Defining the Manager’s Terrain

Objectives

- Define social impact management and why it is necessary
- Contrast the four views of ethics
- Name the four approaches to going green
- Describe the three types of attitudes toward managing in a global environment
- Explain the difference between a specific and a general environment
- Name the three types of global organizations
- Recognize external and internal stakeholders in an organization
- List some regional trading alliances

Principles of Management
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Introduction

Managers today have a lot for which they are responsible. Not only do they have to be concerned with internal situations and personalities but external forces are inherent that can affect how they manage. Not only do they have to be concerned with satisfying consumers but there are other organizational stakeholders that must be satisfied. Not only do they have to see to creating products or establishing services that will meet the needs of consumers in their home country, but they must now more than ever take into consideration meeting the needs of foreign consumers which may differ. New innovations must be considered, diverse work forces must be managed and all while keeping the mission of the organization in place.

The Manager: Omnipotent or Symbolic

Just how much are managers responsible for the success or failure of the company? Opinions on this subject significantly differ. Some say they are in full control and thus are directly responsible or omnipotent in all matters. Others say that external forces are responsible for a company’s success or failure and that the manager is symbolic in nature.

The omnipotent view is that good managers are directly responsible for the effectiveness and efficiency of an organization. Further, good managers possess all the characteristics associated with the functions approach to management: they lead, plan, organize and control and if effective in these capacities they are rewarded. If not, they often lose their jobs.

The symbolic view is that the managers’ influence on the organization is minimal and that external forces govern how well businesses do. This view holds that managers only react to things brought about by external forces such as:

- the economy
- customers
- governmental policies
- competitors’ actions
- industry conditions
- control over proprietary technology
- decisions made by previous managers

In actuality, managers are neither figureheads only nor omnipotent. Rather, they are subjected to both internal and external influences and have the capacity to make things happen despite and through opportunities afforded by these.

The Organization’s Culture

Organizations, like people are characterized by certain traits. These traits will determine how an organization behaves within the culture formed by its boundaries. The culture of an
organization is the set of beliefs shared by the members that determine how they act. Out of this definition, Robbins and Coulter, 2005, say three things are implied:

1. Culture is a perception because of what the members of the culture see, hear and experience with the organization.
2. Culture is shared among the organization’s members even through the members may be on different levels and have different backgrounds.
3. The word ‘culture’ is descriptive because it deals with how the organization’s members perceive it.

Researchers believe that all organizations can be described by one or more of seven different dimensions, with tendencies toward one or more of these dimensions than others. These seven dimensions are:

1. Innovation and risk-taking
2. Attention to detail
3. Outcome orientation
4. People orientation
5. Team orientation
6. Aggression
7. Stability

Because a company sets goals surrounding one or another of these seven dimensions, it may account for why some companies grow while others stay stagnant.

Strong versus Weak Cultures
Cultures of an organization can be strong, weak and somewhere in between. Where cultures lie on this scale is dependent upon several factors. In some instances cultures are weak because the company hasn’t been around very long. In other instances cultures are weak because rules and regulations as well as goals have not been clearly defined. Strong cultures directly contrast weak ones. In a strong culture, the mission and goals are clearly conveyed. Employees know exactly what is expected of them and understand the consequences for not following the rules as given. One thing implied from evidence that’s been gathered regarding organizations with strong cultures – their organizational performance is generally higher.

The Source of Culture
The source of an organization’s culture can generally be traced back to its founder or founders. They usually are not affected by customs or theoretical approaches and are free to instill in the people they hire their vision or their mission. Basically speaking, the culture of an organization takes on the character of those who founded it.

