

Ethics and Organization Politics

Learning objectives

After studying this chapter, you will be able to:

1. Define ethics and discuss what behaviors are considered unethical in the workplace.
2. Explain what a code of ethics is and describe what a code of ethics typically covers.
3. Discuss the role that supervisors play in setting the ethical tone of an organization.
4. Identify the major areas that require ethical conduct by supervisors.
5. Define the term *corporate culture* and explain how it can affect an organization's ethical standards.
6. Explain the concept of social responsibility.
7. Outline the steps the supervisor should follow when dealing with a dishonest subordinate.
8. Describe how a supervisor can positively increase his or her power base.
9. Define organization politics.
10. Discuss several guidelines that supervisors should follow when socializing with other members of the organization.



Supervision Dilemma

Jane Harris, a supervisor at Global Insurance Company, was caught off guard during lunch with a group of fellow supervisors. Some of them said they were able to slip away for a couple of hours each week to tend to personal business. Jane listened in a state of disbelief. How could these supervisors steal time from the company and not expect their subordinates

to do the same? What upset Jane was that they seemed to think nothing of it—to view it as accepted behavior. The real kicker came when one of the supervisors bragged that he had always been able to get a little extra money by padding his expense account. Jane left lunch wondering what the world had come to. Were ethics a thing of the past?

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LEARNING OBJECTIVES

Ethics are standards or principles of conduct that govern the behavior of an individual or a group of individuals. Ethics are generally concerned with moral duties or with questions relating to what is right or wrong. The behaviors of supervisors, what goals they seek, and what actions they take are all affected by ethics. In any given situation, what a supervisor perceives as “right” naturally affects his or her actions and the actions of the employees.

Moral standards are the result of social forces and human experiences over hundreds of years. For example, society condemns cheating, lying, and stealing. However, the application of ethics is an individual consideration. Do you or do you not follow moral standards when dealing with others? Are you aware of a moral code and, if so, how do you interpret it?

Differences in awareness and interpretation of ethical standards create many problems. To illustrate, when does an action leave the sphere of honorable self-interest and become personal dishonesty? Does the fact that a person was not disciplined for a certain action make it acceptable?

All too often, actions are justified based on the means used or based on the ends accomplished. That is, do we hold an act to be morally right on the basis of the means used or on the basis of the end result? One might reason, for example, that the act of lying is acceptable if it achieves positive results. Conversely, one might consider any action that employs ethical means to be perfectly justifiable regardless of the outcome.

Ethics in the Workplace

One problem in talking about business ethics is that there is no unanimity as to what is ethical and what is unethical. Little disagreement exists with regard to flagrant ethical violations such as embezzlement or stock fraud. Views become clouded, however, with regard to less obvious ethical questions, such as whether it is ethical to take longer than necessary to do a job or to engage in a few minutes of personal business on company time. Figure 6.1 lists several common practices that often involve questions of ethics in the workplace.

In spite of the major ethical problems of companies such as Enron, Tyco, and Worldcom, there are indications that ethical concerns in organizations have increased over the last several years. For example, a major survey conducted by the Ethics Resource Center of 1,500 American employees across the nation found the first overall drop in observed misconduct in organizations seen in a decade: from 31 percent in 1994 and 2000 to 22 percent in 2003.¹

Another recently published survey found that the ethical attitudes of college students in 2001 were higher than those of college students in 1985.²

While progress has been made, the most recent (2003) survey by the Ethics Resource Center shows that ethical misconduct and abuse are still quite prevalent. Figure 6.2 compares specific types of misconduct observed in 2003 and 2000. A 2003 survey conducted

Figure 6.1

Figure 6.2

FIGURE 6.1
Behaviors That Raise Ethical Questions in the Workplace

- Using e-mail to harass co-workers.
- Using company services (including the Internet) for personal use.
- Padding an expense account.
- Calling in sick to take a day off.
- Authorizing a subordinate to violate company rules.
- Pilfering company materials and supplies.
- Accepting gifts/favors in exchange for preferential treatment.
- Giving gifts/favors in exchange for preferential treatment.
- Taking longer than necessary to do a job.
- Divulging confidential information.
- Doing personal business on company time.
- Concealing mistakes.
- Passing blame for errors to an innocent co-worker.
- Claiming credit for someone else's work.
- Falsifying time/quality/quantity reports.
- Taking extra personal time (late arrivals, longer lunch hours and breaks, early departures).
- Not reporting others' violations of company policies and rules.
- Copying copyrighted computer software.
- Hiring a key employee from a competitor.
- Dating someone who works for you.
- Abusive or intimidating behavior toward other employees.

by PricewaterhouseCoopers and the law firm of Wilmer, Cutler and Pickering reported that 35 percent of executives responding said their companies had been victims of "significant economic crimes" within the preceding two years.³ These executives identified "asset misappropriation" and "cybercrime" as the most common of these crimes.

Numerous other studies over the years have shown that a significant percentage of employees feel pressure to act unethically or illegally on the job.⁴ Supervision Illustration 6-1 discusses how recently exposed national scandals have resulted in increased attention on business ethics.

Illustration 6-1

Codes of Ethics

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LEARNING OBJECTIVES

One concrete action that can be taken to encourage ethical standards is to establish a code of ethics. A **code of ethics** is a written statement of principles that should be followed in the conduct of business. Ideally, a code of ethics is comprehensive and addresses issues

FIGURE 6.2
Types of Misconduct Observed in 2003 and 2000

Source: http://www.ethics.org/releases/nr_20030521_nbcs.html. May 21, 2003.

