

# The organizational culture

Business



Employees take their lead from their leaders and if leaders do not behave in an ethical manner, employees might not as well. It is not what leaders say that matters, but what they do. Leaders should lead from the front and make sure not to isolate people who voice their moral concerns on business issues. Leaders in business must give life and meaning to these words by acting on them. This means to use every opportunity to stress the importance of business ethics and key business decisions that are not only economically viable but make good ethical sense. To further ethical behavior there is a need to build an organizational culture that values ethical behavior. The business must unambiguously coherent values that emphasize ethical behavior. One way of doing this is to draft a code of ethics which is a prescribed statement of ethical priorities a business adheres to. Few follow documents such as the UN Universal Declaration of Human Rights, which is grounded in right based theories of moral philosophy. Few incorporate ethical statements that express values or missions of employees. Charles Hills (2002) notes that multinational Unilever has a code of ethics that includes the following points“ Employees: Unilever is committed to diversity in working environment where there is mutual respect and trust and where everyone feels responsible for performance and reputation of company...we are committed to safe and healthy working conditions to all employees... we will not use any form of forced, compulsory or child labor...we respect the dignity of the individual and their right to freedom of association. Business Integrity: Unilever does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain...” It is evident that Unilever principles send a very clear message about appropriate ethics to leaders and employees. Few companies employ independent

auditors to make sure that the company is behaving consistently with its ethical codes. Finally, building an organizational culture that places a high value on ethical behavior requires incentive and benefits system, including promotions that benefit people who engage in ethical behavior and sanctions for those who do not. Bowler and Dial (1995) in a case study point out that, at General electric motors, CEO Jack Welch divided managers into several groups based on ethics following because management was not ready to tolerate managers with below-average ethics even though they are really skilled otherwise. Therefore, a business culture depicting sound moral ethics with strong leadership sums up as the best strategy, top management can adhere to, in order to create a win-win situation.