How an Organization’s Culture Continues
An organization’s culture continues to exist by indoctrinating new hires with the same beliefs or standards on which the company was founded. The process of socialization or adapting employees to the organization’s culture is used for this. In this process new employees learn the organization’s way of doing things.
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New employees learn the culture of an organization in four ways – through stories; by rituals; seeing material symbols and; acquiring the language. Stories of events or people serve to reinforce why the culture is and should be the way it is. Rituals generally serve as a way of encouraging new employees. They may be as simple as monthly parties which welcome all new employees at once periodically or as elaborate as ceremonies celebrating five, ten and fifteen years of service for employees. Material symbols come in many different forms, as well. It may be the large logo on the front of the building that reminds you that the organization you now work for has a history or a school mascot that should awake a sense of pride in you for your school. Then there is language. What organization doesn’t bombard its new employee with jargon and acronyms, referencing some committee or annual meeting? All these help the new employee “buy into” the culture of an organization.

How Culture Affects Managers
The culture of an organization directly affects the way a manager carries out his responsibilities. All significant aspects of the job are affected, either positively or negatively depending upon the constraints brought about by the organization’s culture. A manager that is always looking over the employee’s shoulder does so because the culture has persuaded him that this is the only effective way of ensuring that the employee is doing his job. If the culture encourages the manager, the manager may take more risks but if not, the manager will always do what is safe. What road a manager decides to pursue is directly related to the culture that is imposed upon him when he takes the position.

Current Organizational Culture Issues Facing Managers
As previously discussed, the culture of an organization is significant in shaping the image that is portrayed to the public. Four important cultural issues that a manager may consider as he helps to shape the culture are:

- Creating an ethical culture
- Creating an innovative culture
- Creating a customer-responsive culture
- Promoting workplace spirituality

Creating an Ethical Culture
The ethical culture of an organization is highly influenced by what is conveyed to the employees by the manager. If ethical standards are highly valued, then the manager will persuade employees to act with integrity toward fellow employees, emphasize teamwork and downplay competitiveness and aggressiveness. On the other hand, if ethical behavior is not highly regarded the opposite will be true. In the real world, there may be a combination of ethical and
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unethical employees within an organization. Although ethical behavior may be encouraged, people tend to act the way they’ve been taught in other environments.

Creating an Innovative Culture
Creativity is highly regarded in an innovative culture. The Swedish researcher, Goran Ekvail, summarized an innovative culture’s character by inclusion of the following:

a) Challenge and involvement
b) Freedom
c) Trust and openness
d) Idea time
e) Playfulness/humor
f) Conflict resolution
g) Debates
h) Risk-taking

Do these characteristics resemble any organization that you may be aware of?

Creating a Customer-Responsive Culture
The organization takes pains to please the customer in a customer-responsive culture. Therefore, it is desirable for a customer service agent to

a) Be outgoing and friendly
b) Have good listening skills
c) Be conscientious

Additionally, to provide satisfactory customer service, the agent must have been given

a) Freedom to meet varying customer requirements
b) Empowerment to make decisions which will satisfy the customer
c) Role clarity to know what their job is and how to do it

Spirituality and Organizational Culture
The final of the four cultures that the manager needs to be mindful of is that of a spiritual culture. Spiritual does not necessarily mean religious but rather the connection with the inner person. In dealing with this culture the manager should recognize how having this culture benefits the employee. It provides the employee with:

1. A sense of purpose – the employee feels he has a reason for being
2. Room for individual growth – the employee feels he can go forward to become more than he currently is
3. Promotes trust and openness among colleagues – employees are not isolated but feel a part of something bigger and therefore able to share with one another
4. Empowerment to make sound work-related decisions without fear of consequences
5. Freedom to express themselves without fear of criticism
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The Environment

The external forces or rather the external environment with which the organization interfaces impact how well the organization does as well as how it is perceived. These external environments or outside institutions or forces that potentially affect an organization’s performance are further divided into two types of environments. The first one is the specific environment, which includes those forces that have a direct and immediate impact on what managers do and are:

a) Customers
b) Suppliers
c) Competitors
d) Pressure groups

The second of these external environments of consequence is the general environment. This sub-environment includes

a) Demographics
b) Economics
c) Socio-cultural
d) Technology
e) Political/legal
f) Global

It is just as important to know how various external environments affect the manager as it is to be able to identify these external forces. External environments are not controlled by the manager and therefore the manager is not able to predict with accuracy how they will impact the organization.