	2003	2000
Abusive or intimidating behavior toward employees?	21%	24%
Lying to employees, customers, vendors, or the public?	19%	26%
Withholding needed information from employees, customers, vendors or the public?	18%	25%
Discrimination on the basis of race, color, gender, age or similar categories?	13%	17%
Sexual harassment?	11%	13%
Stealing, theft or related fraud?	12%	12%
Falsifying financial records and reports?	5%	—
Giving or accepting bribes, kickbacks, or inappropriate gifts?	4%	5%

The percentage of employees saying that they feel pressure to compromise the ethics standards of their organizations also declined from 13% in 2000 to 10% in 2003.

SUPERVISION ILLUSTRATION 6-1

INCREASED EMPHASIS ON ETHICS

Through the first half of 2002, many people watched in disbelief as executives from Enron, Tyco, InClone Systems, and Worldcom Inc. were indicted and investigated for ethical violations. One positive thing to come out of this is that increased attention has been focused on business ethics. For example, Schlotsky's of Austin, Texas, took advantage of the widely publicized scandals to remind its employees about their own policies regarding ethical behavior. John Wooley, Schlotsky's president and CEO, took the opportunity to emphasize that, above all, employees should do their job and not worry about stock prices or quarterly results. Quoting Wooley, "You want the truth, and not what appears to be good results."

The national scandals and breaches of ethical conduct have also resulted in new legislation related to business ethics. For example, in August of 2002 President George W. Bush signed into law the Sarbanes-Oxley Act, which requires all CEOs and chief financial officers to vouch for the validity of their companies' accounting statements. If these statements are knowingly falsified, the CEO could be subject to a fine of \$5 million and up to 20 years in prison.

Source: Michelle Moon Reinhart, "Restoring Consumer Trust, Local Companies Take Advantage of Business Scandals to Emphasize Importance of Ethics in the Workplace," *Austin Business Journal*, August 23, 2002, p. 23.

Content of Ethical Codes

applicable to all areas of the organization. In general, codes of ethics are designed to serve three basic purposes: (1) to demonstrate a concern for ethics, (2) to transmit ethical values and standards to those working in the organization, and (3) to affect employee behavior by establishing behavioral expectations.⁵

Some of the areas usually covered by a code of ethics include the following:

- Honesty
- Adherence to the law
- Product/service safety and quality
- Health and safety in the workplace
- Conflicts of interest
- Employment practices
- Selling and marketing practices
- Financial reporting
- Pricing, billing, and contracting
- Trading in securities/using confidential information
- Acquiring and using information about competitors
- Security
- Payments to obtain business
- Political activities
- Protection of the environment

If a code of ethics is to achieve its purposes and help mold the ethical environment of the organization, it must be communicated to all employees. The code can be communicated through company mailings, e-mails, bulletin board postings, employee handbooks, and general announcements. Many organizations require all new employees to sign a form confirming that they have read the company's code of ethics. Even more important than the method of communication is that the code be actively supported by all levels of management. Support

SUPERVISION ILLUSTRATION 6-2

CODE OF ETHICS OF THE MUSIC TEACHERS NATIONAL ASSOCIATION**Commitment to Students**

- The teacher shall conduct the relationship with students and families in a professional manner.
- The teacher shall respect the personal integrity and privacy of students unless the law requires disclosure.
- The teacher shall clearly communicate the expectations of the studio.
- The teacher shall encourage, guide and develop the musical potential of each student.
- The teacher shall treat each student with dignity and respect, without discrimination of any kind.
- The teacher shall respect the student's right to obtain instruction from the teacher of his/her choice.

Commitment to Colleagues

- The teacher shall maintain a professional attitude and shall act with integrity in regard to colleagues in the profession.
- The teacher shall respect the reputation of colleagues and shall refrain from making false or malicious statements about colleagues.

- The teacher shall refrain from disclosing sensitive information about colleagues obtained in the course of professional service unless disclosure serves a compelling professional purpose or is required by law.
- The teacher shall respect the integrity of other teachers' studios and shall not actively recruit students from another studio.
- The teacher shall participate in the student's change of teachers with as much communication as possible between parties, while being sensitive to the privacy rights of the student and families.

Commitment to Society

- The teacher shall maintain the highest standard of professional conduct and personal integrity.
- The teacher shall accurately represent his/her professional qualifications.
- The teacher shall strive for continued growth in professional competencies.
- The teacher is encouraged to be a resource in the community.

Source: "Code of Ethics," *The American Music Teacher*, August/September 2004, p. 96.

for the code of ethics must start at the top of the organization and filter down through all levels. Employees must perceive that managers at all levels believe in and adhere to the code of ethics. If a comprehensive code of ethics does not exist, supervisors can clearly communicate their ethical expectations through their actions and personal behaviors. Supervision Illustration 6-2 presents the code of ethics of the Music Teachers National Association.

