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A "New" Theory of Management

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A "New" Theory of Management

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Abstract

This article presents a "new" theory of management for the new millennium: "new" not because singularly the ideas are recent, but because the combination of these older ideas collectively is novel. To some extent, this article represents the reestablishment of previously existing employment ethics that for various and sundry reasons lapsed into dis- use in the past several decades. This article discusses employee relations ethics (ERE) in terms of an ERE credo and a set of assumptions. The modem millennium mission states that all organizations (public and private) should primarily be employee centered, not owner of administrator controlled, customer or client driven, or both.

The millennium invites new thinking about old ways of doing business. Change is all around us, yet many managers continue to operate utilizing dated personal philosophies and personnel practices. Much of what is discussed in this article is neither politically correct nor popularly believed. Often, learning new behaviors is an uncomfortable process. People prefer stability, predictability, and security to their antitheses. Perhaps the ingredients within this article seem overly utopian. The points identified and discussed do represent an ideal rather than reality. Nonetheless, we must start somewhere. We might fall short of standards for many reasons, but goals and intentions should always remain lofty. Elevated standards in this article consist of five employee relations ethics (ERE) credo components and five ERE assumptions. Before commenting on the ERE credo and assumptions, a few comments about mission and vision are in order.

MISSION AND VISION

Historically, ·organizations have been defined as a group of people working together for a common goal. Over the years, the common goal has changed from survival to profit. Change is like a pendulum swinging between two extreme positions. Organizational mission statements today need to swing away from customer centeredness back to an employee emphasis. Initially, employees were also owners. Today this is not necessarily so. Close to half of all workers today are in public county, state, or federal jobs. The corporate form of organization within private enterprise now commonly separates ownership from management. Emphasizing employee centeredness might represent new thinking, but it is really part of the old idea of an organization being a group of people working together. The "group of people' needs to be recognized as the employees--not the owners, customers, and other tangential stakeholders or agents.

CREDO

Within this article, ERE is composed of five beliefs or credo statements. We explain each of these.

All Work and Labor Involve and Deserve Human Respect and Dignity

A principle of human worth and dignity states that all human beings have both intrinsic and extrinsic value and should be treated with courtesy and respect (Beer, 1997). People possess abilities and talents deserving of merit. Every individual has a quality or sum of qualities rendering him or her important, valuable, and useful. In addition, humans have a character or quality of being honorable and noble. A manner of grace, stateliness, and excellence is inherently part of all human beings, although sometimes such qualities are dormant and underdeveloped. All people should be treated with dignity, politeness, care, and respect. Respect here refers to respect for others rather than esteem for oneself. Abuse and neglect can destroy a person, just as sabotage and lack of maintenance can ruin buildings and machinery. Interest in human beings can pay greater dividends than interest on capital. Human dignity is more important than high technology as a productivity determinant (Schneder, 1997). This first credo belief is a reminder. Human respect and dignity are aged concepts, yet civility training often is needed today to remind us of such priorities.

As we enter the 21st century, the demeaning treatment of subordinates, as in the 19th century, does more than inflict unnecessary misery on employees. When executives brag about the demeaning treatment of their employees, they actually are celebrating the results of their inflated egos, which have significantly stifled their business efficiency and productivity. In the workplace, perhaps the most important element of respect is honoring each employee's innate need for personal dignity. Criticism of a subordinate's performance should be given in private, rather than in front of peers. Subordinates' opinions, comments, and suggestions should be acknowledged and given due consideration and not denigrated publicly or privately. The days of management by fear and intimidation are fading fast, and managers who cannot or will not adapt to this reality risk obsolescence (Markovitz, 1999).

It is the top manager who sets the tone for whether people are viewed as treasured assets or disposable liabilities. Even under the most adverse conditions, companies can still treat workers with dignity and respect. For example, when Walter Haas announced that Levi Strauss would have to close 11 factories in four states in 1998 and lay off 6,395 employees, he also unveiled an unheard-of $200 million employee benefits plan to help ease laid-off workers through the transition (Verespei, l998). Any manager or leader should treat his or her employees as partners and recognize them, rather than perceive cash or other assets, as the primary source of growth and success for a business. The University of Alabama's most successful football coach, Bear Bryant, had a unique outlook when it came to his team. Here is what he frequently said on the banquet circuit:

> There's just three things I'd ever say: If anything goes bad, I did it. If anything goes semi-good, then *we* did it. If anything goes really great, then *you* did it. That's all it takes to get people to win for you.

If executives treat team members as subservient beings, they will respond begrudgingly, with menial results. If executives treat them with indifference, they will accomplish the minimum required to do their jobs. However, if executives treat them with dignity and respect, they will give their loyalty and their best efforts (Clark, 1999).

