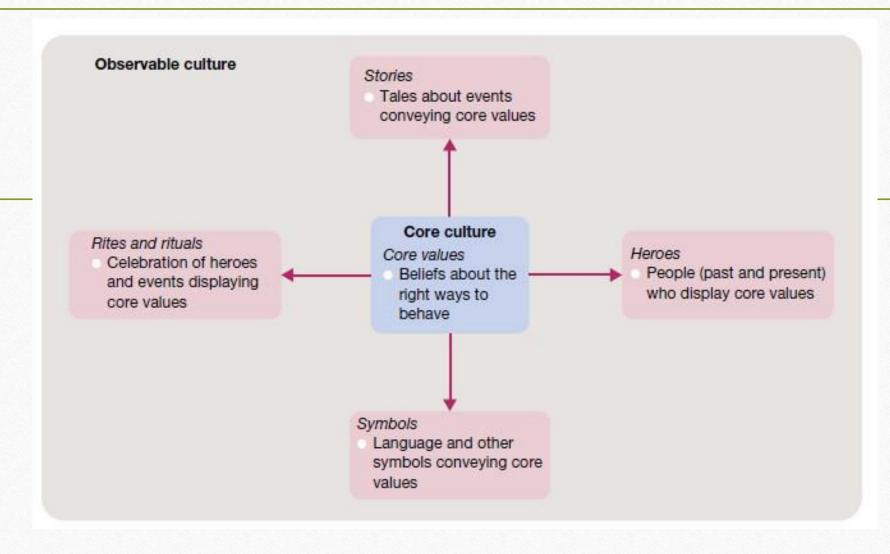
UNIT – FIVE PART - THREE

• Organisational culture is the system of shared beliefs and values that develops within an organisation and guides the behaviour of its members. Sometimes called the *corporate* culture, it is a key aspect of any organisation and work setting.

• Strong cultures — ones that are clear and well defined and widely shared among members — discourage dysfunctional work behaviours and encourage positive ones. They commit members to do things for and with one another that are in the best interests of the organisation, and then they reinforce these habits.

- stories oral histories and tales, told and retold among members, about dramatic sagas and incidents in the life of the organisation
- heroes the people singled out for special attention and whose accomplishments are recognised with praise and admiration among members; they include founders and role models
- · rites and rituals the ceremonies and meetings, planned and spontaneous, that celebrate important occasions and performance accomplishments
- symbols the special use of language and other non-verbal expressions to communicate important themes of organisational life.

