TABLE 7–1 Wells Fargo's Values

We want all team members to know our values so well that if we threw out all the policy manuals, we would still make decisions based on our understanding of our culture. These are our values:
Ethics
● **Maintain the highest standards with customers, team members, stockholders and our communities.**
● **Value and reward open, honest, two-way communication.**
● **Be accountable for, and proud of, your conduct and your decisions.**
● **Only make promises you intend to keep—do what you say you'll do.**
● **If things change, let people know.**
● **Avoid any actual or perceived conflict of interest.**
● **Comply with the letter and the spirit of the law.**

Source: "What Are Our Values?," Wells Fargo, https://www.wellsfargo.com/invest_relations/vision_values/11 (accessed May 29, 2009).

Corporate culture is often expressed informally—for example, through comments, both direct and indirect, that communicate the wishes of management. In some companies, shared values are expressed through informal dress codes, working late, and participating in extracurricular activities. Corporate culture can even be expressed through gestures, looks, labels, promotions, programs, and legends (or the lack of these). Phil Knight, Nike co-founder and sports icon, has created a strong and appealing organizational culture. Knight has been known to seek out new employees on their first few days on the job to "borrow $20.00 for lunch." The unsuspecting new employees are astounded that Knight spoke to them. Knight used that tactic as a subtle way to let new employees know that they were on the radar. Interestingly, Knight has never paid back any of the employees. This ritual contributed to building trust, commitment, and differentiates Nike's organizational culture from that of its competitors.

The "tone at the top" is often cited as a determining factor in creating a high-integrity organization. Employees were asked, in a KPMG Forensic Integrity Survey (Figure 7–1), whether their CEO and other senior executives exhibited characteristics attributable to personal integrity and ethical leadership. Nearly two-thirds of employees believed that their leaders served as positive role models for their organizations. However, roughly half suggested a lack of confidence (based on "unsure" and "disagree" responses) that their CEOs knew about behaviors further down in the organization. Nearly half suggested a lack of confidence that their leaders would be approachable if employees had ethics concerns, and 70 percent agreed that their CEOs would respond appropriately to matters brought to their attention. Overall, nearly two-thirds of employees agreed their leaders set the right tone at the top, leaving one-third unsure or in disagreement.

Ethical Frameworks and Evaluations of Corporate Culture

Corporate culture has been conceptualized in many ways. Authors N. K. Sethia and Mary Ann Von Glinow have proposed two basic dimensions to describe an organization's culture: (1) concern for people—the organization's efforts to care for its employees' well-being; and (2) concern for performance—the organization's efforts to focus on output

FIGURE 7–1 Perceived Tone and Culture, Tone at the Top, and Perceptions of the CEO and Other Senior Executives


Source: "Forensic Integrity Survey 2008–2009," KPMG, http://www.kpmg.com/SiteCollectionDocuments/Integrity-Survey-2008-2009.pdf (accessed August 19, 2009).

and employee productivity. A two-by-two matrix represents the four general types of organizational cultures (Figure 7–2).[12]

As Figure 7–2 shows, the four organizational cultures can be classified as apathetic, caring, exacting, and integrative. The **apathetic culture** shows minimal concern for either people or performance. In this culture, individuals focus on their own self-interests. Apathetic tendencies can occur in almost any organization. Steel companies and airlines were among the first to freeze employee pensions to keep their businesses operating. Sweeping changes in corporate America are impacting employee compensation and retirement plans. Simple gestures of appreciation, such as anniversary watches, rings, dinners, or birthday cards for family members, are being dropped. Many companies view