Human Resources Are the Most Important and Most Valuable Organizational Assets

People, not properties, are every organization's primary provision. Manpower, not money, is every institution's main material. Humanity, not hardware, is every enterprise's highest holding. It took many working generations for businesspeople and others to realize these facts. Initially, land, capital, buildings, and equipment were thought to be of utmost importance. This has changed over the years to the point where most people today, at least in theory (but often not in practice), purport to believe in the primacy of human resources over other inputs and assets (Delaney & Huselid, 1996).

There are still some businesses that do not subscribe to this way of thinking. Most of these critics are technocrats stressing the preeminence of one or more of the following three modern resource categories: (a) hardware, (b) software, and (c) information (knowledge; Mirvis, 1997). Many people today mistakenly believe that more and better technology is the key to a better society. History proves this to be wrong. The answer to improved world and cultural conditions is developed human resources, not developed technological resources. However, in reality, technology is neutral. It is the misapplication of technology and its consequences that often are detrimental.

Hardware proponents are newer versions of the old philosophy of valuing equipment. Software supporters inappropriately emphasize format and function over subject and substance. The biggest group of unconverted are information and knowledge advocates. They fail to realize that all information initiates and terminates with people. Humans determine data, news, and education as well as how they are to be processed, communicated, transferred, and utilized. For meaning to be transferred among individuals, the encoding and decoding of messages must be completed. Both of these are human, not mechanical, procedures. Another way to envision the importance of people is to look at organizations in terms of purpose, process, and product. People determine all three. Materials (hardware, software, and information or knowledge) are involved largely with process. However, even within process, people, not procedures, are important. In short, manpower, not methods or means, is critical (Penn, 1996).

Human beings are valuable. Individuals have both intrinsic and extrinsic worth. Humans have internal value because they possess abilities, attitudes, and a spirit. This inner value is inborn, inherent, inbred, natural, and real. Humans have intrinsic value as permanent, indispensable, inalienable, and essential elements. This quality is the very nature, character, and constitution of humanity.

When human potential is enacted, intrinsic value becomes extrinsic worth. Humans have extrinsic worth because their physical and mental labors can pro- duce products and services that bring about social good. Humans have exterior and outward worth not contained within or belonging to the human body per se. This value is derived from activities that people choose to undertake. Intrinsically and extrinsically, all people possess abilities and talents deserving of merit. Each and every person has a quality or sum of qualities rendering him or her important, valuable, and useful (Thornburg, 1994). Human beings are both important and valuable. In short, human life has infinite value, and human potential is limitless. The value of an individual human life is inestimable; the worth of collective human endeavor is infinitude.

People Initiate and Control Organizations, Not Vice Versa

Institutions are created to serve individuals, not the other way around (Finney, 1997). People form and shape corporations to fulfill personal needs. Humans (should) change and adapt organizations much more than organizations (should) change and adapt humans (Galpin & Murray, 1997).

Organizational control was first legitimated by Max Weber's (1964) theory of bureaucracy and Frederick Taylor's (1947) theory of scientific management. Taylor's concern with management control and with doing more with fewer workers continues to influence the contemporary discourse of control. The controls of today's corporations are seen as infinitely subtler and going far deeper than those defined by human relationists in the 1920s, reaching to the very core of each employee's sense of selfhood and identity, defining his or her very being. Recent management trends including management by objectives, Total Quality Control, delayering, restructuring, reengineering, downsizing, just-in-time workers, outsourcing staff functions, the new employment contract, and the surveillance technologies (including the electronic camera, performance-monitoring technology, and electronic tagging) have been interpreted as ways of increasing organizational control over workers (Gabriel, 1999; Maguire, 1999). Many proponents of these management changes seem to have forgotten the principle that institutions are created to serve individuals, not the other way around. Some see the organizational structure and its changes rather than people as sacred. To expect people to change more than organizational structure is putting the cart before the horse (Hammer & Champy, 1995).

Controlling by organization is characterized by an absence of choice, a lack of opportunity to provide meaningful input, an obligation to perform work that is not valued for its own sake or for the ends it provides, and by close supervision by persons or technology (Deci, Connell, & Ryan, 1989). These types of control mechanisms deny individual autonomy, moral agency, and the possibility of social community. Compliance with externally imposed standards undermines an individual's autonomous self-concept and sense of self-worth. To be independent, one must be able to conceive of oneself as being able to act autonomously (Lippke, 1995). To act autonomously, one must be able to deliberate about one's actions by examining the relation of those actions to values which contribute to the living of a meaningful life: Self-worth is dependent on the exercise of virtue, which grows from val1:1ing one's judgments about doing what is right and good. It is unwise to attempt to plan and control what cannot be controlled without destroying vital qualities within employees who seek responsibility, personal development, a sense of identity and pride, and the motivation to use their creativity and multiple talents (Pruzan, 1998).