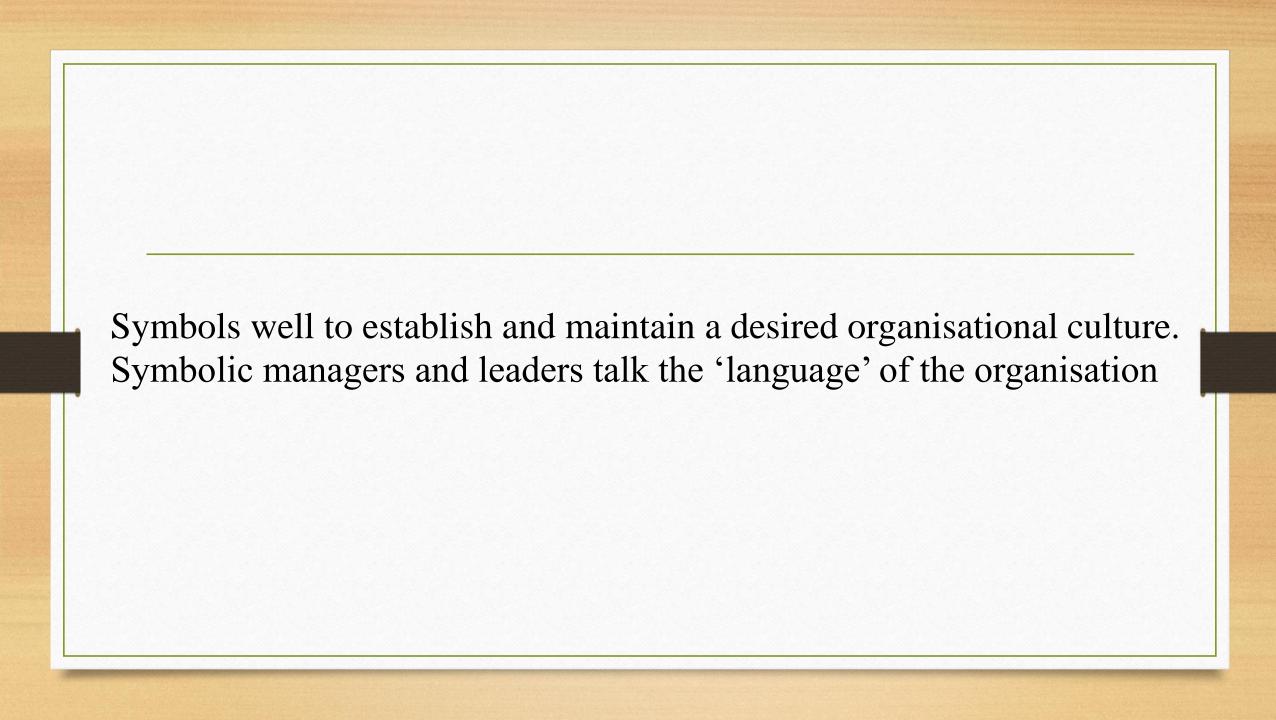


Levels of Organisational culture — observable culture and core culture

Leadership and organisational culture

This culture operates to support the group and its performance objectives will depend in part on the strength of the core values. At any level, these values should meet the test of three criteria:

- (i) relevance core values should support key performance objectives;
- (ii) *pervasiveness* core values should be known by all members of the organisation or group; and
- (iii) strength core values should be accepted by everyone involved.



Language metaphors — the use of positive examples from another context — are very powerful in this regard. Good symbolic leaders highlight the observable culture.

Ethics

- Ethics can be defined as the code of moral principles that sets standards of good or bad, or right or wrong, in a person's conduct and thereby guides the behaviour of that person or group.
- **ethical behaviour** is that which is accepted to be 'good', 'right' and 'proper' as opposed to 'bad', 'wrong' or 'improper' in the context of the governing moral code.

The ethical question extends to personal **values** — the underlying beliefs and attitudes that help determine individual behaviour. Values vary among people.

Alternative views of ethical behaviour

utilitarian view. Behaviour that would be considered ethical from this perspective delivers the greatest good to the greatest number of people. Founded in the work of 19th century philosopher John Stuart Mill, this is a results oriented point of view that tries to assess the moral implications of decisions in terms of their consequences. Business decision makers, for example, are inclined to use profits, efficiency and other performance criteria to judge what is best for the most people.

Moral-rights view

Does a decision or behaviour maintain the fundamental rights of all human beings?

Individualism view

Does a decision or behaviour promote our long-term self-interests?

Justice view

Does a decision or behaviour show fairness and impartiality?

Utilitarian view

Does a decision or behaviour do the greatest good for the most people?

Four views of ethical Behaviour

Cultural relativism

Ethical imperialism

No culture's ethics are superior.

The values and practices of the local setting determine what is right or wrong.

When in Rome, do as the Romans do.

Certain absolute truths apply everywhere.
Universal values transcend cultures
in determining what is right or wrong.

Don't do anything you wouldn't do at home.

