the environment.
- Ensure members of your supply chain are well-treated.
- Treat your customers with respect.
- Don't do business with oppressive regimes.
- Don't let patent protection prevent your products being used in cases of national emergency.

Careful readers will note that each item, including the rather curious last item, covers relations with each of the main stakeholders of a company. Nothing wrong with any of that but maybe, following Carly Fiorina, ask other stakeholders such as the owners, shareholders and managers to behave ethically too. Other quibblers might ask to whom is the code accountable and what exactly a company must do to observe it.

***CSR is worth it!***

Curiously, the skeptics seem to present the case in favour of CSR as well, if not better, than the CSR proponents. For instance, Martin Wolf of the Financial Times concluded, while presenting the skeptic’s case about CSR at a recent book launch, that he had “no problems with the idea that there was a business case for corporate social responsibility - in these cases it was simply mislabeled, since it was really just intelligent profit maximization”. I quite agree. It would therefore appear that even the critics of CSR believe ‘it is worth it’! (Source: Michael Hopkins, CEO MHCi, published in Monthly Features, 2002)

- (a) Is the Corporate Social Responsibility worth it? State and discuss your position. Also where necessary provide examples to support your arguments. [ 12 marks ]
- (b) Briefly define and discuss the concept of Corporate Social Responsibility? [ 5 marks ]
- (c) Why do companies need to produce corporate social responsibility reporting? Discuss the benefit of having corporate social responsibility reporting practiced by the company to the stakeholder at large. [ 8 marks ]

Question 3

Conflict resolution demands that parties involved in a conflict possess the necessary communication skills to create new negotiation space. Identify and critically evaluate these communication skills. Your discussion should focus on your working experience,

[ 25 marks ]

Question 4

Consumers are more likely to buy from companies with good environmental reputations". Do you agree with the statement? Argue your standpoint.

[ 25 marks ]

Question 5

"Good Governance – Can positive values help?" Discuss. Support your argument with → ethical theories.

[ 25 marks ]

APPENDIX A

# MANUAL ON GENDER BUDGETING IN MALAYSIA



Kementerian Pembangunan  
Wanita, Keluarga dan Masyarakat  
Ministry of Women, Family and Community Development



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## Introduction

Gender budgeting is a relatively new development concept that seeks to include a gender perspective in the national budget. A gender-responsive budget (GRB) addresses the needs and interests of different groups of citizens—women and men, girls and boys—and aims to allocate government resources in an equitable way so that the most pressing needs of individuals and groups are satisfied.

The term 'gender budgeting' is used broadly in this manual to refer to all GRB initiatives. These initiatives are sometimes known by different names—'gender budget work', 'gender-sensitive budget', and 'gender budget analysis'—but in essence they refer to the same concept.

In 1995, only a few countries and agencies were involved in gender budgeting. Today, some form of gender budget work has been implemented in over 60 countries worldwide.

The GRB initiative in Malaysia (also known as the Gender Budget Analysis Project) is spearheaded by the Ministry of Women, Family and Community Development (MWFCD) with financial and technical assistance provided by the United Nations Development Programme (UNDP). Gender budget work is seen as a practical way of taking forward gender mainstreaming in all aspects of national development, including policy, planning, and budgeting.

Recognizing that adaptation to local contexts and needs is necessary to ensure relevance and sustainability, the Gender Budget Analysis Project has concentrated on making the Malaysian budget process—an advanced form of performance budgeting—gender-sensitive. The Programme Agreement (ABM-2) submitted by government agencies to the Ministry of Finance to request for their operating expenditures has been the main focus of engendering the budget process. The project has adopted a pilot approach across selected ministries and programmes with a view to perfecting the methodology of gender budgeting before extending it to the rest of government.

The pilot ministries—the Ministry of Education (later split into the Ministry of Education and the Ministry of Higher Education), the Ministry of Health, the Ministry of Human Resources, and the Ministry of Rural Development (later renamed the Ministry of Rural and Regional Development)—all have relatively large budgets and span both the economic and social sectors. The programmes selected were drawn from both the operating and development budgets so as to test the application of the approach across both.

Training is a core element of the Gender Budget Analysis Project as gender analysis



skills are essential if budget officers are to produce meaningful gender-sensitive budget statements. To build up a pool of local gender budget experts, a series of training workshops have been conducted for budget officers from the pilot ministries, as well as officers from the Ministry of Finance, Institut Tadbiran Awam Negara (INTAN), the Economic Planning Unit (EPU), and the Implementation and Coordination Unit (ICU).

This manual is designed to be used by these officers as a source of reference and also as a practical guide to training other officers when gender budgeting is extended to the rest of government. It consists of six parts:

**PART 1: Gender Budgeting in Malaysia** provides the background to gender budget work in Malaysia and briefly describes the pilot project.