Many smart companies give employees control over their jobs and encourage employees to use judgment, make decisions, and exercise control over their work lives, thus leveraging their "thought power." Lack of self-control by employees leads to learned helplessness, resulting in people not even bothering to seek solutions because they know that no solution exists. Such is not a fertile breeding ground for innovation or intelligent problem solving. Feeling helpless not only prevents people from solving problems, but also affects the ability to think. When people feel helpless and powerless, they become "mindless." Without control over their jobs and the ability to exercise judgment, employees get caught in a downward spiral of poorer judgment and decision-making skills, leading to a greater sense of helplessness and even more mindlessness (Lee, 1998). Historically, worker alienation frequently has been cited as a major reason why workers seek unionization. It is vital for the future success of a company to be able to attract and retain bright, responsible, creative, independent, motivated, and faithful employees who control the organization, and not the reverse.

Employees Should Be Empowered and Treated as Entrepreneurs, and Should Not Be Overly Supervised and Evaluated

Our old assumptions are that organizations are in business to make a profit and serve customers, and, therefore, we must do things for and to employees to get them to be productive. This new employee relations ethic suggests that the growth and empowerment of those who do the work should be the primary aim. Then, empowered employees will see to it that the customer is served and the organization's purposes are achieved (Johnson, 1999). Although preludes to employee empowerment are plentiful in the management literature, the concept of treating all employees as entrepreneurs is novel. Theory Y, participative management, team approaches, quality circles, suggestion systems, gain sharing, employee stock option plans, consultative leadership styles, and collegial management philosophies have appeared for decades as part of management theory, research, and practice (Noble, 1994). However, it usually has been done in the framework of interdependence rather than autonomy. Entrepreneurship goes beyond mere empowerment. Under entrepreneurship, employees working individually or collectively can work toward organizational betterment (Pfeffer, 1995).

The barriers to implementing an enlightened version of empowerment in modern organizations should not be underestimated. Many organizations professing the pursuit of empowerment have a misguided notion of what this complex concept really means for its managers and employees. For some, empowerment involves little more than the delegation of authority and clarified accountability, a top-down process whereby management articulates a clear vision and then communicates specific plans and assignments to ground-level employees (Quinn & Spreitzer, 1997). The organization may provide employees with information and resources helpful in accomplishing their appointed tasks, and there may even be encouragement of risk taking and team-based approaches to decision making in the end; however, these organizations still see empowerment as something that *managers* do to their people.

True empowerment, treating employees as entrepreneurs, is much more a function of fundamental beliefs and personal orientations. Quinn and Spreitzer (1997) identified four characteristics that empowered employees seem to have in common:

- Empowered people have a sense of self-determination (this means that they are free to choose how to do their work; they are not micromanaged).
- Empowered people have a sense of meaning (this means that they feel their work is important to them; they care about what they are doing).
- Empowered people have a sense of competence (this means that they are confident about their ability to do their work; they know they can perform).
- Empowered people have a sense of impact (this means that people believe they can have influence on their work unit; others listen to their ideas). (p. 2)

Thus, empowerment is not something that management does to employees, but rather a mindset that employees have about their role in an organization. Although management can create a context that is more empowering, employees must choose to be empowered. They must see themselves as having freedom and discretion; they must feel personally connected to the organization, confident about their abilities, and capable of having an impact on the system in which they are embedded (Quinn & Spreitzer, 1997).

The newest part of this ERE principle is the belief that most American workers today are considerably oversupervised and are evaluated too frequently. Some management theorists have been saying this for years to little avail. If this is the age of the "knowledge worker"--in which the application of employee intelligence, imagination, and creativity increasingly will drive future gains in productivity--we clearly are heading in the wrong direction by accentuating close supervision and continuous evaluation. At worst, we threaten to turn potentially imaginative employees into the modern equivalent of Frederick Taylor's (1947) intelligent robots.

Companies spend exorbitant amounts of time assessing employees, so much so that the amount of time left to actually accomplish productive work is limited severely. Universities are among the biggest offenders. Commonly, faculty members are evaluated for annual performance, retention, promotion, tenure, possible leaves, pay raises, and extra merit money, plus various special teaching, research, and service awards using completely different paperwork, time deadlines, and procedures. Such continuous assessment handicaps rather than helps corporate productivity. The best strategy is to hire the best people and then get out of their way. Supervisors should be resource finders and facilitators--not constant critics, assessors, and evaluators (Huselid, Jackson, & Schuler, 1997).