Illustration
6-2

Setting the Tone

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LEARNING OBJECTIVES

Although ethical behaviors of supervisors do not often make newspaper headlines, situations that test their ethics arise almost daily. Where it exists, a code of ethics provides the framework within which supervisors must act. However, numerous situations not specifically covered by a code of ethics often arise. In these situations, supervisors need to use individual judgment. It is often these judgments that most influence employee ethics. The supervisor must set the example. Subscribing to the theory of "Do what I say, not what I do" doesn't work. Employees are much more impressed by what supervisors do than by what they say. Employees' notions as to what is acceptable and not acceptable are largely based on the supervisor's actions. If employees perceive a supervisor as being slightly unethical or dishonest, they are likely to feel that similar behavior on their part is acceptable. For example, if the employees have reason to believe that the supervisor is "borrowing" things from the storeroom, they may not see anything wrong with their doing the same thing. On the other hand, some employees may still feel that doing this is wrong and thus lose respect for the supervisor.

The supervisor’s general attitude toward ethics can greatly affect the ethics of the employees. The supervisor’s failure to take corrective action in certain situations can also affect the ethical behavior of the employees. They often interpret such failures as condoning or giving tacit approval. The importance of the supervisor’s role in setting the ethical tone of the organization is reinforced by the 2003 study conducted by the Ethics Resource Center. The study found that the overwhelming majority of respondents believed their supervisors set good examples for ethical behavior.⁶

Areas Requiring Ethical Conduct by Supervisors

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LEARNING OBJECTIVES

Many areas of supervision require ethical conduct (some were listed in Figure 6.1). Most of these areas can be grouped into three general categories: (1) loyalty, (2) human relations, and (3) overt personal actions.

Loyalty

The category of loyalty has to do with where a supervisor’s loyalties lie. Does the supervisor place personal interests ahead of everything else, or is he or she dedicated to the goals and needs of the employees, the organization, the family, or others? Regardless of the supervisor’s leadership qualities, communication skills, or general knowledge, his or her personal influence will not be effective unless the employees view the stated objectives positively. Supervisors who are perceived as being interested only in themselves and their futures will have difficulty in getting the full cooperation of employees. Employees may ask themselves, “Would this supervisor destroy another person’s career in order to advance?”

Human Relations

This category centers on a supervisor’s concept of fairness. It is concerned with how the supervisor treats other people, especially subordinates. Ethics play a major role in determining how a supervisor treats subordinates. Is the supervisor consistent in the way that he or she deals with different subordinates, or does the supervisor play favorites? Are all of the supervisor’s interpersonal dealings honest, or does he or she have a tendency to “talk behind people’s backs”? Does the supervisor deceive his or her peers in order to make them look bad? Is the supervisor genuinely interested in the careers of subordinates?

Overt Personal Actions

The category of overt personal actions includes all of the other actions taken by a supervisor that may reflect his or her ethics. Those actions may be internal or external to the organization. Behavior inside the company would include such things as not circumventing organizational policy. External actions would include such things as how supervisors handle themselves in the community.

Figure 6.3 gives several examples under each category of the ethical conduct required of supervisors.

Figure 6.3

FIGURE 6.3
Examples of Ethical Conduct Required of Supervisors

Loyalty	Human Relations	Overt Personal Actions
Has concern for employee welfare.	Deals honestly with employees.	Doesn’t cut corners to save time.
Has concern for company welfare.	Shows empathy when appropriate.	Is concerned with employee safety.
Has concern for employee families.	Objectively evaluates employees.	Never tries to cheat the company out of something.
Takes credit only when deserved.	Fairly disciplines employees.	Is well thought of in the community.

Corporate Culture and Ethics

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LEARNING OBJECTIVES

Corporate culture can be defined as “the set of important understandings (often unstated) that members of a community share in common.”⁷ Culture in an organization compares to personality in a person. Humans have fairly enduring and stable traits that help them protect their attitudes and behaviors. So do organizations. In addition, certain groups of traits or personality types are known to consist of common elements. Organizations can be described in similar terms. They can be warm, aggressive, friendly, open, innovative, conservative, and so forth. An organization’s culture is transmitted in many ways, including long-standing and often unwritten rules; shared standards regarding what is important; prejudices; standards for social etiquette and demeanor, established customs for relating to peers, subordinates, and superiors; and other traditions that clarify to employees what is and is not appropriate behavior. Thus, corporate culture communicates how people in the organization should behave by establishing a value system conveyed through rites, rituals, myths, legends, and actions. Simply stated, **corporate culture** means “the way we do things around here.” In this light, corporate culture can certainly have a major impact on an organization’s ethical standards and the ethical behaviors of its members.

Social Responsibility and Ethics

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LEARNING OBJECTIVES

Social responsibility is a term that is often linked to organizational ethics. **Social responsibility** refers to the obligation that individuals or businesses have to help solve social problems. Most organizations in the United States feel some sense of social responsibility.

Businesses’ concept of their role in society has changed dramatically over the past century. Beginning in the 1960s, many people began to believe that corporations should use their influence and financial resources to address social problems. They believed corporations should help solve problems such as poverty, crime, environmental destruction, and illiteracy.

According to this view, businesses should be responsible corporate citizens, not just maximizers of profit. Businesses have obligations to all of the people affected by their actions, known as stakeholders. Stakeholders include a company’s employees, customers, suppliers, and the community.

Since the 1960s, corporations have increasingly demonstrated their commitment to social change. One example of this commitment is the increased diversity in the workplace, which was discussed in Chapter 1.

