ETHICS AND CULTURE OF AN ORGANIZATION

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INTRODUCTION

Ten people have been waiting for the cross-town bus that is now more than twenty minutes late. It is an experience that these ten have had on all too many a workday morning. They stand individually apart or in groups of twos and threes chatting about this or that. In one such group, Joseph remarks to Luann that something really has to be done, and maybe they could do it better if they joined together. Luann, a formidable and take-charge sort of woman, agrees. “You’re right,” she says, “and we’re going to do it now.” “Hey,” she calls out, “let’s say we form a riders’ support group!” Shouts of “Good idea,” “Count me in,” are heard as eight move to form a group around Luann. Two people hang back and when one is encouraged to join answers, “Nah, it’s not for me.”

In that moment of commitment, the Crosstown Riders, now a non-profit organization of over 400 members, was formed. All organizations start in some similar moment of join-up. It is the commitment to a relationship, a form of common identity called membership, that makes organizations possible. All the other characteristics of organizations — terms of relationships, divisions of labor, hierarchies of control, economies of rights and responsibilities, systems of value and meaning, characteristic ways of thinking, speaking, doing — will all develop over the history of this membership.

It is rare, however, to be present for that initial moment of join-up. In most of our organizational experience we join the already on-going activity of organizing as a new member. For the new member, the view can be intimidating what with the imposing physical, cultural and communicative structures that the well-developed organization often has. It is hard to believe that all of it develops out of the communicative practices of people in relationships. But as Karl Weick (1987) notes,
Communication is the essence of organization because it creates structures that then affect what else gets said and done and by whom. Structures form when communication uncovers shared occupational specialties, shared social characteristics, or shared values that people want to preserve and expand. The structures themselves create additional resources for communication such as hierarchical levels, common tasks, exchangeable commodities, and negotiable dependencies. These additional resources constrain subsequent contacts and define more precisely the legitimate topics for further communication (pp. 97-98).

What Weick is describing is the duality between communication and relationship. Communication, relationships and ethical interfacing in those relationships depend on each another.

The concept of culture is well beyond the scope of this paper but is essential to my notions of how ethics, aesthetics, economies, politics and social systems all function within an organization. Simplistically, culture is something significantly greater than shared values and meanings. Culture involves major systems of ideology and practice that constitute the conditions of our daily affairs. This paper will consider how ethical, economic, political and social systems are engaged within the culture of an organization.

The organization is a set of ordered relationships and communication processes that is the product of the processes of organizing. Organization is defined as a set of ordered relationships and communication processes that is both meaningful and meaning-making. Organizing is a process that disciplines individual performance to be accountable to and understandable within a coherent ideological framework of member to member relationships, practices of discourse and action, rules of performance, and the judicial procedures of each. This discipline is produced through the reproduction, modification, specification, and enactment of culture.

Every culture that can claim to be a culture will have systems in place that identify among other things, the ethical, the economic, the political and the social. No culture in this post-modern world operates independently of every other culture. We borrow, poach, steal, and are enmeshed and embedded in each other. The United States may currently lead a world-wide economy, but it is also disciplined by that economy as disturbances in markets thousands of miles away cause our stock prices to tremble.
Organizations, too, to the extent that they provide a membership identity and a framework for action, must somehow mark or color the cultural systems in which they are embedded. But that marking and coloration does not discharge the configuring force of the larger culture. The effect of organizing on cultural processes is mainly one of re-tracings and erasures that sharpen certain lines of action and soften others.

THE ETHICAL SYSTEM

Within the framework of organizations, let’s consider the ethical system and its counterpart aesthetics. The relationship between the ethical — what is good — and epistemic — what is true — systems has been contentious in Western thought since the fracture of the universal church into its reformist parts and its subsequent political decline. When a Catholic God was the single location of the true and the good, there was little dispute. It was the arguments of British empiricism (Hume 1748/1974) that split the good from the true for modernity. Given the split, one was free to argue that good results can come from false premises, that the true cannot guarantee the good, that the good cannot be verified empirically or even reached through a perfected rationality. What is right, the empirically enlightened did claim, cannot be reached through the true because what is right depends upon society rather than the phenomenal world.