Individual Wellness and Personal Wholeness Demand Integrating Personal or Private and Professional or Public Lives

In the past, many business firms and schools taught many unhelpful and unhealthy lessons. One of the best--we mean worst--examples of this has been the often-heard (even today) notion that people should not "bring their personal problems to work with them" or "take work-related issues home with them." The idea was to separate what you did at home from what you did at work. On the surface, this sounds like good direction, but under closer scrutiny and in practice, this is inoperable and destructive advice (Langdon & Whiteside, 1996). Modern systems theory tells us that all systems (organizations and individuals included) work as a whole. "When parts of the system are incompatible or contradictory, the whole system suffers.

The problems with separating personal and professional activities are multiple. In its extreme form, it can produce schizophrenia and multiple personalities. A Dr. Jekyll and Mr. Hyde phenomenon can develop easily. This happens because people are encouraged, both directly and indirectly, to develop one set of values and morals at home and often a different and sometimes contradictory set of priorities and preferences on the job. The result can be, and has been, conflicts in roles and ethics in the workforce and at home (Brown, 1994).

This work-and-rest dichotomy has always been bad advice, but it is especially impossible to implement in modem society. In the United States today, people are working longer and longer hours again. Big businesses are downsizing, and small entrepreneurships are dramatically on the rise. Company benefits and services now commonly include physical fitness facilities, childcare, and parental leaves. Dual-career couples are the convention, not the exception. State and national job conditions also are changing drastically. More women and part-time employees are now in the workforce. New jobs are more common in the public and service sectors, and fewer employment opportunities are available in private manufacturing. Workers are being required to perform in teams and on projects rather than alone. New organizational positions such as ombudspersons, compliance officials, and ethics officers have evolved because of new state and national norms and laws. Globally, increased internationalism requires more cooperation and results in more interdependence. For all of these reasons and more, splitting personal and professional ethics and values cannot and should not be advised or attempted (Micco, 1997).

The solution or healthy perspective today is the opposite of what has been recommended in the past. We need to integrate private and public morals; we need to synthesize personal and professional values. We need to have one set, not two sets, of ethics. This one common core of beliefs must be consistent and congruent at work and at home. The healthiest individuals physically, mentally, and spiritually are those with the most overlap between their personal or private values and their professional or public values. Figure 1 shows 50% overlap between personal and private morals and professional and public ethics. This is a start in the right direction, but a perfect match and 100% overlap should be the goal. At the macrointegration level, the healthiest institutions economically, politically, and technologically implement domestic and international activities promoting equity, nondiscrimination, consistency, and fairness.

A major reason to integrate personal or private and professional or public mores is that, whether we like it or not, our lives are becoming less private and more public (Starcke, 1996). Strong evidence recommends that a person should never do in private what he or she fears might be revealed to the public. Today the old right of privacy increasingly is being replaced with the newer notion that "the public has a right to know."

Maybe this contemporary concept is not so new after all. Thomas Jefferson mentioned in a 1799 letter to Tench Coxe that whenever you are to do a thing, though it can never be known but to yourself, ask yourself how you would act were all the world looking at you, and act accordingly. Today, information and news are considered to be public domain and common property. News is public territory, and information is public knowledge, and both are matters of general ownership and control. That knowledge is a public estate and possession is a strongly held belief and practice in free, democratic countries of the world. In reference to both information theory and communication principles, public domain supersedes privacy. Especially if people work for public organizations, they often find information about themselves being shared with various other persons and agencies.

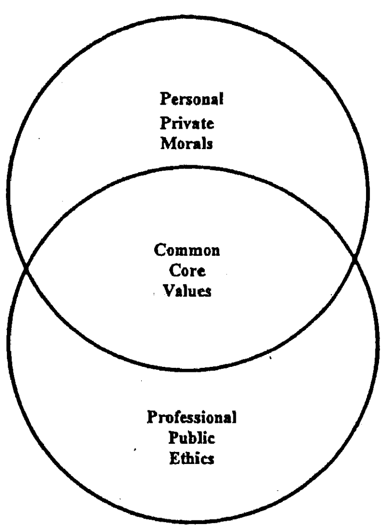

FIGURE 1 Integrating personal or private and professional or public values.

Accordingly, public personalities now especially should not and cannot expect to have private lives. As Jefferson is said to have remarked to Baron von Humboldt in 1807, when people assume a public trust, they should consider themselves public property.

