

Organizational and business performance

[Business](#)



The ethical approach is the key concept of effective long term organizational and business performance. Ethics in management is concerned with those parts of organizational, operational, occupational and professional conduct that relate to absolute standards and moral principles that exist in all situations. In other words it is based on absolute judgment that is placed on all activities. Organizations must structure decision making processes in ways that consider the range and legitimacy of ethical pressures. An ethical assessment will consider the position of the staff, the nature and interrelationship of activities, product and service ranges, mixes and balances, relationships with the community and the environment

Ethical issues concerning business and public sector organizations exist at three levels, namely macro, corporate and individual levels. At the macro level there are issues about the role of the business in the national and international organization of society. At the corporate level the issue is often referred to as corporate social responsibility and is focused on the ethical issues facing individual and corporate entities. At the individual level the issue concerns the behavior and actions of individuals within organizations.

The ethical approach to organization and managerial activities takes the view that continuous and long term existence is the main duty of organizations and their staff, customers, suppliers, community and environment. Survival or long term performance is the main ethical duty of the organization, to its staff, customers, communities and other stakeholders. For this to happen over long term a long term view must be taken of all that this means. For business and companies, profits must be

made over long term; for public services this means effectiveness over the long term.

Relationships with employees are said to be unethical when resources are being consumed to the detriment of both organizational performance and resource utilization in the course of this relationship. On the other hand an engagement on the basis of honesty, confidentiality, trust, support and integrity provides a basis on which a long term positive relationship may be established. Relationship with suppliers has to be managed with integrity of long term security of purpose and business is to be achieved. At the core of this must be attention to the short, medium, and the long term organizational and business demands, and also the value, frequency and nature of the supplies.

The respect and value in which customers are held is the basis of the commercial or service provision. If this is not present the long term criteria of the requirement of confidence on the part of employees is not satisfied and no integrity of the relationship is present, which makes business unethical. The ethical line in the utilization of resources is to maximize and optimize resources in the pursuit of objectives and is based on the judgment and integrity of those responsible. Compliance with the law may or may not be ethical, especially in areas where legal standards are lower than the absolutes that are known to be required.

Organizations must distinguish between right and wrong. Lying, cheating, stealing, bribery and corruption are always wrong and can never be ethically justified. 2 Team/Group Work Teams and groups are gatherings of two or

more people that either exist or are drawn together and constituted for a purpose. This purpose is understood and accepted by all those involved. A number of group characteristics may be identified: existence of communication, collective identity, a set of shared aims and objectives, of roles and structure, as well as norms and rules.

Tuckman (1965) identifies four key elements to creation of effective groups: forming, storming, norming and performing. Where the first stage is the coming of individuals concerned together, initial interaction and thoughts about rules, norms and ways of working. The second stage stands for the initial creative burst of the group and the emergence of conflicts. Norming stands for the establishment of norms, rules and codes. Performing, the final element stands for the addressing of matters in hand. It is usual to add a fifth element to the end of the group, adjourning. This is where the group disbands or reforms, by integrating new members and discharging old ones.

The main factors that affect the cohesion, behavior and effectiveness of groups are size and leadership. The determinants of group's success are many: the group itself, the work and tasks, procedures and processes, leadership, direction and management style, the synergy principle, morale and satisfaction, group ideology, group spirit, conformity, power and influence as well as factors outside group's control.

Cohesive groups are most likely to be achieved where there is: proper attention to the division, allocation and structuring of work, the creation of a behaviorally suitable working environment, and the installation of a leader or manager who is aware of the pressures and potential problems, and is

acceptable to the rest of the group. There are a number of issues that need to be considered to prevent the possible group stress and strain: the nature and mixture of personalities and talent involved, divergence of objectives between group members and individual and group agendas, means and methods of communication, consultation and participation, the changes in the composition and membership, the clarity of purpose, levels of trust respect, confidence, the nature of the working environment, the form of management style adopted and its suitability, levels of performance and finally matters outside group's control.

The typical causes of group's malfunction are attributed to the lack of: clarity of purpose, direction, aims and objectives; leadership and direction; resources; mutual confidence, trust, respect; responsibility and autonomy, maintenance and operational elements, recognition of progress of achievement, yardstick measurements and assessment; ability to act as self promoter; interest in the work; perceived respect and value attached to the final product on the part of wider organization; equality of treatment; equality of treatment of group itself within the organization; consultation, participation and involvement in the process of decision making. To remain effective, cohesion, capabilities and potential must be maintained and developed in the group, through: infusion of talent from outside, infusion of new skills; attention to group processes, the relationship between team and task, team roles and expertise. Finally a concept of group life cycle must be recognized.