



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 04
No. of Questions: 05
Total Marks : 70

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

4000 LEVEL FIRST SEMESTER END EXAMINATION- AUG/SEP 2025

Three Hours

MGT 41613: Corporate Culture and Leadership

Academic Year 2025/2026

Instructions:

- ➔ The question paper contains 05 questions.
- ➔ **QUESTION 01 IS COMPULSORY. STUDENTS MAY ANSWER ANY THREE OF THE OTHER FOUR QUESTIONS.**

Question 01:

Case Study: The X-Press Pearl Maritime Disaster

The MV X-Press Pearl, a Singapore-flagged container vessel operated by X-Press Feeders Group, was set ablaze and subsequently sank 9.5 nautical miles northwest of Colombo Port on May 20, 2021. This incident resulted in the most severe maritime environmental disaster in Sri Lanka. The vessel transported 1,486 containers, which included 25 tonnes of nitric acid, sodium hydroxide, cosmetics, and approximately 78 tonnes of plastic pellets (nurdles).

The issues commenced several weeks prior to the fire. While approaching Hamad Port in Qatar on May 11, 2021, the vessel identified a nitric acid leak. Entry into Qatar was denied by the authorities on account of safety concerns. The authorities denied entry to the vessel when it arrived at Hazira Port in India, citing the same chemical leak. X-Press Feeders proceeded towards Colombo Port without immediately informing the Sri Lankan authorities about the chemical leak or the previous rejections from two major ports.

The X-Press Pearl was granted anchorage in Sri Lankan territorial waters on May 19. The Sri Lanka Ports Authority (SLPA) received routine documentation from the vessel, but the initial submissions did not sufficiently highlight the ongoing chemical leak. The hazardous material incident was not immediately reported to the Marine Environment Protection Authority (MEPA), which is responsible for the prevention of marine pollution. This violation of established protocols occurred.

The fire originated in Container Bay 2 at approximately 9:30 AM on May 20, where the leaking nitric acid had begun to react with other materials. Despite the emergency procedures ordered by Captain Vitaly Tyutkalo, the flames rapidly moved to neighbouring containers. The X-Press Feeders only informed the MEPA about the fire and the preexisting chemical leak at 11:45 AM, nearly two hours after the fire had begun, and only after the situation had escalated beyond the crew's control.

The disaster had catastrophic repercussions in numerous areas. Approximately 200 kilometres of Sri Lanka's coastline, stretching from Colombo to Negombo and beyond, suffered contamination from millions of plastic pellets. Marine waters were contaminated by chemical residue from burned containers, and coastal communities were concerned about the quality of their air due to smoke. Fishing grounds would be impacted by plastic pellet contamination for 5–10 years, and coral reef damage would persist for an even longer period, according to marine biologists.

The prohibition of fishing in contaminated waters resulted in the loss of over 5,600 fishing families in the Western Province, who relied on fishing as their primary source of income. Hotels and beach resorts from Mount Lavinia to Bentota were forced to close as a result of plastic debris that inundated the beaches, which had a detrimental impact on the tourism industry. Local residents reported health issues due to exposure to chemical smoke. The economic impact was estimated to be in excess of \$400 million, which encompassed compensation payments, cleanup costs, lost tourism revenue, and losses in the fishing industry.

The incident revealed substantial deficiencies in Sri Lanka's maritime emergency preparedness. The response of MEPA exposed numerous failures, including inadequate risk assessment procedures, delayed notification protocols, poor inter-agency coordination with SLPA and other authorities, insufficient monitoring of hazardous material vessels, and delayed emergency response authorization. Despite the need for specialized chemical firefighting equipment, bureaucratic delays led to the arrival of Indian assistance several days after the request.

The corporate response of X-Press Feeders during the crisis was problematic. The company initially provided authorities with limited information, citing ongoing investigations and insurance considerations. The fire was initially attributed to an "act of God" in early statements, which prioritized regulatory compliance over the recognition of potential negligence. The company's provision of conflicting information regarding the precise nature and quantity of chemicals aboard resulted in communication breakdowns. CEO Suki Sidhu issued the initial public statement four days after the fire commenced, primarily focusing on the safety of the crew and regulatory cooperation. There was minimal mention of the environmental or community impacts.

