

- AIM: To examine the role of ethics, power and influence in the organization
   OBJECTIVE: At the end of the module you will be able to
  - Describe the importance of ethics in the organization
  - Discuss the acceptance of power in an organization
  - Describe how power can be used to effect changes
  - Explain how people influence others

- Study and philosophy of human conduct with emphasis on the determination of right and wrong
  Ethical Issue: Gap between feeling and thinking
  How you feel about something and how you want to act?
  - **Moral Standards**
- Wrong Right Making ten copies misusing
   organizational resource O.K
   Making 100 copies not O.K.
   10 minute late O.K.
   > 10 minutes not O.K

IBI-193

CORE VALUES: Getting down to core values takes time Time Person-1

Same vision

Bring your baggage

Marriage--- Fulfil promiseOr business relationshipRealize dreams

Person-2 romantic type of relationships What can you do for me or

ultimately pose problems ..

One has to put oneself higher than the relationship for success. "Actions speak louder than Words". Like peeling the layers of onion core values get exposed and relationships get effected. Success lies in people driven policies and not authority driven dictates. Management for results also means Management by principles

**IBI-194** 

**"WE PREACH MOST WHAT WE NEED TO LEARN"** COMPANY VALUE SYSTEM IS THE EXECUTIVE VALUE SYSTEM THAT CAN NOT BE SEPARETED EASILY AS ROOT VALUES ARE DIFFICULT TO CHANGE.

Power: Imaginativeness more important than knowledgeEthics: Actions speak louder than wordsMoral standards or the gaps keep changing from time to time

**Problems of civility:** 

IBI-195

Individual rights v/s Rights of living together

(Smoke or not smoke)

Environment laws: Blue box recycling

#### POWER

.....is neutral

.....Abuse only causes negative perception.
ATTITUDE

K	Knowledge:	Know how to do?
<b>S</b>	Skills	Can you do it?
A	Attitude	Will you do it ?

When so many K+S are available companies prefer

people who are K+S+A

Know the difference between just asking people to do it or besides demonstrating, telling them why are we doing it. IBI-196



#### **ORGANIZATIONAL ETHICS**

Principles that an organization believes in and tries to follow with help of its employees. Example "belief in team spirit"

#### **PERSONAL ETHICS**

Values and principles that each individual has decided to follow. These depend on one's culture, religion, upbringing and parental influence.

#### **CODE OF ETHICS FOR MANAGERS**

Managers are expected to demonstrate leadership in articulating and practicing the organizational code of ethics. IBI- 198

### POWER

Power in itself is neutral but only its abuse causes negative perceptions.Such negative perception relates it to word "corrupt" and often associated with exploitation/ influence.
"POWER CORRUPTS.

ABSOLUTE POWER CORRUPTS ABSOLUTELY".



#### **INDIVIDUAL POWER**

Individuals who demonstrate knowledge and expertise have the capacity to influence others and exercise power
 INSTITUTIONAL POWER

Power in this sense is the responsibility and the authority
 over human and financial resources.

#### **ACCEPTANCE OF POWER**

The main reason for our acceptance of power in modern times is fear of consequences. It is specially true when we perceive source of power in the negative light.

Consequences of abuse of power: Debate, Divisive tendencies, Destructive effect and Dissension among group IBI- 200

- USE OF POWER TO EFFECT CHANGES
- It can be effectively used as an aid in accomplishment of tasks and making desired changes.
- **1 PERSONAL CHANGES**
- **2 SYSTEMIC CHANGES**
- **3 COMPETENCY CHANGES**
- **4 COMMITMENT CHANGES**
- **5 COERCIVE CHANGES**

**INFLUENCE:** Duty of people in position to influence others and organization they are part of. Influence may be subtle, direct or voluntary. Organizational authority, maturity, personal style, commitment and effort are other effective means to influence others. IBI-201

#### [] {CASE STUDY MR. COOL}

- Mr.COOL is Managing Director of a company manufacturing, marketing and servicing refrigeration and air conditioning equipment
- He directly supervises three General Managers
- Mr. Manu, Mr. Mark and Mr. Serv

On one occasion Mr. Cool received a nasty letter as a complaint against Mr. Mark from a good customer by the name Mr. Hot who purchased one air conditioner from the company last year. Mr. Hot complained that Mr. Mark who sold the A.C. to him had not been cooperative. There were many problems in the machine that needed immediate attention. Mr. Mark had failed to keep his promise of free service during first two summer seasons and had been rude to him on the telephone as well.



#### [] {CASE STUDY MR. COOL}

The next day Mr. Cool during a brief conversation with Mr. Manu. Mentioned he heard that Mr. Mark was having problems with one of his customers. He asked no questions.While Mr. Cool was at dealers workshop he heard further rumours of complaints regarding Mr. Mark.

Mr. Cool met Mr. Mark once during the busy hours of the day. Mark did not mention anything about a conflict or misunderstanding against with any of his customers. Mr. Cool also did not address the issue.

In the morning, when Mr. Cool arrived at his desk he found an angry hand written message from Mr.. Mark requesting to speak to him immediately about an urgent matter. In addition there was a message from Mr. Hot asking him to respond by phone to his letter immediately. IBI-203

- QUESTIONS FOR THE PARTICIPANTS
  QUESTION NO. 1
  - What would you suggest that Mr. Cool do at present time?
- **QUESTION NO.2** 
  - How could Mr. Cool have handled the situation to avoid the confrontation he would have to face today?



### **QUESTION NO 3**

Develop a list of principles that are important to you.

#### QUESTION No. 4

Develop a list of values that, in your opinion, are unethical

### **QUESTION No. 5**

If your organization has code of ethics, record it in the space below. If it does not, develop a brief code of ethics, which you are willing to share.