**PART 2: What is Gender Budgeting?** discusses the definitions of gender budgeting and its benefits in general terms.

**PART 3: Understanding Gender Concepts** explains in simple terms some of the common concepts used in talking about gender and budgets.

**PART 4: Carrying Out Gender Budget Analysis** provides guidance on how to carry out gender budget analysis—the heart of gender budget work—and discusses the type of data required for effective analysis.

**PART 5: Making the Malaysian Budget Formats Gender-Sensitive** describes the work of the pilot ministries in adapting the standard Malaysian budget formats to reflect gender with examples drawn from both the operating and development budgets.

**PART 6: Frequently Asked Questions About Gender Budgeting (FAQs)** provides quick answers to some FAQs about gender budgeting.

A list of abbreviations, together with their meanings, is given at the end of the manual.

## 1

Gender Budgeting  
in Malaysia**History of gender budgeting in Malaysia**

Gender budgeting in Malaysia had its beginnings in 2000 when the then Prime Minister spoke about gender budget work in his address to the Regional Steering Committee of Women in Asia-Pacific. The Prime Minister had heard about the gender budget work being done in other countries in the Commonwealth and elsewhere, and was aware that gender budget work was a good and practical way of taking forward gender mainstreaming within government. Not only can gender-responsive budgets (GRBs) help governments to uphold their commitments in economic development and poverty reduction but they can also assist them in monitoring and evaluating the gender impacts of policies and programmes.

In addition, GRBs enhance governance by encouraging accountability, participation, and transparency. Furthermore, the Government of Malaysia has always stressed the importance of incorporating gender perspectives into its development planning and

allocation of resources. For example, the National Policy on Women, 1989 notes the need for information on target clientele to be '**gender categorized** to enable appropriate assessment' (see Box 1).

**BOX 1 Extracts from Malaysia's National Policy on Women, 1989**

*The following parts of Malaysia's National Policy on Women support the need for gender budget work:*

3.1 Major principles and guidelines of the Policy include the following:

(i) That information on target clientele and the impact of development programmes shall be **gender categorized** to enable appropriate assessment.

4.1 In order to assist planners and implementers of development policy, the following strategies shall be developed to ensure the efficiency, effectiveness, coordination and standardization of policy and action:

(c) Planning for the distribution of resources to the various sectors that are implementing programmes pertaining to women's issues ...

5 (b) In the formulation of policy, legislation, regulations and programmes by any sector or agency, consideration must be given to ascertain its impact, contributions and implications for women; its negative impact and effects shall be avoided. A comprehensive system for coordinating and monitoring of programmes shall be created to prevent negative effects as well as to identify obstacles and constraints to women's participation, whether this be from the legal perspectives or in practice, so that appropriate action can be taken to alleviate them.

5 (f) ... the government shall ensure that all data collection by various sectors and agencies are disaggregated according to gender so that women's needs can be identified for more accurate policy, programmes and project formulation.

5 (g) The government shall ensure that the Ministries and Agencies concerned utilize the approved allocations and adjust these allocations accordingly to meet the needs of programmes for women in development.

### Role of the MWFCD

In 2001, the Government of Malaysia established a new ministry, the Ministry of Women and Family Development (MWFD), which was renamed the Ministry of Women, Family and Community Development (MWFCD) in March 2004, when it was given a new portfolio. Like women's ministries in other countries, the MWFCD is responsible for promoting gender equity and women's development throughout government. (See Part 3 for an expla-

nation of gender terms.) The ministry thus has a central role to play in taking forward the **women and development objectives** of the Eighth Malaysia Plan, the **gender equality commitments** in the Federal Constitution, and the **gender equality resolutions** in international agreements such as the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). (See Box 2.)

#### BOX 2 What is CEDAW?

The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) is one of the best-known of the international instruments to achieve gender equality. Most countries in the world have ratified CEDAW. Malaysia ratified CEDAW in 1995 and has submitted a combined first and second report on what the country is doing to reach its goals.

CEDAW has 16 articles and two general recommendations. They cover all aspects of life, as follows:

- Article 1: Definition of discrimination against women
- Article 2: Obligations to eliminate discrimination
- Article 3: Development and advancement of women
- Article 4: Acceleration of equality between men and women
- Article 5: Sex roles and stereotyping
- Article 6: Suppression of the exploitation of women
- Article 7: Political and public life
- Article 8: International representation and participation
- Article 9: Nationality
- Article 10: Education
- Article 11: Employment
- Article 12: Equality in access to health care
- Article 13: Social and economic benefits
- Article 14: Special help for rural women
- Article 15: Equality before the law and in civil matters
- Article 16: Equality in marriage and family law

Recommendations 12 and 19 both deal with violence against women.

Government programmes and their associated budgets are an important way of fulfilling CEDAW's requirements.