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The People and Purpose of Business: The Philosophical View of the Workings of a Corporation from a First-Year Business Student

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Research Reflection

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Introduction

A person with a goal needs careful and thoughtful planning and execution if he or she is to attain success. There exist multiple layers of decision making, management, and maintenance to provide continuity, growth, and prosperity (McCormack, 1990). While in theory everything should run smoothly, the real may not function to the sights we envision. In the instance of running businesses, the process of turning thoughts on paper into profit will never be as easy as inhaling and exhaling. It takes a large investment of time and resources to guide a company towards achieving what one sets out to accomplish. One must plan amongst multiple facets; there are numerous variations of details that require attention. Perhaps the most important aspect falls toward the living, the working: the people. Businesses need a workforce, and the workforce helps a business attain its goals. Standards of work are set and to be followed to protect the workers. Hypothetically, the happiness of the workers should have a positive correlation with the output and production of themselves and the company.

    The ideas that follow are a compilation of my outlook on how businesses should operate following from my own limited experiences, conversations with others, presentations by speakers, and research on related topics. I have written this piece

to provide an example of the viewpoint of a first-year college student, one who has been searching for what his future career may hold. I entail both a thoughtful introspection of my inner beliefs and outside examinations toward how firms should run and how people should work. I do not know where my education and career may go, or which business degree I graduate with, but I wish to write for my future self and for the current minds of others, so that we may always remember to keep to high standards, withstand temptations, and be a leader for others in an ever-changing world that, as current headlines can attest to, are not as simple as we, as a society, would hope.

Business Ethics: Standards for Work and Community

The first place to start on this cognitive journey falls upon one of the basic markers for work within a corporation: the ethics of the people. The ideas of ethics and morals can be approached along the lines as "(1) concern for others and respect for oneself and (2) a desire to achieve an appropriate balance between the two" (Clark & Lattal, 1993, p.11). These are justifiably for the greater good; there are certainly people who have weaker standards and are quite likely to act in a different direction. Within every person, their specific moral code drives their actions and judgements. The alignment we hold as a society pertains to the concept of "doing the right thing," but decisions frequently do not follow a simple reckoning.

In relation to business decision making, those who make more ethical decisions typically hold stronger moral principles (Trevino, 1992). Generally, this correlation builds into the concept of moral integrity. Namely, moral integrity composes reflecting on questioning oneself along the aforementioned "doing the right thing," interests of self and others, following moral principles, why we have them, and what to value when in conflict (Clark & Lattal, 1993). The people with a firm grip on their morals maintain their beliefs through their showings of integrity. In a business scenario, this becomes amplified amongst higher decision making and human relations divisions.

The concept of business ethics is fundamental to a grand picture. The simple truth for people and companies is unavoidable: "Business cannot exist without society and that society cannot go forward without business. Thus, business must acknowledge society's existence and society's growing demand for more ethically responsible business practice" (Joyner & Payne, 2002, p.298). By and large, there exists societal pressure on businesses to maintain good ethical practices.

Theoretically, this public eye should eliminate any malpractice. However, instances such as discrepancies in earnings, dehumanizing, forgery, fraud, employee mistreatment and harassment, demeaning sales techniques, and labor wrongdoings happen in more abundance than one would hope to find (see for instance, Alexander, 2007; Christensen, 2005; Magrath & Weld, 2002; Meckenstock, 2016; Trevino, 1992; Vranceanu, 2014). Nearly all of these acts are illegal, but many are not brought to light, as people with weaker ethics either say nothing for fear of repercussions or take part in for a piece of personal gain.

Correspondingly, another approach to business ethics comes from the rules and laws that regulate the economy and corporations. Standards put in place by the government "can be interpreted as codified ethics" (Vranceanu, 2014, p.55), which provide a legal structure for businesses to adhere to. Corporations must follow these rules, which include regulations for how business can be conducted, how employees are treated, and how a building must be up to certain codes and specifications. In like manner, companies also have to respect and maintain their corporate social responsibility. Corporate social responsibility is defined as categories or levels of economic, legal, ethical and discretionary activities of a business entity as adapted to the values and expectations of society (Joyner & Payne, 2002). Corporate social responsibility acts well as a baseline for how businesses should act: their actions revolve around society and people, and there is a two-way relationship for how they treat each other.

People and Employees

A firm's ethical stance and practices are directly tied into the people who work in the firm (Clark & Lattal, 1993), and how it acts in relation to the public.

