

Modern business environment assignment



Business Management Assignment

Question 1

In the modern business environment, ethics as well as values play an integral role in business sustainability. Ethics may be defined as the written or unwritten moral principles that govern a person's or individuals actions within an organisation while values, in a business sense, may be seen as certain standards or principles considered valuable or important in life, such as attitudes towards topics like truth, justice and honesty (Nieuwenhuizen & Oosthuizen 2014, p. 95).

Ethics and values have become a paramount necessity to successful contemporary business outfits. In recent year's people, policy makers, and businesses themselves have been focused on manufacturing products and using services that are of a positive ethical nature (Nieuwenhuizen & Oosthuizen 2014, p. 92). Further proof of an increased attention to ethical practices may be seen in the growth in demand for ethical investment products, organic produce and fair trade (Nieuwenhuizen & Oosthuizen 2014, p. 92). Due to this elevated consciousness of ethical practices in business, organisations should ensure that application of favourable ethics and values are always upheld, else various consequences which threaten the sustenance of the business may arise as an organisation which is perceived as being unethical to the public-eye will influence the organisation in a negative manner.

Once knowledge of unethical behaviour has been made public, credibility of the business may come under scrutiny as customers and consumers of the

organisations products and/or services may choose to boycott the business entity. This will in turn diminish the image, brand and reputation of the business and result in a lack of sales in products and services thus resulting in an inability to make profit. Once the reputation of a business has been damaged it is often difficult to rebuild a good name for the organisation. Furthermore, due to its tarnished reputation, the business may find it hard to keep hold of its most valuable employees as well as recruiting new ones due to the fact that no one would like to work for a company with a poor reputation. Investors as well as suppliers will also tend to overlook any association with businesses that have a poor image as it may be detrimental to their own images and reputations. As a result, the process of sustaining the business entity will become more challenging.

A lack of ethics and values in an organisation may also lead to unfavourable employee performance. In many cases employees tend to become greedy and almost obsessed with financial gain to such an extent that standard business procedure and protocols are not followed in the correct manner which then results in additional work completion to correct errors. As a result of employees unethically working only for personal gain, performance of the organisation and its ability to satisfy customers will decline in conjunction with the ability to sustain the business. On the other hand the ethical employees may feel that their approach to “ life in the workplace” is not as beneficial as those unethical employees and this may cause a lack of motivation and therefore a decrease in productivity from the ethical employee.

Internal employee relationship is another factor that may be harmed by poor ethical behaviour and a poor set of personal values. Whistle blowing whereby an employee or person in association with a business entity reports and/or raises concern about illegal activity and other unethical behaviour to those in authority is an example of an ethical issue that affects employee relationships (Nieuwenhuizen & Oosthuizen 2014, p. 97). By doing so other employees often tend to treat the whistle blower differently, usually in a more negative manner and this puts the whistle blower in a difficult situation. The whistle blower often becomes an outcast in the workplace and is seen as a traitor by the organisation (Nieuwenhuizen & Oosthuizen 2014, p. 98). Sexual harassment where a member and/or members from the work force make unwanted sexual advances to other member/members of the work force, as well as, plagiarism where someone else's ideas are used without appropriate acknowledgement are examples of other modern ethical issues (Nieuwenhuizen & Oosthuizen 2014, p. 99). Unethical behaviour in general may also cause tension between the employees of the company. Leaders such as managers in an organisation should always set an example of positive ethical practice. Leaders who do not set such an example may find that employees of the company also behave unethically and as a result there is a sense of mistrust and disunity amongst employees which is detrimental to the company's productivity and thus the businesses ability to sustain itself.

A more recent example of an ethically challenging situation may be seen with the organisation Enron. This American business had grown to be one of the largest organisations within the USA, employing 21000 staff in more than

40 countries (BBC, 2002). However due to poor and unethical management within the business entity, the organisation was forced into bankruptcy in the year 2001. Managers and Leaders within the company had become avaricious and wanted to live beyond their needs (Nieuwenhuizen & Oosthuizen 2014, p. 92) and as a result lied about profit and concealed debts so that they would not show on the companies accounts (BBC, 2002). In addition to the unethical behaviour of leaders within the business, management had sold their shares for enormous amounts of capital and advised employees to invest their pension in shares of the business entity. When the company had eventually filed for bankruptcy thousands of employees had lost their jobs and received only a measly amount of funds from their share investments (Nieuwenhuizen & Oosthuizen 2014, p. 92).

Today Enron provides a perfect example of how unethical practices and lack of values can influence the sustainability of a business in a negative manner. The Networking organisation, Cisco on the other hand is a company which pride themselves on their positive ethical behaviour. Over the past five consecutive years Cisco has been recognised as one of the World's most ethical companies (Nieuwenhuizen & Oosthuizen 2014, p. 92). As a result Cisco is a well known brand with an impressive reputation in its field expertise. This company has the luxury of having strong customer and consumer relationships as well as employees who are motivated to work for the company and therefore Cisco is an organisation with a strong ability to sustain itself within the modern age of business.