Dealing with Dishonest Employees

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LEARNING OBJECTIVES

Estimates for the cost of internal fraud in U.S. companies range from \$50 billion to \$400 billion per year.⁸ A 2003 survey reported that nearly two-thirds of the corporations responding said they had suffered from some type of employee fraud.⁹ Employee theft costs companies between \$25 billion and \$52 billion per year.¹⁰ How does the supervisor deal with dishonest employees? Because the relationships involved differ, situations with dishonest subordinates are sometimes handled differently from those dealing with peers and other managers.

With regard to subordinates, the supervisor must first recognize the problem and then build a case. For various reasons, supervisors are often reluctant to admit to problems involving dishonest employees. Some supervisors believe that bringing such a problem into the open would be bad for morale. Others mask the problem by arguing that “everybody does it.” The problem is compounded if the dishonest employee has been with the

SUPERVISION ILLUSTRATION 6-3

WHISTLE-BLOWER STARTS REFERRAL BUSINESS

Self-styled whistle-blower Duane Overholt is starting a nationwide referral business to funnel complaints about automobile dealership fraud from consumers and employees to trial lawyers. Overholt gained prominence in 2003 when he was featured in a "Dateline NBC" report that criticized automobile dealership practices. Overholt says that, as a former car salesman, he cheated customers out of \$33 million. Overholt says he changed his behaviors as a result of religious conversion.

Overholt plans to promote his service by running a TV infomercial and by placing opinion columns in newspaper across the country. Overholt expects to pay for his operation through paid subscriptions from lawyers. Overholt's initial staff will include two investigators, an information technology specialist and a paralegal. Overholt says the investigators will record activities at dealerships with hidden cameras.

Source: Donna Harris, "Whistle-Blower Starts Referral Service," *Automotive News*, December 27, 2004, p. 3.

company a long time and has a good work record. Whatever the case, such an employee should be confronted and dealt with appropriately. The supervisor must gather proof of the employee's dishonesty. This does not mean taking the word of others; it means carefully documenting the available evidence. For example, if an employee is suspected of stealing from the supply cabinet, care should be taken to document what was missing, the times it was missed, and the employee's whereabouts at those times. Once the supervisor is confident of the facts, he or she should confront the employee and follow the disciplinary system. The keys here are (1) recognize the problem, get the facts, and document the case; (2) confront the employee; and (3) follow the established disciplinary system.

The general approach followed in dealing with dishonest peers and other managers is similar to the one followed in dealing with dishonest subordinates. Since the relationships involved are significantly different, however, some deviation from this approach may be necessary. Moreover, you may not be in a position to deal directly with the problem. For example, if you suspect that a supervisor in another area is dishonest, you may never be in a position to prove or disprove your suspicions. In this case, you should deal cautiously with that supervisor and alert your boss as to your suspicions. When dealing with dishonest peers and other managers, it is in most cases better to report your suspicions and findings to your boss and let him or her confront those involved.

Supervisors should be aware that the usual tendency in dealing with dishonest employees is to do nothing and hope that the problem will go away. Unfortunately, the problem rarely goes away; it usually gets worse. In this same light, it is helpful to remember that most situations involving employee dishonesty start out small and grow.

Whistle-Blowing

In situations where supervisors and/or employees are not supported by their bosses regarding ethical or wrongdoing concerns, they must sometimes resort to whistle-blowing. Whistle-blowing is defined "as the attempt by an employee or former employee of an organization to disclose what he or she believes to be wrongdoings in or by the organization."¹¹ One problem with whistle-blowing is that the whistle-blower places himself or herself at some risk should management react negatively or defensively to the information provided. There are many cases where employees have been fired or received other negative repercussions from whistle-blowing. Fortunately, over two-thirds of states have passed legislation to protect whistle-blowers from retaliation. At the federal level, the Organizational Sentencing Guidelines penalize companies for not allowing for internal policing (such as whistle-blowing) and reward companies that do allow for such procedures.¹² Supervision Illustration 6-3 describes, how a whistle blower is turning his experience into a business.

Building a Supervisory Power Base

8

LEARNING OBJECTIVES

Power is the ability to get others to respond favorably to instructions and orders. Put another way, power is the ability to influence others to do what you ask. The use of or desire for power is often viewed negatively in our society because power is often linked with the capacity to punish. While there are some negative types of power, there are also several very positive types. Fortunately, not everybody seeks or enjoys equal degrees of power. However, every supervisor needs some amount of power. Supervisors who have built a broad power base can more readily get employees' attention and cooperation and are more likely to be respected by higher-level managers.

In this light, there are many positive things that supervisors can do to increase their power base in a positive manner.

Gain the Respect of Subordinates

Gaining the respect of subordinates goes a long way toward building a power base. If your subordinates respect you, they will stand up for you in a crisis—they will give you active support when you need it. Others in the organization will interpret the support as a sign of power. Being competent and doing your job well is one of the best ways to gain the respect of subordinates.

Help Employees Be Successful

Helping subordinates be successful in their jobs not only reflects positively on a supervisor's performance but also promotes loyalty to the supervisor. Employees who believe that their supervisors are supportive and that their supervisors want them to succeed will go to great lengths to please their supervisors.

Be "in Good" with Your Boss

A certain amount of power goes with being in good with your boss. Subordinates and peers treat you with a certain respect if they know you have a close relationship with your supervisor. A later section in this chapter discusses ways "to keep your boss happy."

Seek Responsibility

Responsibility is accountability for reaching objectives, using resources properly, and adhering to organizational policy. Supervisors can gain power by seeking and accepting responsibility. The key here is to aggressively seek out additional responsibility rather than waiting for it to come. Peers and subordinates will automatically bestow a certain degree of power on the supervisor who has considerable responsibility.