Today the existence and development of mass media technology and satellite communication systems reinforce Jefferson's commentaries. We live in an instant-information society, where daily events around the globe can be seen and heard in our living rooms during the nightly television news program. Small, portable, lightweight, simply operated, high-quality, inexpensive videocameras have made every person a potential private detective or investigative reporter. Such equipment is so prevalent and pervasive that the national nightly television news now often includes nonprofessionals' home videos of regional events, especially local disasters. Video recordings have replaced camera film and newsprint as historical chronicles. Some types of films no longer need processing to be developed and even editing can be done almost instantaneously or in a matter of minutes. Satellite communication systems make it possible to send and transmit such video information worldwide in a matter of seconds. Such technology and automation have made possible human nature's common desire to be nosy and peep in on the private affairs of others, especially famous people.

ASSUMPTIONS

The ERE mission, or vision and credo, previously described is based on five ERE assumptions. Each of these five assumptions is lacking today as a base for American work, and consequently ERE in this country is in a state of disarray. Radical and quantum changes are needed. Total restructuring and reengineering of human assumptions and behavior are in order.

Ethics Are More Important Than Profits

It is time for men, women, corporations, and society to recognize that ethics are or should be more important than economics in directing human behavior. In truth and in fact, at least in America, a lack of self-control is more prevalent than a lack of money, and obesity is more prevalent than poverty. Over 20% of the U.S. population is obese (weighing 20% or more over their ideal weight). Less than 20% of the U.S. population live in poverty conditions as defined by minimal levels of earned or supplied annual incomes. There are many reasons why the focus needs to change from prosperity to propriety (Hallaq & Steinhorst, 1994).

In America as a whole, quantity (profits) historically has dominated quality (ethics) as a manufacturing philosophy and corporate lifestyle (Primeaux & Stieber, 1994). However, profits should only be thought of as a measure of quantity. Ethics are best envisioned as a measure of quality. High quantity and quality and high profits and morals are directly related most of the time in the long run. Quantity and quality both can be goals, but quality is more important than quantity. As the proponents of quality management have known for a long time, it is by not doing what they already know they should do that companies get in trouble over quality (Crosby, 1984). Similarly, mores are more important than monies. Accordingly, as Figure 2 shows, ethics rather than economics--or to say it another way, moral maximization rather than profit maximization--should prevail as the dominant theme and practice in society. In reality, of course, profits and ethics are not mutually exclusive concepts but simultaneous and interdependent ones. One way to think of this overlap is to envision a theory of "ethical profit maximization."

Most people and companies envision profits as the goal and ethics as a remnant. The reverse is a much better model (Cardy & Dobbins, 1996). Morals should be the terminal and monies the residual. The main problem in correcting this perspective is the common mistaken belief that money motivates behavior. The main problem is that people have a hard time realizing that behavior stems basically from ecumenical motives, not economic incentives. The debate, however, contin-

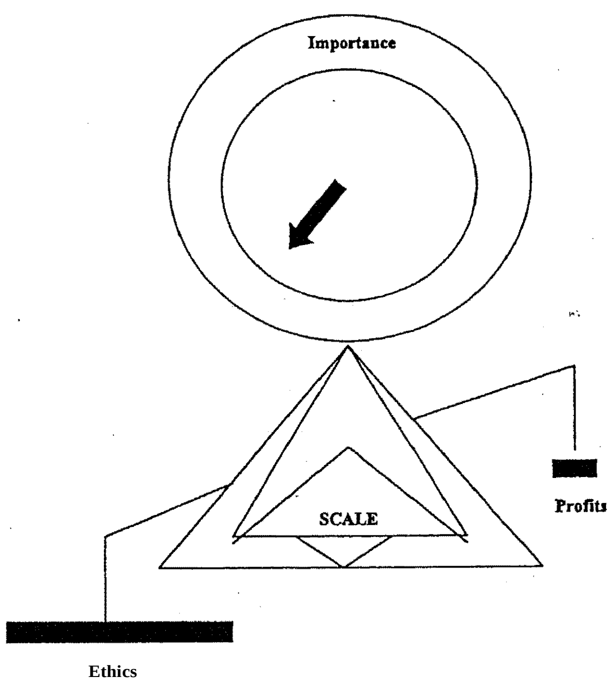

FIGURE 2 Ethics are more important than profits.

ues: "Does money motivate behavior?" There are those who believe that you can get people to do anything and everything-if you pay them enough money. This view suggests that there is only one relevant question: "How much money must you pay a person to get him or her to do what you want done?" Often, answers to the question of whether money motivates critically depend on differing definitions of both motivation and money. Depending on the definitions, researchers may argue, affirm, or deny the relation. The intent here is not to quibble about semantics. Suffice it to say that, generally, the role of money or profits has been exaggerated greatly as a motive for individual and institutional actions.