Since the manager is unable to predict the external environmental, the manager has to deal with what is called environmental uncertainty which is defined as the degree of change and degree of uncertainty. Within the degree of change exists both dynamic and stable change. Dynamic changes are those components that change frequently. If change is minimal it is deemed stable. Stable changes are also those that are predictable. Conversely, dynamic changes are unpredictable. What with technology changing overnight, dynamic change is more prevalent today.

The second part of the definition of environmental uncertainty deals with the degree of complexity. This refers to the number of components in an organization’s environment as well as the knowledge that the organization has regarding these components. The more competitors the organization has or the more customers it has with different needs, the more complex the organization’s environment. Diversity of services offered by an organization will also add to its complexity with regard to the organization’s knowledge of its components.

Stakeholders, both internal and external, affect the environment of managers. The effective manager must know how to manage relationships formed with these stakeholders which include but are not limited to: employees, suppliers, investors and consumers. Stakeholders are those sources of inputs like investors and employees and those outlets for outputs like consumers. In order to manage these relationships there are four things that the manager must know:
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1. who the stakeholders are – those that are influenced by decisions of the organization and those that are in a position to influence decisions of the organization
2. What the stakeholders’ interests are
3. How important are the stakeholders to the success or failure of the organization
4. How the stakeholders interests should be managed

The more critical the external stakeholder and uncertainty of the environment are to the existence of the organization the more critical it is to manage that relationship.

Managing in a Global Environment

Managing an organization is no longer restrained by borders. Because of the internet, a manager can easily live in France and conduct business in the Untied States. With so many companies competing globally and recognizing the global sales potential, foreign-owned companies are very popular in the United States – so much so that it is difficult to tell from where a company is based. Companies which are household names like RCA, 7UP and Skippy Peanut Butter are all products of foreign countries. Since this is the case, today’s manager must not only be domestically savvy but also globally savvy.

What’s Your Global Perspective?

The manager that is geared toward success globally puts aside parochialistic views or those views that see the world through its eyes and perspectives and adapts a geocentric attitude or one that is a world-oriented view focusing on the best approaches and people from around the globe. On the other hand, there are still those that take an ethnocentric attitude believing the best way is the ‘home country’ way. These individuals fail to look at the big picture for sales from a global aspect. Lastly, there is the polycentric attitude. This attitude is one that says the managers from the business’s country of origin know best about their approaches and practices. The geocentric attitude is a more eclectic view while the polycentric and ethnocentric views are more conservative – not willing to try something new or different.

Understanding the Global Environment

One defining feature of a global environment is global trade. While not new, global trading has become even more prominent over the last few decades. There are primarily two forces that mold global trade. One is regional trading alliances such as the European Union (EU), an alliance originally formed by 12 European countries (now with 25 countries) to assert their economic position against the strength of the united States and Japan. Alliances are formed to create a single market amongst members where country boundaries are lifted on trade, employment and other such things for its members. Other regional alliances include the North American Free Trade Agreement (NAFTA) between Canada, the U.S. and Mexico, Association
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of Southeast Asian Nations (ASEAN) which includes ten Southeast Asian Nations and the African Union which is composed of 53 African nations.

The second force is the World Trade Organization (WTO). This organization derives from the General Agreement on Tariffs and Trade (GATT) that was created after World War II. It deals with the rules governing trade between nations. It consists of 146 nations and it not only monitors but promotes global trade.

Doing Business Globally

Because organizations such as NAFTA and EU have made it easier to do business globally, more and more companies have gone global. However, these organizations have various takes on how their organizations should be set up and managed in a global environment.