Considering both of the situations within the organisations Enron and Cisco, it furthermore becomes obvious that Ethics and values play an enormous

role in terms of business sustainability. Unethical practices as well as poor sets of values may lead to the poor reputation or eventual liquidation of the company while positive ethical behaviour and a good set of moral values may improve the image, reputation and brand of the corporation.

As a result modern companies have used a number of techniques in an attempt to eliminate unethical behaviour. Most modern business outfits tend to use a Code of Conduct which acts as a guideline for how employees should behave within the organisation (Nieuwenhuizen & Oosthuizen 2014, p. 96). Multiple countries also use the law to ensure ethical practice within businesses. Corporations which fail to follow the ethical procedures set out by the government may find themselves receiving a fine or paying other penalties detrimental to the businesses.

Question 2

Leadership or the ability to guide and motivate groups of people in order to achieve common goals (Nieuwenhuizen & Oosthuizen 2014, p. 232) is paramount to the success of any business entity. On a daily basis leaders will often strategise and coordinate the activities in the workplace in order to achieve multiple organisational objectives. The people who provide leadership within the business entity can therefore be seen as the link between employees and the objectives of the organisation.

In order for an organisation to be successful, the business entity should meet its goals and objectives. For the organisation to meet these objectives employees are needed to perform the work. As a result employees often need guidance on how to go about in doing their jobs. It is here where

leaders and leadership skill play an integral part. A leader will often supervise and supply his/her employee's with direction and ideas on how to tackle problems. In doing so not only is the leader contributing to the success of the business in the present but also training the employees so that they become valuable members of the corporation and contribute to the future success of the business outfit.

Another important aspect in business success, of which leadership is involved, is motivation. Motivation may be described as any incentive which causes employees to work towards the objective at hand (Nieuwenhuizen & Oosthuizen 2014, p. 251). Leaders have the responsibility of ensuring that subordinates are well motivated and complete their tasks/jobs in an efficient manner. Just like in Maslow's hierarchy of needs, different people have different levels of needs. As a result businesses have multiple incentives that motivate employees to maximise their performance, such as, promotion, bonuses, salary increases etc. In some cases employees may even be motivated to work for their leaders due to abundance in charisma and other exceptional leadership traits such as proficient communication skills and a strong emotional intelligence to handle the pressures of the "work place". These manager leaders act as an inspiration for subordinates and therefore get the optimum performance from the employees of the company to ensure favourable business performance and successful business ventures.

A motivational leader in conjunction with an enthusiastic work force may also be beneficial to the success of the organisation due to the fact that employees who are willing to work for their companies and its leaders often contribute to the organisation much more than the employees who aren't. As

a result leaders who let employees express themselves in the work environment often have a greater influx of ideas and this give the organisation the advantage of being more innovative and creative than competitors thus improving the business and its chances of success.

Communication is a fundamental leadership skill which vastly contributes to the success of organisations worldwide. Business entities with an exceptional communications arrangement or set-up are able to constantly exchange valuable information between the different departments of the organisation. The latest trends in terms of needs and wants, information about various competitors and other types of important information are examples of data which leaders can effortlessly pass on to employees through the use of different communication mediums. A leader with virtuoso communication skills will also be able to comfortably pass on his/her vision to employees so that the subordinates clearly understand the direction that the business and leader wish to take as well as the employees individual role within the business entity. Efficient communication also positively contributes towards favourable productivity levels and also restricts confusion and misinterpretation in the working environment. Modern communication mediums include face-to-face conversations, phone calls, faxes, email and videos etc. (Nieuwenhuizen & Oosthuizen 2014, p. 252).

A strong leader is able to contribute to the success of an organisation by correctly managing conflict within the business outfit. Conflict is often recognised as natural behaviour within the work environment. There are two types of conflict which may arise in the work place. Functional conflict where the disagreement supports the organisational objectives and dysfunctional

conflict where employees are disrupted and prevented from achieving organisational objectives. Functional conflict therefore may be beneficial to the organisation as it may result in a wider range of creative opinions and better decision making within the group of employees. On the other hand dysfunctional conflict often causes disunity and unrest amongst employees thus decreasing their performance and ability to reach organisational goals. It is therefore the job of the leader to ensure that conflict within the work force is managed correctly and is beneficial to the business entity.

A modern example of an accomplished leader is Sir Richard Branson. Richard Branson is the founder of the Virgin Group organisation consisting of more than 400 companies worldwide (LiveYourLegend, 2012). Being dyslexic, Branson always found school academically challenging and found it difficult to keep up with his peers. However, in the year 1972, at the tender age of 16 Branson started to show his extraordinary leadership prowess and had started his Virgin brand by opening a chain of record stores (Entrepreneur, 2013). Today Branson is one of the wealthiest people in the world and he may be recognised as a talented Transformational leader due to his vision based on change, creative outlook and continuous involvement in entrepreneurial activity. Richard Branson is also considered to be gifted leader due to his ability in taking calculated risks. As a young business owner Branson was often charged with tax irregularities and even had to put his mother's house up as collateral (Moneycation, 2013). Branson also firmly believes in the use of functional conflict due to that fact that he employs an "open door" policy where his employees should feel free to give their input and opinions on the matters at hand (Moneycation, 2013).

Another example of a