Attitude Is More Important Than Ability

Need and other motivation models inadequately distinguish between human "can-do" versus "will-do." In general, such theories overemphasize can-do and underestimate will-do. All human behavior is the product of what a person can do and what an individual will do. However, the most important of these two factors by far is the will-do component. Thomas Edison frequently mentioned that genius is 1% inspiration and 99% perspiration. A person can have a tremendous amount of energy and potential, but it is for naught unless it is directed and applied. All football players and coaches know that desire will almost always beat mere talent. Winning is not everything; the will to win is what is most important. Dreams indeed can be realized-if you work hard. Given the proper orientation and training, various similar estimates have been given to conclude that 90% of the workers in America have the ability to perform 90% of the jobs available during any period of time.

The can-do input is often a physical asset; the will-do factor is a mental or spiritual state. Physical and mental or spiritual attributes combine and blend to produce human activity. However, the usual relation is mind over matter. Thoughts control actions more than vice versa. The will-do factor is where human cognition, thinking, and the ability to reason and choose are found. This is the area too often neglected in motivation theories about human behavior.

Another way of saying the same thing is to conclude that, as Figure 3 shows, human behavior is the product of an individual's ability and attitude. Ability relates to a person's can-do input to action. Both clearly are important. However, contrary to popular opinion, attitude is more axial to attainment than ability (Goff, 1997).

Can-Do Ability **X** **Will-Do Attitude** **— Human Behavior**

FIGURE 3 Components of human behavior. Human behavior is the product of ability (can-do) and attitude (will-do). Can-do multiplied by will-do equals human behavior.

Motivation theories spend too much time examining human ability and expend too little effort studying human attitude. Some research into human attitudes has been done. Such studies usually focus on either "attitudes," "values," or "beliefs." Much more study of the attitudinal will-do component of human behavior needs to take place. Morals and ethics are part of the will-do attitude. Can-do is more important than will-do in explaining animal behavior. However, will-do is more important than can-do in explaining human behavior.

Attitudes, and especially values and beliefs, are motivational concepts that have been used to study the will-do component of behavior. Some of these attitudes, values, and beliefs are moral and ethical. Because cognition, choice, and the ability to reason are all critically important in determining and explaining human behavior, moral and ethical values and beliefs should become the focus of future research into human behavior (Anderson, 1997). Human moral and ethical research and study are the keys to the development of better theories of motivated behavior.

Means Are as Important as Ends

Emphasizing means in addition to ends is not a new idea, just one that has often been forgotten or has become inoperative in American society today. One of the major management themes--and one of the major management mistakes--during the 1970s and the 1980s was the push for "management by objectives, (MBO) or "management by results"(MBR). Sometimes others words and phrases were used, such as "work planning and review," to label this philosophy, but MBO and MBR were the two most common labels. The concept initially seemed to make sense, but its implementation over the years probably has done more harm than good. The basic idea behind MBO is to focus on a goal and not to worry about procedures for accomplishing or mechanisms for achieving the goal. The emphasis is on the "end" result, not the "means" or methodology.

The basic problem with the implementation of MBO is that it is yet another bottom-line-only indicator of accomplishment, and it ignores ethics and morality as factors of and inputs into production. With MBO, "winning at any cost" supplants "how you play the game" as a mental rationalization of behavior. Contrary to the popular opinion of the last several decades, the end does *not* justify the means.

American culture for several decades now has overemphasized ends and underemphasized means. *What* is accomplished is important, but equally important is *how* we achieve a goal. Management should never stress goal achievement apart from proper conduct. Moral management can be achieved only if means are as important as actual purpose attainment, or perhaps even more important. Many wise philosophers have observed the priority of means over ends. Success and happiness are found on the road to achievement rather than at the terminal destination.

How you play the game is as important as whether you win or lose. Good men and women do not necessarily finish last (or first). There is often a very thin margin between victory and defeat (ends). There is, however, a wide latitude in various procedural approaches (means) to accomplishing tasks. Today, effective managers know that their choices of means are as critical and significant as their decisions about goals (Delerey & Doty, 1996).

As part of American culture, some business training historically has overemphasized ends and underemphasized means. The focus often has been on performance, not procedure; accomplishment instead of development; and attainment rather than improvement (Youndt, Snell, Dean, & Lepak, 1996). With such a focus, the center of attention inappropriately becomes produce, not productivity; dollars achieved instead of value added; and profits rather than ethics. We see the price of this approach in the news headlines of insider trading, environmental pollution, and product recalls. Only relatively recently have we realized that ethical behavior must be taught as a standard for the practice of management (American Assembly of Collegiate Schools of Business Standards for Business Accreditation, 1991).