Some organizations have opted for a multinational corporation (MNC) set up. Although they have operations in several locations globally, they still manage them all from a single base located in the home country. This configuration is closely aligned with the ethnocentric attitude discussed earlier in this chapter.

The second type international organization employs what is called a transnational corporation (TNC) configuration. It too, has operations in several global locations but decentralizes management to allow the operation to be managed by the locals where the operation actually resides. This type operation fits with a polycentric attitude.

When global organizations eliminate structural divisions that impose artificial geographical borders, they are said to be borderless organizations. These organizations seek to increase efficiency and effectiveness by taking advantage of global opportunities to use the best people in the right positions along with the appropriate approaches and practices. In other words, their attitude is that of geocentric. The chart below links the three types of global organizations with the management attitude they embrace.

<table>
<thead>
<tr>
<th>Attitude</th>
<th>Features</th>
<th>Organization</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnocentric</td>
<td>Host country knows best</td>
<td>Multinational</td>
<td>Managed from host country</td>
</tr>
<tr>
<td>Polycentric</td>
<td>Ethnic group of location knows what’s best for location</td>
<td>Transnational</td>
<td>Decentralized management – organization managed from location where organization resides</td>
</tr>
<tr>
<td>Geocentric</td>
<td>Employs different approaches, different practices, diverse people</td>
<td>Borderless</td>
<td>Uses people, practices and approaches as best suited regardless of origin or location</td>
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When organizations start to do business globally, they do it in three stages. Each successive stage requires more of an investment as well as involves more of a risk. The first stage is that of either importing or exporting or both. Organizations will import products to sell at home and export products overseas for sale. By ‘testing the waters’ so to speak, they get a feel whether or not there is a demand for what they are selling. If successful in stage one, the organization will move on to the second stage which is making a commitment to either sell or make the product abroad. In this stage, notice that there still is no presence in the foreign market.

The final stage does represent a presence in the foreign market and may involve licensing others to make the product in the case of manufacturing or franchising others in the case of services. In the third stage, organizations can also form strategic alliances. These are partnerships formed by an organization and a foreign company where the parties involved pool their resources and knowledge and share in both the risks and rewards. A specific type of strategic alliance is one called a joint venture in which a separate, independent entity is formed for a business purpose. A final step in stage three can be to form a foreign subsidiary or a separate and independent production facility or office. This step involves making a direct investment in a foreign country. This subsidiary can be run as a multinational corporation, a transnational corporation or a borderless organization. (See the summary table above as a reminder of how these organizations or run)

Legal and political concerns also impact decisions that managers make on whether or not to do business globally. The laws in the United States are stable and generally don’t interfere (except in dire cases) with the way businesses are run. Political concerns in the U.S. generally don’t impact businesses either. The same is not true in some foreign countries. Some countries don’t have stable governments and in fact, some governments make all decisions concerning businesses in their country. The manager must take these differences in laws and the way governments are set up into consideration as he or she decides to go global with an organization.

The way an economy is run in a country is another issue that organizations that are deciding whether or not to set up business in a foreign country must investigate. Some economies in foreign countries use a market economy similar to the one in the United States. A market economy is one in which resources are primarily owned and controlled by the private sector. Some countries’ economies are based on a command economy or one in which all economic decisions are planned by a central government. In the command economy, the business operating on foreign soil is subject to the constraints that that government places on it.

Some other issues that the manager operating a business in a foreign country must consider are currency exchange rates, inflation rates and diverse tax policies.

One last thing that must be measured when considering business operation in a foreign country is the country’s culture. Although an organization’s culture creates a bond between working colleagues, whether in management or non-management, a country’s culture outweighs that...
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culture. Instances have occurred that have validated this and because of this, companies operating on foreign soil must make sure that the country’s customs must be observed.