Power, especially as related to leadership, is discussed in greater depth in Chapter 14.

Organization Politics

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LEARNING OBJECTIVES

Organization politics refer to the practice of using means other than merit or good performance for bettering your position or gaining favor in the organization. Organization politics include such things as trying to influence the boss, trying to gain power, and trying to gain a competitive edge over your peers. Many people often associate sneaky, devious, or unethical behavior with the phrase "organization politics." However, this is not necessarily the case. There are many forms of organization politics that are not sneaky, devious, or unethical. Only when an individual pursues self-interest to the detriment of others or the organization does the behavior become unethical. When viewed

How to Keep Your Boss Happy

in this light, almost any approach to organization politics can be ethical or unethical, depending on how it is used. Because organization politics are a reality in organizations, supervisors should understand them and know how to use them in a positive and ethical manner.

Almost all employees want to keep their bosses happy—and supervisors are no exception. Supervisors want to keep their bosses happy for many understandable reasons. A very obvious reason is to keep from getting fired. Even if your boss doesn't fire you, life can become pretty miserable if he or she doesn't like you. Knowing that your relationship with your boss is not good will keep you in constant fear of being fired or, at least, of not being treated fairly. And you can be pretty sure that you won't be a prime candidate for promotion! A poor relationship with your boss also means that you will probably not receive much coaching and counseling. This in itself can greatly hinder your progress.

Know Your Boss

The first step in keeping your boss happy is to know him or her. It is hard to keep a person happy if you don't know something about what makes that person tick. Answering the following questions will give you a better insight into your boss. It can also help you anticipate his or her actions.

- To whom does your boss report?
- What are your boss's primary responsibilities?
- What are your boss's chief successes, and when did they take place?
- What are some recent failings that are bothering him or her?
- Who are your boss's enemies?
- Who are your boss's friends?
- What is the extent of your boss's authority?
- What responsibilities and authority has your boss delegated?
- What are your boss's major concerns?
- On what basis is your boss being evaluated?
- What does your boss regard as good performance?
- On what basis is your boss evaluating you?¹³

Be Loyal

Loyalty is a trait that all bosses admire. You can demonstrate your loyalty to your boss in a variety of ways. One good way is to defend the boss when he or she is being criticized. You can do this, even if you don't agree with the boss 100 percent, by pointing out probable reasons why the boss did whatever he or she did. A sure way to demonstrate disloyalty is publicly criticizing your boss. Regardless of how careful you try to be, such comments always seem to get back to the boss. Seemingly insignificant things often influence a boss's interpretations of loyalty. These include attendance at company functions and parties, willingness to work overtime and on Saturdays, and general enthusiasm. For example, a good performer who genuinely cares for the company may be branded by a boss as disloyal simply because he never attends company parties.

Show Respect for Your Boss

This doesn't mean that you have to bow and scrape at your boss's feet. It does mean that you should use common sense in your dealings with your boss. Be on time for meetings and conferences, talk and listen in a respectful manner, and use respectful gestures when in the boss's

presence. In addition, exhibit a general attitude of respect toward your boss and his or her position. If you have occasion to disagree, do so in a tactful and respectful manner.

Seize Opportunities to Make Your Boss Look Good

In the usual course of events, many opportunities arise for you to make your boss look good. Take full advantage of them. When appropriate, praise your boss to top management. Be prepared in meetings to explain things that your boss might be asked, especially when you may know more about the details. Another suggestion is to head off problems that may be brewing for your boss or your department.

Avoid Antagonizing Other Departments

Don't contribute to poor relations with other departments. This is especially necessary if your boss must interact with those departments. You want your boss to think of you as someone he or she can trust in dealings with other departments. Antagonizing other departments only makes things more difficult for both you and your boss. Learn to reconcile differences among departments; undertake positive actions to keep problems from growing.

Insist on Feedback

One easy way to get on the bad side of your boss is to make a mistake and not know it. When this happens, it is easy to innocently repeat the mistake. Don't depend solely on formal performance appraisals for feedback. Create an environment that encourages your boss to tell you how you're doing. Take advantage of opportunities for informal discussions with the boss. For example, when your supervisor visits your area, ask for his or her opinion on how you handled a recent situation. As a part of this process, you must know how to accept negative feedback. Don't get angry or huffy when you get it; be grateful for your boss's honest evaluation.

Help Take the Load off Your Boss

Actively look for ways in which you can help take some of the load off your boss. Don't make the boss have to ask you every time he or she wants something done. Ask what you can do! Volunteer solutions to problems. Strive to be viewed as a problem solver and not a problem creator. Don't continually talk about how bad things are. Talk about what has been accomplished.

Socializing with Other Members of the Organization

10

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Questions related to socializing with other members of the organization are influenced by both organizational ethics and organizational politics. Should the supervisor socialize with subordinates? Should the supervisor socialize with superiors? What tack should be taken by the person who is promoted to supervisor over former peers with whom he or she has frequently socialized (as a member of the bowling team, a softball team, and so forth)? Such questions, sooner or later, confront almost every supervisor. There are no hard-and-fast answers. However, these general guidelines should be followed:

1. Don't be overly eager to socialize with subordinates or superiors. Let things take their normal course.
2. Use common sense. Don't do anything while socializing that will later cause problems (such as getting highly intoxicated at a party at your boss's house). The supervisor who does not use common sense when socializing with superiors or subordinates is surely courting trouble.

