

FRAMING, ETHICS AND GOVERNANCE

Marc Massoud, Claremont McKenna College, Claremont, CA 91711, marc.massoud@cmc.edu
Ali PeyVandi, Craig School of Business, California State University, Fresno CA 93740

ABSTRACT

Framing involves the Construction of interpretive frames and their representation to others. To hold the frame of a subject is to choose one particular meaning (or set of meanings) over another. Framing has powerful consequences when it involves cleaving the world into us and them. There is clear evidence that when employees identify with their employing organization – experiencing it as us or we rather than them. Frames are mental structures that shape the way we see the world.

Leaders must use framing as a way to enhance employees' loyalty and commitment to their organizations, that goal congruence will improve performance and align the organization's goals with those of its employees.

INTRODUCTION

Organizations naturally evolve their design – work system (structure), management processes, human-resource system, principles and values, and leadership behavior to fit their business environment and their chosen strategy within that environment. When the environmental shifts and new business habits are required, the strengths that led to success became weakness and lead to failure.

Failure of corporations to survive and prosper in the long term is not caused by a lack of innovative ideas. What existing and new leaders often fail to do is to redesign their organization to enable new ideas and technologies to emerge. Management must be able to discover how the firm's existing organizational capabilities can be augmented with new capabilities to meet new challenges.

Leaders operate in uncertain, sometimes chaotic environments that are partly of their own creation: while leaders do not control events, they do influence how events are seen and understood. They are movers and shakers of their organizations, and their most important tools are symbolic and linguistic. Leadership is about taking the risk of managing meaning. Pondy emphasized that a leader's effectiveness lies in their "ability to make activity meaningful" for others, "Leaders give others a sense of understanding what they are doing" [15]. The skill that is required to manage meaning is called framing. Frames determine whether people notice problems, how they understood and remember problems and how they evaluate and act upon them [5].

What is Framing?

The concept of frames and framing have been developed as a tool for the analysis in various fields, including psychology and sociology (Taylor 2000), business management (Goldratt 1990), decision making (Kahneman and Tversky 1979) and environmental conflict management (Lewicki 2003).

Framing involves the construction of interpretive frames and their representation to others. To hold the frame of a subject is to choose one particular meaning (or set of meanings) over another. When we share our frames with others (the process of framing), we manage meaning because we assert that our interpretations should be taken as real over other possible interpretations. Framing is useful for rationalizing self-interest, convincing a broader audience, building coalitions or lending preferentiality to specific outcomes.

Framing has powerful consequences when it involves cleaving the world into us and them, an in-group and one or more out-groups. There is clear evidence that when employees identify with their employing organization – experiencing it as us or we rather than them – their work behavior is nudged by the golden rule's powerful psychological prescription: harming you becomes difficult for me because the

two of us are part of we. No psychological force helps or hinders true achievement of organizational goals more than employee's identification with the organization they work for. Employee initiative, risk-taking, productivity, and creativity can all be linked to identification, and result in a more powerful company. Frames are mental structures that shape the way we see the world. As a result, they shape the goals we seek, the plans we make, the way we act, and what counts as a good or bad outcome of our actions. You can not see or hear frames. They are part of what cognitive scientists call the "cognitive unconscious" structures in our brain that we cannot consciously access, but know by their consequences: the way we reason and what counts as common sense.

Frames, Goals, Missions and Values

Many people in organizations treat goal setting as a yearly activity in which they produce written statements about the results they intend to accomplish over the coming year, however, this is not the only kind of goal setting. While we set goals for the tasks or results that we intend to achieve, we also set relationship and identity goals. These goals can be achieved through communication and usually we refer to them as communication goals. Organizations can develop and use frames that are strong enough to support the communication goals.

A clear mission will help focus energies and produce wise use of resources because leaders are reminded of what is and is not central to the organization. Values define what really matters in the organization and remind leaders of the standards to strive for in trying to realize the mission and vision. Finally vision supplies a specific direction to pursue and reminds leaders that the choices made today are precisely what will bring about tomorrow's future.

Our mental models for these governing ideas gain in complexity when each idea is fitted to the circumstances in which we must lead and when the interrelationships between the ideas are clearly seen. The capacity to be reminded of our mission, vision and values in the midst of what can sometimes be all-consuming problems is often half the battle in figuring out the correct response. It enables all the employees to remain true to who they are as an organization and what it is all about. It is our values that unite us.

Leaders who develop their mental models for mission, vision and values are able to formulate clear and consistent communication goals to articulate them. Shared visions transform individuals in organizations from passive followers to human beings engaged in creative and purposeful ventures.

The Shift from Control to Values

Two closely related perspectives have dominated organizations over the years: efficient performance and control. The first of these efficient performances is a direct-expression of the concept of shareholder accountability and agency theory, which underlies and dominates most traditional business thinking. A result is the emphasis on fiscal responsibility and on money as the common denominator for expression and synthesizing corporate activities. Another result is the development of financial accounting as the primary means of expressing corporate success and efficiency in terms of profitability, return on investment, and related key figures, i.e. the emphasis is on financial measures.

There is, however increasing evidence that a continued dominance of these perspectives (efficient performance and control) in more complex business environments can be counter-productive; that reacting to higher levels of complexity and uncertainty by continuing to simplify business reality by establishing new rules and regulations may lead to inefficiency and a decreased ability to describe, understand, motivate and co-ordinate.

It is unwise to attempt to plan and control that which cannot be controlled without destroying vital qualities of those who are planned-for and controlled.

Ethics and Frames

The Power of employees' organizational identification as a social adhesive with bottom-line consequences is evident in many studies [6].