Geert Hofstede, an avid researcher on national cultures, developed a list of five dimensions on which cultures differ. Additionally, the Global Leadership and Organizational Behavior Effectiveness (GLOBE) research program formulated a list of nine dimensions to assess national cultures. See how they compare and differ below:

**Hofstede’s Cultural Dimensions**

1. Individual versus Collectivism
2. Power Distance
3. Uncertainty Avoidance
4. Quantity versus Quality of Life
5. Long-term and Short-term Orientation

**GLOBE Cultural Dimensions**

1. Assertiveness
2. Future Orientation
3. Gender differentiation
4. Uncertainty avoidance
5. Power distance
6. Individualism/collectivism
7. In-group collectivism
8. Performance orientation
9. Humane orientation

There are all types of challenges and rewards associated with managing global organizations. The manager who seeks to operate in a foreign country, however, needs to do some homework to see, in the long run, the rewards will be enough to risk the challenge.

Social Responsibility and Managerial Ethics

How do social responsibility and managerial ethics relate? Is there ever a time when doing the right thing for the company is doing the right thing ethically? When doing the right thing ethically interferes with what is best for the internal stakeholders, which position should the manager choose? These are issues that will be addressed in this section. The student will find that sometimes there are mitigating circumstances which make it difficult for the manager to make a decision – circumstances that may hurt the company but benefit society.

What is Social Responsibility?

One’s view of what social responsibility means depends on whether you view it from the standpoint of making profits for the company or whether you view it from the standpoint of what is best for the community at large. The classical view of social responsibility says that the manager need only concern himself or herself with maximizing profits for the company. An advocate of this view, Milton Friedman, says that using company money for “social good” will in turn force the company to either pass the cost of this act onto the...
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consumer or will reduce the profits for the investors.

The other view of social responsibility or the **socioeconomic view** says that doing what is socially responsible is **going beyond making profits to include protecting and improving society’s welfare**. Further, proponents of this view believe that the organization is expected and encouraged by laws to do what is socially responsible. They feel that the organization’s responsibility is not only to the investors or stockholders but also to the consumers who purchase the products. A responsible manager is said to go through 4 stages. The first stage has only as his concern that of stockholders. In the second stage, the manager adds employees to the mix of his realm of concern. In stage 3, the manager will also add to this group for which he is responsible, consumers and suppliers. Finally, in stage 4, the manager has the highest socioeconomic commitment.

**Arguments for and Against Social Responsibility**

There are any number of arguments for and against the highest level of social responsibility – that of the socioeconomic view. Arguments against acts of ‘social good’ include:

- They reduce profits for stockholders
- They do not cover their own costs and someone must pay
- They give businesses too much power
- Managers don’t have the expertise needed to pursue social issues
- Who will police these acts

Some of the arguments in favor of pursuing ‘socially good acts’ are:

- Businesses are expected to get involved in social issues
- They increase business profits in the long run
- They improve the business’ public image
- They help improve the environment
- Stock prices for the business will improve in the long run

**From Obligations to Responsiveness to Responsibility**

Besides social responsibility, there are two other similar concepts. One of those concepts is **social obligation**. Social obligation is seen as the obligation of a business to meet its economic and legal responsibilities. The concept is similar to the classic view of social responsibility and does only what it is required to do, both responsibly and legally. The other concept is known as **social responsiveness** and is seen as the capacity of a firm to adapt to changing social conditions. In this concept, the firm tries to satisfy a social need. However, when viewing **social responsibility** in its purest form, it is not a reaction to an action as in the case of social responsiveness but rather the firm is proactive or the firm is obliged to **go beyond what is required by law and economics to pure long-term goals that are good for society**.

**Social Responsibility and Economic Performance**

Although researchers have found evidence that appears to relate economic performance and a firm’s involvement in social issues, some believe that these conclusions were flawed because the information used to come to this conclusion was in the form of annual reports and written articles on a short term basis and did not consider long term effects. Another way of
defining how a company's involvement in social issues affects it in the long term is to look at mutual stock funds. Investors support socially responsible companies and invest only in those that have been socially screened or looked at to see how their company positively or negatively affects society. Whether the intent of being socially responsible is for economic gain or not, a manager that is prudent will take social issues into consideration as he or she goes about the normal responsibilities associated with the job.