Employees and Workplace Culture

The ties to people within a business begins with the CEO or owner and works down the chain to department heads, managers, employees, and even utility workers. An important part to consider when hiring a potential employee is how they might fit into the office or company mission and culture. A company can help maximize its outputs when it finds a person who fits or works well in the company's styles (Bowen, Ledford, & Nathan, 1991). While certainly they must be qualified for the position and possess the right skills for the job, they must also be able to work well within the environment created by the company. This is something that

can be oversighted when hiring or acquiring employees. Some people for example may be uncomfortable working in groups, would prefer to have more feedback, or be intimidated by certain processes. Different personality traits also may be looked for in certain positions that would help one succeed (Jonsson & Rancano, 2013). Human resources and those in charge of the final hiring processes and interviews must be sure to ask the right questions and find the right information about each individual so to find who can work well or not. There is a level of disappointment felt by many when a person decides to leave due to unrest of how things run; a mistake should be admitted, understood, and learned from. Such selective hiring helps make all the difference in screening out people with attitude problems, as told in a story where for Southwest Airlines "a top pilot working for another airline who actually did stunt work for movie studios was rejected because he was rude to a receptionist" (Pfeffer, 1998, p. 71). The idea for companies looking to hire is that learning the skills is the easy part, but what takes longer to change are behaviors and attitudes (Pfeffer, 1998).

People at the Center

It is often understated, but one of the most important things a business should focus on is the people. This includes all relationships with people, whether customers, employees, shareholders or others, who should always be considered in any sort of business decisions (Jackson & Nelson, 2004). People are integral to the functions of any company, no matter what product or service. If you look anywhere within a firm, people will appear on any role. A consumer buys a product that is produced by another person using a different person's equipment that was designed by someone else, and the product is transported by a person, marketed by another, and sold by someone else, all the way with different people overseeing operations and giving instructions, not the least to consider all of the other countless interactions along the way. This broad scope must always be considered as people are found on every stage and determine whether your company succeeds or fails. An additional relation can be viewed through the social corporate theory, where there exists a necessary relationship between the public and the business (Joyner & Payne, 2002). With people always on the mind, we can now turn to how to operate the company.

Management and Leadership

In order for a company to run properly, there requires a certain level of consistency in management (Trevino, 1992). Such levels include achievable practices that are focused company-wide, and internal composition in the form of governance.

Core Management Practices

Good techniques for companies to use can be simplified and summarized in four main practices: strategy, execution, innovation, and structure (Joyce, Nohria, & Roberson, 2003). These points also follow with secondary practices, which include talent, innovation, leadership, and mergers and partnerships. The practices arose from careful examination of The Evergreen Project, an examination to "identify, collate, and analyze the experience of dozens of companies over a ten-year period (1986-1996)" (Joyce, Nohria, & Roberson, 2003, p. 6). Chiefly, the companies that use the main techniques successfully "consistently outperformed their competitors and delivered shareholder value" (Joyce, Nohria, & Roberson, 2003, p. 14). Although the study may now be a little dated, the correlating values can still be applied to today's companies. The authors of the method suggest doing such practices: "a clearly stated, focused strategy," "flawless operational execution," "a performance-oriented culture," and "a fast, flexible, flat organization" (Joyce, Nohria, & Roberson, 2003, p. 16-18). In practice, a strategy will create a plan and guidelines for a company to move forward under.

Operating with good execution will allow for a greater output in both quantity and quality. A performance-oriented culture will ensure that work and output take priority over the lesser important jovial enjoyment at times. Lastly, with a solid structure, the people within the corporation know all have an idea of who is in charge and quick communication throughout. When these strategies are all in good and quality use, a company is able to outperform others.

Superior Governance

An identifiable source of strength from a company comes from its leadership. A leader within a business should be able to guide, advise, communicate, delegate, and enforce, which are enacted under practicing governance. Governance can be defined as including 'the rules, regulations, relationships, and norms that determine how societies and organizations, including companies, are led and governed"

(Jackson & Nelson, 2004, p. 260). Notably, the better a company and people can practice superior governance, the better off the company will be. This translates into the financial section, where practicing superior governance almost certainly leads to positive economic output, both in short and long-term (Cummings et. al., 2017), and for maintaining a strong and sturdy business culture amongst the employees and other people. Governance revolves around power, more specifically distribution, and with that, accountability. Similarly, everybody needs to maintain some level of transparency between one another, across all vertical or horizontal levels of employees. The responsibility for handling tasks must not be taken for granted; superior governance expects everyone to do their job and take fault if something goes wrong or is not completed. Comparatively, superior governance relates well to moral integrity, where the values of responsibility, transparency, and accountability should be upheld and followed (Clark & Lattal, 1993).