The extremes of cultural relativism and ethical imperialism

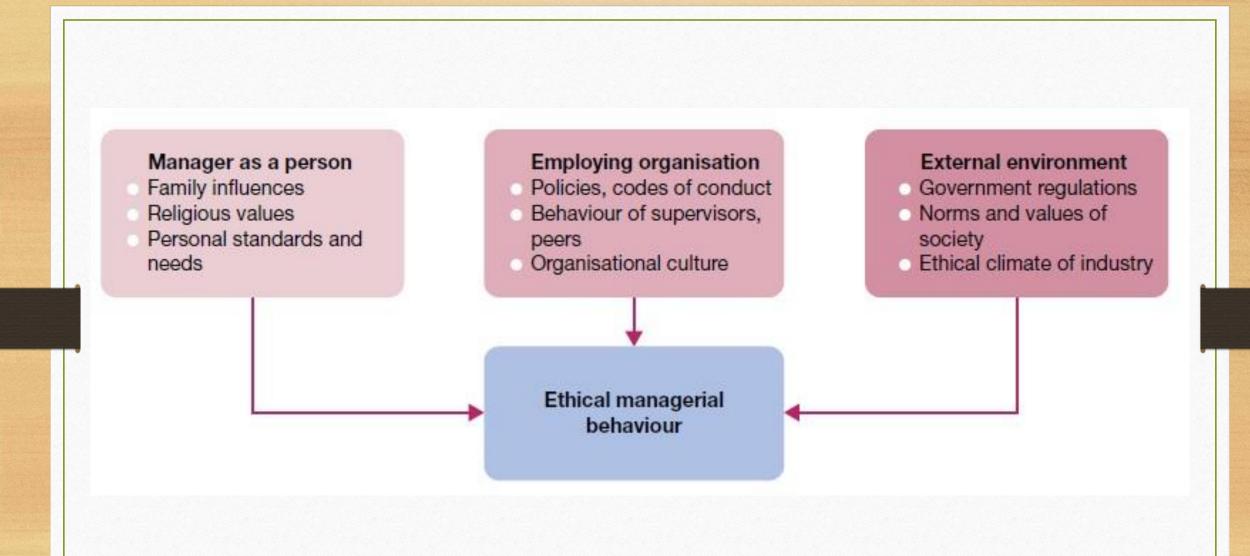
Ethical standards are universal and should apply absolutely across cultures and national boundaries. Critics of such a universal approach claim that it is a form of **ethical imperialism**, or the attempt to externally impose your ethical standards on others.

Ethical problems faced by managers

- discrimination where a manager denies promotion or appointment to a job candidate because of the candidate's race, religion, gender, age or other criterion not relevant to the job
- sexual harassment where a manager makes a co-worker feel uncomfortable because of inappropriate comments or actions regarding sexuality.
- conflicts of interest where a manager takes a bribe or kickback or extraordinary gift in return for making a decision favourable to the gift giver
- customer confidence where a manager has privileged information regarding the activities of a customer and shares that information with another party
- organisational resources where a manager uses official stationery or a company email account to communicate personal opinions or requests to community organisations.

There are at least four common rationalisations that are used to justify misconduct in these and other ethical dilemmas.

- i. Convince yourself that the behaviour is not really illegal.
- Convince yourself that the behaviour is really in everyone's best interests.
- Convince yourself that nobody will ever find out what you've done.
- iv. Convince yourself that the organisation will 'protect' you.



Factors influencing ethical managerial behaviour — the person, organisation

Maintaining high ethical standards

Progressive organisations support a variety of methods for maintaining high ethical standards in workplace affairs. Some of the most important efforts in this area involve ethics training, whistleblower protection, top management support, formal codes of ethics and strong ethical cultures.

Ethics training

Ethics training, in the form of structured programs to help participants understand the ethical aspects of decision-making, is designed to help people incorporate high ethical standards into their daily behaviour.

Whistleblower protection

Whistleblowers, are people who expose the misdeeds of others in organisations in order to preserve ethical standards and protect against wasteful, harmful or illegal acts. Whistleblowers face the risks of impaired career progress and other forms of organisational retaliation, up to and including dismissal. Many workers become whistleblowers unintentionally when reporting workplace fraud, corruption or maladministration.

Some organisational barriers to whistleblowing include a *strict chain* of command that makes it hard to bypass the boss, *strong work group* identities that encourage loyalty and self-censorship, and *ambiguous* priorities that make it hard to distinguish right from wrong.

Ethical role models

Top managers in large and small businesses have the power to shape their organisation's policies and set its moral tone. They also have a major responsibility to use this power well. They can and should serve as role models of appropriate ethical behaviour for the entire organisation.

Codes of ethics

Formal **codes of ethics** are official written guidelines on how to behave in situations susceptible to the creation of ethical dilemmas. They are found in organisations and in professions such as engineering, medicine, law and public accounting.

A sample formal Code of Vendor Conduct, among the many areas covered, the document specifically deals with:

- discrimination stating 'Factories shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs'
- forced labour stating 'Factories shall not use any prison, indentured or forced labour'
- working conditions stating 'Factories must treat all workers with respect and dignity and provide them with a safe and healthy environment'
- freedom of association stating 'Factories must not interfere with workers who wish
 to lawfully and peacefully associate, organize or bargain collectively.