SOLUTION TO THE SUPERVISION DILEMMA

It appears that Global Insurance Company (Jane's company) could benefit from establishing a code of ethics (pp. 00–00). Such a code should clearly address the issues that confronted Jane (co-workers' tending to personal business on company time and padding expense accounts). Once the code has been developed, it should be communicated to all of Global's employees. Jane should now have a much better understanding of what actions are generally considered unethical.

Jane's peers are committing clearly unethical actions and Jane has recognized this problem. She should gather her facts and document her case to whatever extent she can. If Jane feels comfortable, she should personally confront her peers about their ethical behavior. Otherwise, she should present the evidence to her boss, Joyce Logan, and let her confront them (p. 00).

3. Be yourself. Don't try to put on a false front to impress your boss or other superiors.
4. Don't try to use your rank when socializing with subordinates.
5. Don't make any work-related promises to subordinates while socializing.
6. Don't date or become romantically involved with subordinates.

Summary

This chapter discusses the importance that ethics and organization politics play in the life of the supervisor. It offers numerous guidelines to assist supervisors in dealing with ethical questions and to enhance their understanding of organization politics.

1. *Define ethics and discuss what behaviors are considered unethical.* Ethics are standards or principles of conduct that govern the behavior of an individual or a group of individuals. Ethics are generally concerned with moral duties or with questions relating to what is right or wrong. Blaming or taking advantage of an innocent co-worker, divulging confidential information, falsifying reports, claiming credit for someone else's work, padding an expense account, and pilfering company materials and supplies are generally considered unethical behaviors.
2. *Explain what a code of ethics is and describe what a code of ethics typically covers.* A code of ethics is a written statement of principles that should be followed in the conduct of business. A code of ethics typically addresses such topics as ethical standards, questionable payments, meals, gifts, purchasing policies, and employee involvement in political campaigns and noncorporate political activities.
3. *Discuss the role that supervisors play in setting the ethical tone of an organization.* As the final link between management and operative employees, supervisors play a major role in setting the ethical tone of the organization. Employee look to their supervisors for cues as to what is considered ethical behavior and what is not.
4. *Identify the major areas that require ethical conduct by supervisors.* Most of the areas requiring ethical conduct by

supervisors can be grouped into three general categories: (1) loyalty, (2) human relations, and (3) overt personal actions.

5. *Define the term corporate culture and explain how it can impact an organization's ethical standards.* Corporate culture can be defined as "the set of important understandings (often unstated) that members of a community share in common." Corporate culture communicates how people in an organization behave by establishing a value system conveyed through rites, rituals, myths, legends, and actions. These rites, rituals, myths, legends, and actions have a direct impact on the organization's ethical standards.
6. *Explain the concept of social responsibility.* Social responsibility refers to the obligation that individuals or businesses have to help solve social problems.
7. *Outline the steps the supervisor should follow when dealing with a dishonest subordinate.* When dealing with a dishonest subordinate, the supervisor should (1) recognize the problem, get the facts, and document the case; (2) confront the employee; and (3) follow the established disciplinary system.
8. *Describe how a supervisor can positively increase his or her power base.* Things that a supervisor can do to increase his or her power base include (1) gain the respect of subordinates, (2) help employees be successful, (3) be "in good" with your boss, and (4) seek responsibility.
9. *Define organization politics.* The term organization politics refers to the practice of using means other than merit or good performance for bettering your position or gaining favor in the organization. Because organization politics are

a reality in organizations, supervisors should understand them and know how to use them in a positive and ethical manner. Organization politics include such things as trying to influence the boss, trying to gain power, and trying to gain a competitive edge over your peers.

10. *Discuss several guidelines that supervisors should follow when socializing with other members of the organization.* While there are no absolute hard and fast rules in this area, the following guidelines should be followed:

(1) Don't be overly eager to socialize with subordinates or superiors; (2) Use common sense. Don't do anything while socializing that will later cause problems; (3) Be yourself. Don't try to put on a false front to impress your boss or other superiors; (4) Don't try to use your rank when socializing with subordinates; (5) Don't make any work-related promises to subordinates while socializing; and (6) Don't date or become romantically involved with subordinates.

Review Questions

1. What are ethics?
2. Give several examples of behaviors that most people would consider unethical.
3. What are codes of ethics, and why are they desirable?
4. What are three major areas that require ethical conduct by supervisors?
5. Define the term corporate culture.
6. Define social responsibility.
7. Define whistle-blowing.
8. Define organization politics.
9. List several things that you can do to help keep your boss happy.
10. What are some tactics that are often used to gain a competitive edge on peers?
11. Outline the basic guidelines that the supervisor should follow when socializing with superiors and subordinates.

Skill-Building Questions

1. Do you think that most people consider their personal ethical standards to be higher than those of their peers? Explain.
2. At a recent retirement party, a supervisor with 30 years of service boasted, "I've never played politics in my job." Do you think this is possible, and even if it is, do you think it is desirable?
3. Suppose your boss asked you to do something that you considered unethical. Would you do it? If not, how would you handle the situation?
4. What are your personal views regarding socializing with superiors? With subordinates?

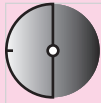
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SKILL-BUILDING APPLICATIONS

Incident 6–1

Additional Expenses?