Another problem with MBO is that it fails to recognize that process is as important as product, if not more so. Especially because human beings are always involved, how we do things is at least as critical as what is done. The how aspect and the means question incorporate the ethical dimension of decision making. *What* is analogous to the economic perspective; *how* is the morality measure. Our consistent viewpoint is that ethics is more important than economics.

Unity Is More Important Than Diversity

Sometimes what is currently and politically correct is historically and organizationally incorrect. A modern case in point is the concept of diversity. Many organizations today are jumping on the diversity bandwagon. Diversity is being used as a rationale to defend or enforce certain employment philosophies and practices throughout today's world of work. Policy statements in both public and private institutions recently have been rewritten to add or substitute the diversity criterion as a standard or measure of decision-making appropriateness. Diversity is a relatively new fad and buzzword used by organizations to show that their mission and vision statements are supposedly up to date and avant garde.

The problems with *diversity* are many. First, to date, the term has not been defined legally or operationally. It has no common meaning among users. It has been a term that people and institutions have picked up because it sounds like something good and worthwhile. However, everything today is falling under this label—to the point where the term is almost meaningless. In most situations, for example, diversity means “ethnic diversity,” although not everyone agrees on just what the word “ethnic” includes (usually race and sometimes country of origin or religion).

People generally have not been able to distinguish between ethnic and ethic diversity. Ethnic diversity is good; ethic diversity is bad. Ethnic diversity is good because it helps people within organizations and society be more aware of human rights, equal opportunity, nondiscrimination, justice, tolerance, cooperation, and peace—all goals that most individuals and institutions desire. On the other hand, different work ethics within the same workplace always result in multiple problems, complaints, and grievances. Ethnic diversity is best envisioned as a means; ethic diversity is an end. Efficient organizations have a singular main mission. Unfortunately, many people today think ethnic diversity is an end state or goal instead of a means or manner of accomplishing some central vision.

Part of the problem in understanding what diversity means is its confusion with the long-approved and recommended concept of diversification. Efficient organizations sometimes practice diversification of inputs and outputs to reduce risk and to increase profits. Several different suppliers· may be used to ensure a constant supply of materials. Several different products may be produced to satisfy varying demands of consumers. Within an organization, portfolios and debt or equity mixtures also exhibit diversification to spread and reduce overall risk. Diversity is different from diversification, however, because it involves variety in human resources. In reality, the typical organization struggles hard to justify personnel diversification. Human resources diversity clearly becomes more of a liability than an asset when it results in people within an organization having different work goals, objectives, and purposes from those officially sanctioned by the enterprise (O'Reilly, 1994).

Is it really diversity that we want within our organizations? The dictionary defines "diversity" as "difference" and "unlikeness." The thesaurus list similar words as "disagreement," "dissent," and "dissimilarity." Are these appropriate objectives for an organization, which by definition is *a collection of people working together to achieve common goals?* Difference, dissent, disagreement, and dissimilarity promote neither people working together nor common goals (Clarkson, 1995). An organization does not achieve common purposes effectively by emphasizing variance, unlikeness, discreteness, deviation, and discrepancy among its employees. Unfortunately, diversity frequently results in disagreement, disillusionment, disharmony, and dysfunctionalism. It is always true that much outcry results in little outcome.

Today organizations are emphasizing "Total Quality Management." The emphasis is on high standards, few deviations from benchmarks, low tolerances and margins of discretion, precision in behavioral performance, and tight controls. Diversity often is talked about today using opposite language and a contrasting mentality. Breadth, pluralism, relativism, and nonuniformity are the characteristics of diversity. There are or should be serious questions in the minds of all managers in any organization that professes to pursue both Total Quality Management and diversity at the same time, because both their theoretical philosophies and operational methodologies are contradictory. In the long run, organizations and societies that literally practice diversity cannot survive; they die by suicide, war, or both.

For organizations to grow, mature, and develop (or even survive), joint goals, mutual values, shared morals, and core ethics should be the focus. We need to encourage, develop, and reward uniformity, consistency, and excellence--not diversity, variance, and variety. Organizations and the people who work for them need to highlight human collective concerns more, and individual unit uniqueness less (Bishop & King, 1997).