Postmodernists make a move back to our catholic history to unite the true and the good as social processes that provide for one another. For postmodernists, the true is a particular good we seek. We work to authenticate its claims because they ought to be true (it is good that they be true). In the absence of foundational truth and in the presence of uncertainty, every claim of what is denies what could be. A claim to knowledge, therefore, always entails a choice, and choice always entails the moral.

We can see the interrelationships between the true and the good — between the knowledge that justifies and the values that qualify — in the allocation of resources toward particular knowledge productions, in the constraints we place on efforts to speak the truth and on the boundaries of what is true for us. Organizations demonstrate this relationship in mission statements and policies; in their control of knowledge and information; in the measures of success and effectiveness they put into place; in their grants of access to resources; in promotions, awards, and recogni-
tions; in codes of craft, conduct, and dress; and in the decisions and judgments by which we know what is true and good of us and them.

Organizational rules and policies generally function in this way. As long as one stays below the horizon of the rule, that person stands within its grace and is morally unassailable at least from that vantage. But if one rises above that horizon, say in filing “difficult” travel expenses, or generating repeated customer complaints, or failing to meet target sales, then the rule becomes a resource for punishment or privilege, a tool for justice or for love.

The implicit and explicit policies, rules, codes and judgments of an organization formulate the local moral standard of membership — are you good enough to be one of us. A friend writes:

When students in our Ph.D. program complete their coursework, they are required to take comprehensive examinations. These examinations extend over 18 hours of written work and an additional 2 hours of oral defense. Students are typically mystified by what this process is. Their mystification comes out of our organizational deception about the controlling narrative. Students accept the narrative as one of knowledge. Do they know enough to become one of us. But any faculty member on the supervising committee could write an authentic question that the candidate would not be able to answer satisfactorily because the committee member is the one to declare the answer right or wrong. Start a question with “Speculate on” or “Consider the implications of” and the field is yours to command. So the issue of whether the candidate passes or fails is first decided in the questions chosen. The operative narrative is not about knowledge. It is about worthiness. Are you good enough to be one of us? Passing is not an act of justice; it is an act of love. (This ends the example from my friend.)

Examinations, tests, sales contests, production goals, targets of all sorts are the means by which organizations determine the worthiness of their members. The celebrated scholars, winners, top guns, million dollar members, good daughters and sons are held up as the personal standards for our conduct. If only we were like them, we could be good people too. But these are games of a zero-sum morality, where your success is my failure. It is, nonetheless, the typical moral system of organizational meritocracies.
ECONOMICS

The next area to consider within this culture and moral rubric is economics. Posters appeared last week in the management classroom building declaring, “Econ, it doesn’t suck so bad.” Its reputation notwithstanding, economics is morally important because it studies the methods of valuation and exchange. Economic systems are the methods by which we sort objects and utilities into categories of greater or lesser value and, in conjunction with political processes, establish the rights to and distribution of such objects and utilities (e.g., ownership) and set the procedures of value exchange. Economic systems, therefore, are composed of units of value, qualified participants, the distribution of valued elements (objects and utilities), exchange rates, and methods of exchange. A unit of value can be an hour of labor, a dollar bill (money is a very rationalized system), a luxury car, a handsome escort; value is expressed generally in terms of its worth as a object — a luxury car, a handsome escort — or its worth in use — an hour of labor, a dollar bill. Participants are qualified through a number of means, some of them inexcusably exclusionary as in race and gender, and some protective as in prohibiting minors from entering into contracts. Any economic system turns on the distribution of value. If we all have everything we need and desire, there is no economy. Exchange rates establish the relationship between units of value — the how much of this for the what of that. Finally, the methods of exchange establish the means — do we exchange goods and services or currency, is the price fixed or negotiable, and the like. We speak of different economies as those composition elements change. We have such economies as subsistence, consumer, labor, political, sexual, and so forth.

Why do economies count in issues of morality? Economies generate justifications for action. For example, we justify paying someone less than a living wage by pointing to the “invisible hand” of a market economy as if that economy were somehow an inevitable, objective force rather than a cultural construction. There is not a “natural” value for labor. Those values are set in the social practices of an economy. Similarly in understanding the changing character of gender relations, it is very helpful for us to recognize the traditional cultural attribution of object value to the feminine and use value to the masculine and then to consider the manner in which that economy is being transformed.