Principals

Steve Richards—resident accounts supervisor for United Electric Company in Midland. Steve is 26 years old and is considered to have a bright future at United. He has been a supervisor for two months.

Susan Moore—district manager in Midland for United Electric. Susan is 41 and has been in her present job nine years. Her district, Midland, has strong political influence in the company since the current president of United Electric was raised in Midland. Susan is Steve's boss.

Chester ("Chet") Orr—division manager for United. He is 61 years old and is located at company headquarters about 30 miles from Midland. Chet is Susan's boss and also a close personal friend of the president of United.

At 8:30 A.M. on Monday morning, Steve Richards is preparing to leave Susan Moore's office after planning the week's activities.

Steve: Oh, I almost forgot. As soon as I have my monthly expense voucher typed, I'll send it to you for signature so it can be forwarded to accounting.

Susan: I'm glad you mentioned that. I've been meaning to talk to you about your voucher this month. I have about \$100 worth of items I want you to include on your voucher. My voucher is really loaded this month, and it would look bad to submit an extremely high amount—especially in light of the recent emphasis on personal expenses. It's really no big deal. Anyway, I'm the only one who has to sign it. When you get your check back, you can give me the extra \$100. Here's an itemized list of my expenses that should be added to your expense report. Also, don't forget that we're supposed to go to lunch with Chet Orr today at 12 o'clock sharp.

Steve leaves Susan's office with the itemized list in his hand. During the morning, Steve gives much thought to Susan's request. He doesn't like the idea, but Susan is the boss. At about 11 A.M., Susan calls Steve on the

intercom and says she can't make the lunch with Chet because the local congressman is making an unscheduled visit to the Midland office. Susan asks Steve to take Chet to lunch and give him her regrets and to tell Chet that she will see them after lunch around 2 P.M. Chet shows up at noon, and he and Steve leave for lunch.

Questions

1. If you were Steve, would you say anything to Chet about Susan's request? Why or why not?
2. How would you handle the situation with Susan if you were Steve?

Incident 6–2

The Date: Jim's Perceptions

It's been almost six months since Jim came to work at the downtown branch as an assistant branch manager for the First National Bank. Over this time period Jim has become fed up with the whole place. In his college days and during the period when he served as a supervisory trainee, things were a lot better. He was meeting new people and learning new things. Also, he didn't have to take "orders" from anyone.

However, since he worked at the downtown branch, things have gone downhill from Jim's perspective. Jim thinks that his branch manager, Louise, takes herself and her work too seriously. Jim also believes that she goes out of her way to pick on him and that she assigns him menial jobs from time to time.

On several occasions when Louise has seen Jim having lunch with the tellers, she asked him "not to be too friendly toward them since you're now in supervision." She stated that Jim should be more "professional."

A few minutes ago Louise asked Jim to meet with her at 1 o'clock. During lunch break, the head teller informed Jim that this morning Louise had overheard some of the tellers say that he was out on a date with Patty—the newest teller—the previous evening.

Louise's Perceptions

Ever since Jim arrived—about six months ago—Louise has been concerned about his attitude. Given his excellent academic record and his apparent intelligence, Louise is very surprised about his job performance. She can find no fault with the quantity or

quality of Jim's work, but does find fault with his entire attitude and professionalism. This morning, for example, Louise found out that Jim was out on a date last night with Patty, the newest teller.

It is now 1 o'clock and Jim is entering Louise's office.

Questions

1. What do you think Louise should say to Jim?
2. Do you think that it is unethical for Jim to date a teller? Why or why not?

Exercise 6–1

Where Do You Stand?

Read the following descriptions, and then decide how you would respond to each of the situations described. Be prepared to justify your position in a class discussion.

*Situation 1: Family versus Ethics**

Joe, a 56-year-old supervisor with children in college, discovers that the owners of his company are cheating the government out of several thousand dollars a year in taxes. Joe is the only employee in a position to know this. Should Joe report the owners to the Internal Revenue Service at the risk of endangering his family's livelihood, or should he disregard the discovery in order to protect his family's livelihood?

Situation 2: The Roundabout Raise

When Mary asks for a raise, her boss praises her work but says that the company's rigid budget won't allow any further merit raises for the time being. Instead, her boss suggests that the company "won't look too closely at your expense accounts for a while." Should Mary take this as authorization to pad her expense account on the ground that she would simply be getting the money that she deserves through a different route, or should she ignore this opportunity to obtain a "roundabout raise"?

Situation 3: The Faked Degree

Bill has done a sound job for over a year, but his boss learns that he got the job by claiming to have a college degree, although he actually never graduated. Should the boss dismiss him for submitting a fraudulent résumé, or should the boss overlook the false claim since Bill has otherwise proved conscientious and honorable and since making an issue of the degree might ruin Bill's career?

Situation 4: Sneaking Phone Calls

Helen discovers that a fellow employee regularly makes about \$100 a month worth of personal long-distance telephone calls from an office telephone. Should Helen report the employee to the company or disregard the calls on the grounds that many people make personal calls at the office?

Situation 5: Cover-Up Temptation

Martha discovers that the chemical plant in which she works as supervisor is creating slightly more water pollution in a nearby lake than is legally permitted. Revealing the problem will bring considerable unfavorable publicity to the plant, hurt the lakeside town's resort business, and create a scare in the community. Solving the problem will cost Martha's company well over \$100,000. Outsiders are unlikely to discover the problem. The violation poses no danger to people; at most, it will endanger a small number of fish. Should Martha reveal the problem despite the cost to her company, or should she view the problem as little more than a technicality and disregard it?