Governance can fall upon three different lenses, all of which are important to follow and consider: corporate, sustainability, and public (Jackson & Nelson, 2004). The corporate governance focuses on separating the financial and managerial/personnel power (Cummings et. al., 2017). To put it another way, corporate governance divides the decision making and running of the company to the money invested. The second view, sustainability, applies the same values but in addition to the financial side to an environmental and social performance as well (Meckenstock, 2016). The third lens, public governance, revolves around the relationship of the company with the government and the public (Jackson & Nelson, 2004). Practicing good public governance includes taking a stand against bribery, forgery, and corruption. The cost of bad governance results in companies taking part in illegal actions, poisoning and destroying the environment, and taking advantage of the people. It is possible to find correlation between firms with proper moral integrity and superior governance and financial growth (Joyner & Payne, 2002).

Defining Success

After all of the other components of a company are dealt with, people always have to look to the end results: have you attained success? There are important discretions to consider, including the definition of success, the valuation and use of profits, and the twofold purposes of a firm.

Profits

Every business knows it has to at least break even to continue production. For many people and companies, the view of success comes from making the most money. This simple, monetary position makes sense in economic terms, where you want to minimize your costs and maximize your revenue to achieve maximum profits. However, once a company collects the profits, it faces a few different options (Vranceanu, 2014). The first, and the one many view businesses as striving for, is for capital gain by the higher-ups. The idea goes that the people who own the company should collect the additional revenue after paying off the costs within the company, for they own and control the direction the company goes in. This basic economic model works so long as all the other factions of the firm are cared for and not stripped down to lower costs. It is fair for the owners/shareholders to receive the profits, although the difference makers in industries differ in how they use their extra wealth. The stand-still, gain-only companies take their profits and move on with business as without extra regard. In comparison, a good owner allows for reinvestments within the company for improvements and additional benefits. They take a percent of the extra revenue and spend it on worthwhile investments. These could include anything from updated technology, building repairs, expansion, employee benefits, or as little a thing as new office chairs. With such improvements, there can be additional productivity, comfort, output, and more money to make. These considerations relate to the idea of putting people at the center: when you care for your workers and customers, they tend to reward your generosity and attention. Another part of reinvesting is sustainability spending. This has become of greater importance within the last decade or two, as we have begun to see the research and results of global warming and the changing environment (Meckenstock, 2016). Short-term sacrifices are to be made by companies for the greater long- term benefits of the world and all of its people. Less money might be made, but the caring for the well-being of the planet should outweigh large monetary gain.

Purpose

Every company needs a purpose; without one, they are lost, with little internal structure. Those running a firm should always ask questions of themselves such as "What is the purpose of your business?" and "What do you stand for?" (Jackson & Nelson, 2004, p. 300). When it can answer these questions on perspective, a

company can move forward to work toward the newfound and understood answers. In particular, these ideas come together in the form of the firm's mission statement, where it lists its goals and purpose for work that everyone within the company should strive for. This considerate side of purpose involves principles that people all agree is good to do but takes real leadership and initiative to complete. This exists in having purpose beyond profit, something overlooked with a purely economic view on business: "Profits are a *means* rather than an *end*--they're not the real reason that business exists, or the ultimate purpose for what it does" (Jackson & Nelson, 2004, p. 301). The companies that succeed implement the values and goals of their purpose into actions.

Conclusion

While my paper may not be filled with numbers that prove statistical growth, the ideas which I have discussed are used and considered by many. These are all applicable to any type of business, and even to some aspects of one's own life. The fundamentals of ethics apply not only to daily life but to higher standards in the workplace. Moral integrity should be of the utmost attention. Adhering to these ethical standards, as well as government regulations and understanding public relations will provide a firm well-being that will prevent illegal actions and immoral deeds. When shifting focus to the people, multiple considerations go into who to hire: skill, attitude, and fit. Companies work hard to find employees that will contribute to the culture they try to establish. In overall decisions, it is important to put people at the center, as to not forget who receives ramifications and benefits of decisions. To maintain the relations and care of the employees and people, companies should develop strong strategies, execution, culture, and structure. Amongst these ideas leaders need to practice superior governance to keep accountability and distribute power.

The end of the day revolves around profits and purpose. While profits from revenue are important, true success seems to come out of finding and fulfilling a purpose beyond profits. When a company works toward a purpose, all of the other ideas come together. A business functions on multiple levels, and each piece needs its own consideration and care. When we take a moment of introspection, we can find what we value and believe in. It is unfortunate that everyone does not want to make a difference and adhere to morals. I write this paper to provide a thought for others, as a view of a younger mind searching for his calling.

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