Every organization is embedded in the world-wide market economy and is subject to the requirements enacted by its participants. But organizations also develop their own specific, local economies as well. It’s the local system of give and get. I give you X and expect Y in return. These
local systems can get quite complex and involve multiple payoffs. A friend writes:

Your argument about economies in action started me to reflect on my experience on the assembly line at FoMoCo. I was working in a sub-assembly area where we put together automobile instrument panels. Our assembly was synchronized with the mainline — we were making panels for the cars which were actually coming at us down the motorized track. In those days, a car came down the line every 54 seconds, so each of us in our 3-person group had a little less than 3 minutes to put each panel together.

There were three different car models on the line and each unit could have options within the model style. Our subassembly group had to keep the panels in strict order, otherwise the line worker would grab the wrong one off our delivery table. In theory, we three were each to do every third panel off of the order sheet.

This scene looks like all response and no expression, but our work was quite different. Subassembly groups like ours had learned well before I punched a clock that the 54 second tyranny of the mainline could be broken if the prior shift would “leave a gift” of units assembled which would not be used until the new shift came on the clock. Likewise, we recognized that the work we did for them was not “ours”, and that it was a gift with comments like: “Let’s knock off; those guys won’t have to start work for hours for all we’ve done.” We also griped when the night shift was less than generous. The build ahead might put us 30 minutes to an hour ahead of the line. That build ahead and our own ability to assemble the panels in 90 seconds if we had to opened up some freoplay space that made the job bearable. I don’t recall ever meeting a worker from one of the other shifts, but I was connected to all of them in this economy.

The economy of the “build ahead” returned good size blocks of leisure time for coffee and conversation in the otherwise relentless progress of the assembly line for the efficiencies of labor. The return came not from the line system but from workers twice removed. That return also established an interesting moral order. If the night shift “cheated” and did not leave enough, the afternoon shift might be punished as well to get the message to those “night slackers.” It was the various shift fore-
men’s job to police this exchange system. Somehow the word would come down, our writer notes, “the line broke down last night” or “we’ll let ‘em know they messed up.”

Economies entail obligation, and obligation entails morality. The complication is that we play in multiple economies simultaneously whose obligations may compete, conflict, or contravene one another. Duties, rights, utilities, virtues, and relationships may all be invoked to resolve the issue, but generally we hope to finesse the situation. We delay, defer, keep it all in the air, promise more, give less, overpay in return, and every so often we pay the price, but that doesn’t keep us out of the game. We are economic players of various sorts and are bound to respect the games we play.

**Political Systems**

This is all tied into political systems. Politics is the system of allocation — the distribution of rights, privileges, entitlements, duties, responsibilities, requirements, rank, status, and position. The particular political processes that are authorized to perform these distributions are clearly a hallmark of the society, organization or social grouping in focus. Such processes run the gamut from the tyrant king/owner/leader to Habermasian consensus. The lessons from the 1985 dissolution of the Soviet hegemony to the most recent incidents in Serbia demonstrate forcefully that any such political process involves the complicity of its members. Even the coercive will falters without complicity.

In organizations, we see the imprint of these processes in the hierarchical structures in use — the practical rights of command and duties of service. We see them in the access rights to information and resources, the rights to speak and act, the requirements to be and to do, the responsibilities to one another. The keys to the executive washroom, to the supply cabinet, to the special entrance, the passwords to the financial books, the personnel files, the secret recipes, the titles, territories, reporting lines, the computers, desk sets, and furniture pieces are all corporate emblems of these processes.

Organizational political processes can be profitably analyzed by considering the component processes of decision-making, enactment, enforcement, and adjudication. I don’t want to suggest by this list any sort of linearity or necessity. I see enforcement without rule-making and decisions that have no conditions of enactment, adjudication that makes new law and, of course, rules of action that have never been decided.
If, however, one wishes to constitute a rule that has organizational consequences then attention will have to be paid to processes of complicity (Consequential decision-making is the acceptance of the terms of obligation.), the action means of its performance, the methods of supervision and discipline, and the procedures by which breaches will be repaired. Further, any evidence of the presence of one of these prosessional sets calls upon the investigation of the others. The observation of a practice (enactment), for example, motivates the study of its rules of performance (complicity), criteria of excellence (enforcement), and means of correction (adjudication).