Situation 6: E-Mail Messages

Juan, a recent college graduate, spends about an hour a day writing e-mail messages to his college classmates. In spite of this practice, Juan's performance is at least average if not better than that of his colleagues. Should Juan's boss, Ruth, confront Juan about his misuse of company time?

Exercise 6–2

Evaluate Your Ethics

How will you act in situations that test your honesty and acceptance of rules, regulations, and codes of behavior?

That depends on the values you use to frame your approach to life and to work, says Paul Mok, president of Training Associates, a consulting firm.

Mok, with a doctorate in psychology and 20 years' experience advising corporations, says that most of us operate from one or more of four basic value sets, which are especially apt to surface during stress. He contends the key to predicting how someone will react under ethical pressure is discovering what his or her dominant values are. Mok developed a test, called SPOT (Situational Perceptions–Observations Test), to help in that discovery. Here is a sample from that test.

To identify your dominant value set(s) assign the numbers 4, 3, 2, and 1 to each set of four phrases that are

*The first five of these situations are adapted from Roger Richles, "Executives Apply Stiffer Standards Than Public to Ethical Dilemmas," *Wall Street Journal*, November 3, 1983, p. 33.

shown to complete the eight self-descriptive statements below. Use 4 for the response that best describes you; 3, next most like you; 2, next; and 1, least like you.

1. In relating to a boss, I may:
 - a. Express a lack of concern if a lack of concern is expressed to me.(S)
 - b. Convey impatience with ideas that involve departures from procedures.(R)
 - c. Show little interest in thoughts and ideas that show little or no originality or understanding of the company.(I)
 - d. Tend to get impatient with lengthy explanations and direct my attention to what needs to be done right now.(C)
 2. When circumstances prevent me from doing what I want, I find it most useful to:
 - a. Review any roadblocks and figure out how I can get around them.(C)
 - b. Rethink all that has happened and develop a new idea, approach, or view of my job.(I)
 - c. Keep in mind the basics, pinpoint the key obstacles, and modify my game plan accordingly.(R)
 - d. Analyze the motivations of others and develop a new “feel” for those around me.(S)
 3. If I must deal with an unpleasant customer, I would probably try to:
 - a. Clarify the problem and explore the alternatives.(R)
 - b. Highlight in plain language what I want, need, or expect the customer to do.(C)
 - c. Explain the “big picture” and how the situation relates to it.(I)
 - d. Express empathy by putting myself in his or her shoes.(S)
 4. In terms of things like personal phone calls on the job, a company should probably:
 - a. Be understanding of the employees if they don’t overdo it.(S)
 - b. Make the rules clear and see that employees follow them.(R)
 - c. Do what is best for company profits.(C)
 - d. Explore company policies that are consistent with personal needs.(I)
 5. If a friend told me he was “padding” the expense account for \$10, I would probably:
 - a. Advise the person not to; that he or she is stealing and should not do it.(R)
 - b. Figure this is common practice even if it isn’t right.(I)
 - c. Figure each person is trying to survive the best he can.(C)
 - d. Try not to be judgmental and see if I could help.(S)
 6. If I have done something that goes against company policy and procedures, I probably:
 - a. Would have done so to help others in the company.(S)
 - b. Would be upset and need to reexamine my actions.(R)
 - c. Would have done so to get results in the most practical way.(C)
 - d. Would consider how the policies and procedures could be modified in the future.(I)
 7. When I start a new job, I feel it is preferable to:
 - a. Learn what is expected—what the rules are—and follow them.(R)
 - b. See where the company is and what its orientation really is.(I)
 - c. Make a name for myself based on competitive results.(C)
 - d. Make friends and show I am a “regular” person.(S)
 8. When co-workers take shortcuts, my actions will probably depend on:
 - a. Whether the co-workers are good friends or not.(S)
 - b. Whether they knew the rules; if they didn’t, I would explain them.(R)
 - c. Whether their actions would hurt me and my department.(C)
 - d. Whether such shortcuts would significantly affect results.(I)
- After each statement is a letter—S, R, I, or C. Make a column for each of the four letters, place your numbers (1 to 4) for each statement in the appropriate column, and total the figures. The category in which you scored highest corresponds to your primary value set; the second highest score shows your backup system.
- **S:** Socially oriented values are characterized by deep concern for the welfare of others. Someone meeting this profile might not see a conflict in

stealing company resources to help indigent people.

- **R:** Rational values center on commitment to rules and regulations. A rationalist might be indecisive in a crisis not covered by specific rules or procedures.
- **I:** Individualistic values are expressed in autonomous thinking and the belief that people should evaluate rules rather than obey them blindly. Under stress, an individualist may become rigid and dogmatic, ignoring others and putting his or her cause above the established codes.
- **C:** Competitive values are typical of someone motivated by the desire “to win the game.” If this means bending the rules or cutting corners, so be it.

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Exercise 6–3

Rating Your Boss on Ethics

If you are currently employed, rate your current boss on each of the items listed in Figure 4.1, page 58. If you are not currently employed, think of the last boss you had even if it was in a part-time or temporary job. Rate each item from a low of 0 (almost never) to a high of 5 (frequently) for each item. The lower the total score for all items, the higher the ethics of your boss.