FIGURE 7–2 A Framework of Organizational Culture Typologies
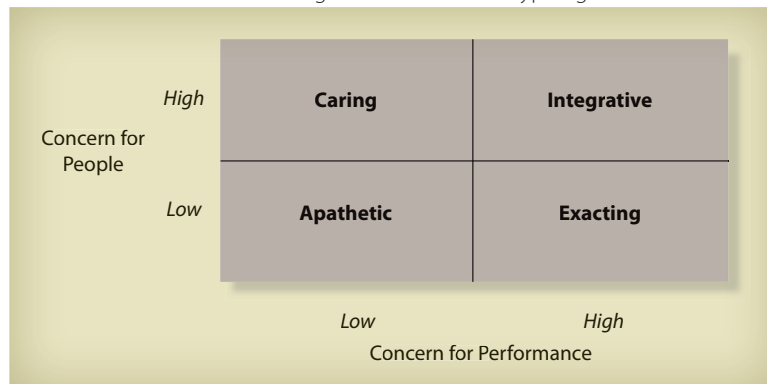
Source: From *Gaining Control of the Corporate Culture*, by N. K. Sethia and M. A. Von Glinow, 1985, Jossey-Bass, Inc. Reprinted with permission of John Wiley & Sons, Inc.

long-serving employees as dead wood and do not take into account past performance. This attitude demonstrates the companies' apathetic culture.

The **caring culture** exhibits high concern for people but minimal concern for performance issues. From an ethical standpoint, the caring culture seems very appealing. However, it is difficult to find nationally recognizable companies that maintain little or no concern for performance. In contrast, the **exacting culture** shows little concern for people but a high concern for performance; it focuses on the interests of the organization. United Parcel Service (UPS) has always been very exacting. With over 1.8 million customers shipping to 6.1 million consignees in over 200 countries, UPS knows just how many employees it needs to move its 15.5 million pieces per day worldwide.[13] To combat the uncaring, unsympathetic attitude of many of its managers, UPS developed a community service program for its employees. Global Volunteer Week gives UPS employees around the world the opportunity to help paint schools, renovate shelters, and assist with many other needed projects within their communities. An early innovator, UPS tested ways to use alternate fuels in the 1930s. Now the company operates the largest private alternative fleet in the transportation industry with over 1,600 compressed natural gas, liquefied natural gas, hybrid electric, electric, and propane powered vehicles. The goal of UPS is to dramatically reduce emissions and improve fuel efficiency.[14]

The **integrative culture** combines high concern for people and for performance. An organization becomes integrative when superiors recognize that employees are more than interchangeable parts—that employees have an ineffable quality that helps the firm meet its performance criteria. Many companies, such as the Boston Consulting Group, have such a culture. The Boston Consulting Group rated first place among *Fortune*'s "Best Companies to Work For" among the smaller organizations. The company values its employees and creates significant mentorship opportunities and extensive training that allow employees to develop rapidly. In addition, the company provides high pay and a progressive benefits package (including three months of paid maternity leave, plus a 15 percent bonus on pay to a retirement plan). The Boston Consulting Group is a financially successful global consulting firm with a strong reputation that specializes in business strategy.[15] Companies can classify their corporate culture and identify its specific values, norms, beliefs, and customs by conducting a cultural audit. A **cultural audit** is an assessment of the organization's values. It is usually conducted by outside consultants but may be performed internally as well. Table 7–2 illustrates some of the issues that an ethics audit of a corporate culture should address. The table identifies components of an organizational ethical culture, with the percentage of those employees who strongly agreed or agreed that the specific action was being displayed in their organizations. These issues can help identify a corporate culture that creates ethical conflict.

Ethics as a Component of Corporate Culture

As indicated in the framework presented in Chapter 5, ethical culture, the ethical component of corporate culture, is a significant factor in ethical decision making. If a firm's culture encourages or rewards unethical behavior, its employees may well act unethically. If the culture dictates hiring people who have specific, similar values and if those values are perceived as unethical by society, society will view the organization and its members as unethical. Such a pattern often occurs in certain areas of marketing. For instance, salespeople may be seen as unethical because they sometimes use aggressive selling tactics to get customers to buy things they do not need or want. If a company's primary objective is to make as much profit as possible, through whatever means, its culture may foster