Sri Lanka's authorities initiated a comprehensive investigation into potential corruption and mismanagement in relation to the incident in October 2024. The investigation examined financial irregularities, potential document falsification, regulatory capture due to personal relationships between company representatives and officials, and suspicious financial transactions. Numerous MEPA officials had received anomalous payments around the time of the incident.

In July 2025, the Supreme Court of Sri Lanka issued a groundbreaking decision that mandated the owners and operators of the X-Press Pearl to pay USD 1 billion in compensation for the economic losses and environmental damage resulting from the maritime disaster. The \$1 billion was ordered by the court to be paid to the Secretary of the Treasury in instalments within a year. It is also noteworthy that the Supreme Court determined that the

Question 02

Discuss the following cultural leadership approaches, explaining their key principles, leadership expectations, and cultural foundations:

- a) Scandinavian Egalitarianism and the Law of Jante (07 Marks)
 - b) Japanese Ikigai (07 Marks)
- (Total: 14 Marks)

Question 03

“Leadership understanding has progressed through distinct theoretical eras, each building upon the limitations of previous approaches.”

- a) Critically evaluate the evolution of leadership theories from the Trait Era through the Behaviour Era to the Contingency Era, explaining why each approach was insufficient on its own. (07 Marks)
 - b) Compare and contrast any TWO value-based leadership approaches, discussing their key characteristics, benefits, and potential limitations. (07 Marks)
- (Total: 14 Marks)

Question 04

In the context of managing cultural dynamics within modern organizations:

- a) Discuss Ritzer's McDonaldization theory, explaining the four primary dimensions and evaluate the advantages and disadvantages of McDonaldization in modern organizations. (07 Marks)
 - b) Discuss the differences between ethnocentrism and cultural relativism and analyse how organizations can overcome ethnocentric attitudes. (07 Marks)
- (Total: 14 Marks)

Question 05

Organizations operate within complex cultural environments that shape both internal dynamics and external relationships:

- a) Explain Hofstede's four cultural dimensions and discuss how each dimension influences organizational behaviour and management practices. Provide examples to illustrate your answer. (07 Marks)
 - b) Analyse the four types of corporate culture (strong functional, strong dysfunctional, weak functional, and weak dysfunctional), examining how each type impacts organizational performance and employee behaviour. (07 Marks)
- (Total: 14 Marks)
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Marine Environment Protection Authority (MEPA) and the minister in charge at the time had violated fundamental human rights by neglecting to safeguard citizens from environmental damage. The court determined that the X-Press Pearl operators "intentionally concealed important and accurate information about the ship's condition from the Colombo Port," but it also held state authorities accountable for their regulatory failures. This dual accountability, which entails the responsibility of both government agencies and corporate actors, was a significant advancement in Sri Lankan environmental law. This ruling is legally binding for all parties involved, as Sri Lankan law does not provide for an appeal mechanism, rendering Supreme Court verdicts final.

1. Did the key decision-makers in this case demonstrate good character according to Aristotelian virtue ethics? In your answer:
 - a) Evaluate whether X-Press Feeders management, Captain Tyutkalo, and MEPA officials demonstrated the classical virtues of prudence, justice, fortitude, and temperance.
 - b) Explain how the concept of the "golden mean" should guide maritime companies when balancing commercial efficiency with environmental safety.
 - c) Assess what "practical wisdom" (phronesis) would have required from each party in this situation.

(10 Marks)

2. Was X-Press Feeders' decision to proceed to Sri Lankan waters ethically justifiable according to Kant's moral philosophy? In your answer:
 - a) Identify the maxim (moral rule) underlying X-Press Feeders' decision and explain whether this maxim passes Kant's universalizability test.
 - b) Analyse whether X-Press Feeders treated the fishing communities, MEPA officials, and ship crew as "ends in themselves" or "merely as means."
 - c) Determine whether the company's actions were motivated by moral duty or personal inclination.

(10 Marks)

3. Did X-Press Feeders' decision to proceed to Sri Lankan waters maximize overall well-being according to utilitarian ethics? In your answer:
 - a) Conduct a cost-benefit analysis of X-Press Feeders' decision, considering the consequences for all affected stakeholders (company, fishing communities, tourism industry, environment, and government).
 - b) Evaluate whether the distribution of benefits and harms across different groups was ethically acceptable from a utilitarian perspective.

(08 Marks)

(Total: 28 Marks)