Within organizations, a little bit of conflict can be a good thing, but conflict in abundance can be disastrous. A dash of salt or spice enhances many foods, but an oversupply can ruin a meal. Moderation in eating, drinking, working, sleeping, and exercising is best. The same is true of diversity. For all organizations, personnel diversity should be a consideration, not a cause. Human resources and ethnic diversity should remain a means, nota mission. Regarding society and America, the emphasis and celebration as a whole should be on what we have in common, not on our differences. Equality is a much more important American aim and national norm than is variety. Unity must and should replace diversity as an individual initiative, group goal, corporate culture, and national necessity. Today workers must cooperate and work together collectively to respond to global competition and aggressors.

Service Is More Important Than Sales

The "service is greater than sales" message is a variation and corollary of Assumption 1, which states that ethics are more important than profits, and Assumption 3, which states that means are as important as ends. In the final analysis, all organizations provide a service rather than a product. This service may be in the form of a tangible good or an intangible piece of advice. Realizing that all private and public organizations are in the service industry is one of the first steps toward achieving ERE. Buying into and believing this entire set of ERE beliefs (credos) and assumptions are the extended ethical benchmarks.

The relation between service and sales generally states that the more service, the more sales. As a generalization, this statement is more true than false. However, in the real world, all generalizations, including this one, might not be true 100% of the time. Exceptions to generalizations, however, do not invalidate them as general rules. Certainly, in over 51% of all examples, servanthood will result in greater, not less, wealth. This statement is true in both the short and the long run. The longer the time period, however, the stronger and the more direct the service-sales relation. The long-range generalization states that the more time, the greater and more direct the relation between service and sales. In the long run, the more (less) ethical and service-oriented an individual or an organization acts, the more (less) sales and profits he, she, or it will make (Gildea, 1994).

Trying to measure service and ethics in terms of sales and economics is analogous to other measurement problems prevalent in American society. Most people envision sales and profits as the goal and service and ethics as a by-product. These roles should be reversed, where service and morals should be the goal and sales and money the by-product. The causal relation is that service and ethics (either high or low) cause or result in sales and profits (either high or low, respectively), rather than vice versa.

The service-sales relation also, can be analyzed via a quality versus quantity analogy. Sales can be thought of as a measure of quantity. Service is best envisioned as a measure of quality. High quantity and quality and high sales and service are directly related most of the time in the long run. Trying to make money and trying to be good and do right are not necessarily in conflict.

In America as a whole, quantity (sales) historically has dominated quality (service) as a manufacturing philosophy and corporate lifestyle. American productivity and competitiveness have suffered in terms of international trade and commerce because of this attitude and approach. Quantity and quality both must be goals, but quality is more important than quantity. Similarly, service is more important than sales. Productivity measurements should be determinations of caliber, not count.

Inputs and means are equally as important as outputs and ends, or more so. Human pride is based on producing the best, not the most. Consequently, ethics rather than economics (moral maximization rather than profit maximization) should prevail as the dominant theme in society (Niehaus & Swiercz, 1997). Accordingly, businesses should use ethicists, not economists, to advise them on important decisions.

The service-sales relation is also misunderstood because Americans have always believed that bigger is better and more is good. The 1990s and the new ethical environment era supported the newer idea of downsizing or rightsizing. Rightsizing should be thought of as having both a size and an ethics dimension. Bigger is not better. More can be less. The more we have, the more we want; the more we want, the less we have. Contentment is not having what you want; it is wanting what you have. Rightsizing became a prevalent attitude and mental set during the 1990s. Within society as a whole, organizations are downsizing, compact cars and condominiums are popular, family size is being reduced, and everyone is on a diet. In reference to both individual stature and institutional structure, thin is in, and stout is out (Mathys, 1993).

CONCLUSIONS

In conclusion, regarding the service-sales and the ethics-profits relations, ethical principles are more important than economic principals. We must learn to hold ethical values firmly and economic values loosely. Also, we must never do the right thing for the wrong reason or, even worse, the wrong thing for the right reason. This is because nothing that is morally or ethically wrong can ever be culturally, economically, educationally, politically, socially, or technologically right.

Today, in both the theoretical and real worlds, economic principles are not mutually exclusive of societal values and ethics. Economic principles by definition are societal ethical values (private property, capitalism, socialism, etc.). Thus, in a free market, it is possible and has been observed that when ethical principles take on an intrinsic value to buyers higher than the price and quality factors, the ethics could well become a superior value in the marketplace. Take, for example, the public reaction to poor labor conditions among some clothing manufacturers supplying Wal-Mart. This resulted in reduced clothing sales, public embarrassment (surrounded by Kathie Lee Gifford) and a change in policy. Similar examples include Food Lion Stores and their work practices in the meat department, and Texaco's sales of oil to Nazi Germany prior to World War II. In short and in sum, ethics versus profits is neither a black-white nor an either-or issue of analysis.

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