The Greening of Management

Whether there were no means to measure the impacts or whether no one had taken a serious look at the effects of what mankind was doing the planet, until the mid twentieth century, environmental concerns were ignored. Now that the ozone levels have been seriously diminished, sources for easily extracting oil are becoming hard to find and non biodegradable waste that is a source of pollution is being dumped at an alarming rate, man has begun to take a serious look at the environment. Because organizations have been a primary source of what is going wrong environmentally, the close link between what decisions and activities an organization makes with respect to the natural environment is called greening of management.

Global Environmental Problems

There is a very long list of problems associated with the environment. Companies are now paying attention to this. The biggest offenders are the highly industrialized countries which account for more than 75 percent of the world's energy and resource consumption as well as create the most waste. Responsible companies are now looking at how they can go green.

How Organizations Go Green

To 'go green' means that an organization is doing something to preserve and protect the natural resources of the planet. An organization can 'go green' to very extents. One model deemed the extent to which a company goes green as shades of green. If a company goes light green, it means that the company is doing simply what is required by law. In the next level of green or market green, the company is meeting the environmental standards required by its customers. The next level or that of the stakeholder approach (shade of green), the company will respond to the demands of stakeholders such as employees, suppliers or the community. In the final level of green or dark green, the company is self-motivated to find ways to improve, preserve and respect the planet's natural resources.

Values-Based Management

Value-based management is when managers establish and uphold an organization's shared values. Some companies have gone the extra distance in procuring environmental protection
by making it a part of their commitment. These companies would be on the high end scale of being socially responsible.

Purposes of Shared Values
The employment of shared values among employees serves four basic purposes. The purposes are:
- As a guide for managers when making decisions or performing certain acts
- To shape employee behavior (enhances employee pride in the work they do)
- To influence marketing efforts (improves customer relations and may boost sales)
- Produces a feeling of unity among employees (a team effort)

The Bottom Line on Shared Corporate Values
In companies, employees will normally mimic the behavior of their manager or work in the way they've been shown will be rewarded – be it good or otherwise. If teamwork is expressed and demonstrated, then employees will be more apt to work as a team. If not, then employees are more apt to work independently which may or may not produce the results the company expects.

Managerial Ethics
The issue of ethics is something faced almost daily and at some point in time by every organization. How the manager deals with the issue of ethics will be based in part on what the issue involves. There are four acknowledged views of ethics. Each looks at ethics issue from a different perspective. These four views are:
- Utilitarian view – ethical decisions are made solely on the basis of their outcomes or consequences.
- Rights view – respecting and protecting individual liberties and privileges such as the rights to privacy, freedom of conscience, free speech, life and safety and due process.
- Theory of justice – managers impose and enforce rules fairly and impartially and do so by following all legal rules and regulations.
- Integrative social contracts theory – ethical decisions be based on existing ethical norms in industries and communities in order to determine what constitutes right and wrong.

The utilitarian view is the one that is followed the most. However, trends toward individual rights and social justice are influencing companies to take another look at these views and come up with something that will provide for more inclusion of ethics.

Factors That Affect Employee Ethics
Whether employees behave ethically or not can be a combination of various factors. Even those individuals with very strong morals, may behave unethically when thrown into an environment where to survive may mean to do something that goes against their morals.
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also depends upon the stage of moral development for the individual. Researchers have identified what they consider to be the three stages of moral development. These are:

- Preconventional level where a person’s choice between right or wrong is based on personal consequences involved.
- Conventional level where moral values reside in maintaining expected standards and living up to the expectations of others.
- Principled level where individuals make a clear effort to define moral principles apart from the authority of the groups to which they belong or society in general.