It is obvious that these processes participate in morality. We cannot steal what we have the rights to or readily dishonor in what we have permission to do. As I mentioned earlier, organizations, from corporations to families, morally entangle their members in mission statements, policies, and rules. The character of these entanglements establishes strong likelihoods of moral outcomes. Despotic testing procedures, difficult restrictions on necessary supplies, impossibly early curfews, arbitrary reporting requirements all morally endanger those subject to them by promoting cheating, stealing, disobedience, and lying. Such rules are set-ups and they often deliver what they encourage. We have seen corporations spend several times the loss to police supply pilferages when most of the materials were being used for legitimate purposes anyway. Morally appropriate political processes within organizations do not endanger their members. They make clear and provide for the means of moral success.

**SOCIAL SYSTEM**

The last of these systems I consider in this paper is the social system — the system of self and other, the person and the relationship. I’d like to look at the widest scope of the organization and social system by examining a triumvirate of concepts from cultural studies: disciplines, apparati, and hegemonies.

**Disciplines**

Disciplines are systems of practical training that provide for coordinated action. We discipline the body to conform to standardized working conditions — three meals a day, breaks every so many minutes, the ability to stand, sit or be in other action for long hours, meet contemporary demands of an integrated workforce. We discipline talk in conversational
turn-taking, in connecting one turn to another, in topic selection and presentation so that we can communicate. We discipline action according to rules of the job, the road, the game, propriety, and good manners in order that we can jointly recognize what is going on. The self is a disciplined product of the relationship with the other. Its freedom of expression is limited in the act of becoming.

We cannot achieve any relationship and therefore any organizational form without disciplining potential into actual; disciplines structure potential into both what is likely and what is possible. Disciplines establish the ordinary in what is likely, but do not exclude the extraordinary in what is possible. In fact they allow us to recognize this difference.

**Apparati**

Apparati are the resources and practices of social structures. Political parties, class structures, government bureaucracies, industries, churches, and schools are all social apparatuses that go about the business of producing the society in which we live. The constitution of the family you were born into, what made it normal or not, its rights, privileges, and obligations in regard to its members, and so on were all established by some part of these apparati. Every other organizational arena is similarly under their influence. One cannot start a business without a license from a bureaucracy, submitting to some system of taxation, meeting work and safety rules, and the like. These apparati set many of the taken-for-granted terms of both organizational and individual action.

**Hegemonies**

Finally in the widest view of all, hegemonies are the social contracts by which apparati, disciplines, and the other systems are organized and maintained. Hegemonies are the location of the grand cultural truths and social practices that result in the distribution of authority and control to different segments of society. Hegemonies are the agreements by which we recognize the dominates and subordinates of a social system. They contain the codes by which we distribute resources across the polarities of gender, class, ethnicity, race, age, and so on. It is still true, for example, that in U.S. culture we expect — and indeed find in the vast majority of cases — a white male as the CEO of any major corporation. This distribution of power does not happen by chance. It happens because — liberating rhetoric to the contrary — at every level we agree to make it happen. Hegemonies, then, are the cultural processes of complicity and implication by which more and less are defined and sustained.
Every individual constitutes an intersection of the systems of culture. We are shot through by their influences. They provide our means of being in the world, of engaging the world, of understanding the world, of making moral decisions. We may each be the product of cultural enactments, but they have a long history of performance. They are well-practiced, deeply sedimented, fully naturalized. We do not have to invent ourselves anew each time we step into a different set of organizing processes. There is more to each of us and our moral structures than any organization can declare. By a careful examination of a culture that flourishes under the concept of organizing, we find that a moral organization is continuously making decisions based on ethical considerations, mixed with political systems, and social enactments.

NOTES

1 This article comes from a book by the authors: The Organizational Self and Ethical Conduct: Sunlit Virtue and Shadowed Resistance, published by Thomson Wadsworth © 2001. The purpose of this chapter is to help students understand how ethical theories work in concrete organizations. This chapter articulates and integrates the concepts of ethics with the self, morality, the organization, power, and resistance.