Within these levels are also two stages each. As the individual progresses from one level to the next, he or she begins to think more independently and operates by what his moral fiber tells him rather than what others expect of him. Individuals don’t always move from one stage to the next. Some may stay at a given level and never progress to the next.

An individual’s own set of characteristics also come into play when making decisions regarding ethics. Again, researchers have come up with variables they use to label individuals. If they are endowed with an ego strength it means that have a strong sense of convictions and regardless of how they are externally influenced, they will resist impulses to behave unethically. The other variable is a locus of control which measures the degree to which people believe they can control their own destiny. Those with an internal locus tend to believe that they are the masters of their own fate while those with an external locus believe that they have no control and are rather victims of fate.

The structure of an organization will also influence how an individual behaves. Structural variables may include things such as rules and regulations that have clearly been articulated to the employee, rewards and performance reviews. These variables help to reinforce what is expected as well as required by the company on behalf of the employee.

As we discussed earlier in this lesson, an organizational structure will impact an employee’s behavior significantly. An organization with a strong culture usually identifies with ethical behavior because it embraces risk taking without instilling fear of retaliation, encourages innovation and values employee suggestions. Conversely, one with a weak culture, may fail to express company expectations about ethics either because it does not have them written down or they don’t remind employees about them.

**Ethics in an International Context**

What seems unethical in the United States may not be so in foreign countries. For this reason, a manager, before embarking on setting up an operation overseas, should familiarize himself or herself with management practices and customs for that country. In addition, labor practices should include the ethical use of people and not exploitation of people because it reduces expenses. In 1999, The secretary general of the United Nations called for countries to incorporate into their company guidelines a set of nine principles on which to operate on foreign and domestic soil. These nine principles included themes surrounding human rights, labor standards and environment.

**Improving Ethical Behavior**

Several management practices can be put in place that will help managers emphasize ethical behavior or help managers hire persons with high moral standards. Background checks on, interviews with and various tests administered to would-be employees help managers screen for
potential good employees. However, these aids are not full proof and don’t guarantee that all those hired will be the type employees that will have the desirable ethical qualities.

Other aids that help encourage ethical behavior are the introduction of codes of ethics or those formal statements of an organization’s primary values and the ethical rules it expects its employees to follow, manager acting as role models by displaying ethical behavior, performance reviews for employees, ethics training, independent audits and finally ethics counselors and officers.

Social Responsibility and Ethics in Today’s World

Job pressures in today’s world have influenced employees who would otherwise not behave unethically to perform unethical acts in order to meet job standards or quotas that have been unrealistically imposed upon them. Then again, all incidences of unethical acts are not the result of job pressure. Some of these don’t result from any other reason except that the employees know that they can – so they do. Most of these acts appear to be inconsequential in that they may be as small as taking paper clips or using the company copier for personal use. But how do these individuals get where they are with this type behavior.

Many high school and college students cheat on tests in one form or another. These are the same individuals that will eventually come into the job market and look to be hired by corporations who value high moral standards.

Protecting Employees Who Raise Ethical Issues

Over the last several years, stories have emerged in the news regarding individuals who have raised ethical concerns or issues to others inside or outside the organization or otherwise referred to whistleblowers. Initially, these individuals were ignored internally and punished if they went outside the company to report these concerns. Some have been demoted in position while others lost their jobs. Because of this, the government has placed in action stiff penalties which punish managers who retaliate with these whistleblowers. Some organizations have gone as far as setting up hotlines for reporting unethical behavior within their organization and guarantee anonymity should the whistleblower request it.

Social Impact Management

A new line of thought called social impact management, developed by associates at the Aspen Institute and defined as the field of inquiry at the intersection of business practice and wider societal concerns that reflects and respects the complex interdependency between those two realities is being suggested for managers as they perform their responsibilities. The
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pressure brought about by stakeholders will eventually influence managers, if it hasn’t already, to adopt this line of thinking or something similar which addresses the social issues of today as the manager positions his company for the future.