Rates of in-company theft and sabotage – a high eight-figure cost to corporations around the world – are also valid illustrations of how employee behavior devoid of organizational identification, is detrimental to the bottom-line. The facts indicate that these crimes cannot be dismissed simply as economically motivated efforts to make up for deficient wages: Workers at all income levels steal and what's commonly stolen tends to be petty and of little or no value to the thief (The case of Mr. Thomas Coughlin the Wal-Mart executive who falsified his travel expense report is a good example) [19], and sabotage, a common crime in organizations, never provide offenders with big economic gain. The main reason for these unethical activities is that employees do not feel that the organization is theirs. It is the feeling of us against them.

Employees' commitment cannot be legislated any more than it can be bought. Restrictive legislation will not remedy deficiencies in organizational identification. It is the responsibility of management and boards to create an environment where employees are identified with the organization. The company must regard all of its employees at all levels as part of we.

It is important that organizations establish means and ways to develop and nurture the human capital and affirm the attitude of the whole employee – as a contributor to the firm's operations, as a worker who is part of the community's job market, as a member of groups outside the firm that make legitimate demands, (e.g. families, religious institutes, and Civic associations), and as an individual with physical and psychological needs [9]. These affirming arrangements frame the perspectives of both bosses and subordinates by sending genuine messages of inclusion saying that organization regards all of its employees as part of "We". As a result, employees are invited to identify with the organization and bosses are inhibited from treating them as they.

CONCLUSION

During the last three decades a series of articles published in psychology's scientific journals have underscored the importance of framing by demonstrating that it effect whether ordinary citizens, going about their daily chores, choose to set aside self-interest to help strangers who are in need of their help [3]. Research evidence shows that wide swing in the percentage of people anonymously helping strangers – as low as 20% in some cases to as high as 80% in others – depended on whatever the potential helpers viewed the need stranger as one of us, or as one of them.

The authors believe that organizational leaders must use framing as a way to enhance employees loyalty and commitment to their organizations, that goal congruence would also improve job performance. Managers should make every effort to ensure that their employees share their goal priorities. Employees must strongly accept the goals being set and they must feel an alignment of personal and organizational values.

REFERENCES

- [1] Ackers, P. Reframing Employment Relations: The Case for Noe – Pluralism. *Industrial Relations Journal*, 2002 Vol. 33.
- [2] Buvtandiik, F. How Companies "Find Themselves", A new approach to organizational Alignment. *Business Performance Management*, November 2006.
- [3] Casio, F. Guide to Responsible Restructuring. *U.S. Department of Labor, Office of the American Work Place*, Washington, D.C. 2000.
- [4] Cornelius, N. and Gagnon, S., From Ethics 'by Proxy' to Ethics in Action: New Approaches to

- understanding HRM and Ethics. *Business Ethics: A European Review*; Vol. 8, 1999.
- [5] Entman, R.M. Framing: Toward Clarification of a Paradigm. *Journal of Communication*, 1993,43, 51-58.
- [6] Grant, L. Happy Workers, High Returns. *Fortune*, January 25, 1996; D.L. Altride et al. The Social meaning of Employee theft in J.M. Johnson and J.D. Douglas eds. *Crime at the Top: Deviance in Business and the Profession*; Philadelphia; J.B. Leppincolt, 1978.
- [7] Grant, L; “Happy Workers, High Returns”, *Fortune*, Jan. 12, 1998
- [7] Greenwood, M.R. Ethics and HRM: in Review and Conceptual Analysis. *Journal of Business Ethics*, Vol. 36, 2002.
- [8] Hochschild, A.R. *The Managed Heart*. *University of California Press*, Berkeley, CA 1983.
- [9] Harnstein, HA. Framing – It’s either Us or Them”, in *Organizations: 21 Century*, S. Chowdohury (ed). Prentice-Hall, upper Saddle River, N.J. 2003.
- [10] Harnstein, H.A. *The Haves and the Have not: The Abuse of Power and Privilege in the Work Place and How to Control It*. Prentice Hall, Upper Saddle River, N.J. 2003.
- [11] Laing, R.D., *Self and Others*, 2nd ed; Tavistock Publications London, 1969.
- [12] Lakoff, George; *Moral Politics*, 2nd ed., The University of Chicago Press, Chicago 2002.
- [13] Lealy, J.T. Making Room for Labor in Business Ethics, *Journal of Business Ethics*, Vol. 29, 2001.
- [14] O’Driscol, M., Jon Pierce and A. Coghlan; *The Psychology of Ownership – Work Environment Structure, Organizational Commitment, and Citizenship Behavior*; *Group and Organization Management*; Vol. 31, June 2006.
- [15] Pondy, L.R. Leadership is a Language Game. In M. McCall, Jr. and M. Lombardo (eds). *Leadership: Where Else Can You Go?* Duke University Press: Durham, N.C. 1978
- [16] Walton, R.E. and McKersie, R.B.; *A Behavioral Theory of Labor Negotiation*, 2nd ed.; ICR Press, Ithaca, N.Y., 1991
- [17] Wilt, L.A.; Enhancing Organizational Goal Congruence: A solution to Organizational Politics; *Journal of Applied Psychology*; Vol. 83, 1998.
- [18] Zinober, J.W., “The Loyalty Crisis: Today’s Employees is Quite a Different Breed from Yesterday’s; *Law Practice Management*; Vol. 18, 1992.
- [19] Mr. T. Coughlin pleaded guilty in January 2006. He was sentenced, because of his age, to 27 months of detention and 33 months of probation. He was fined \$50,000 and required to pay \$411,218 in restitution. A Fedreal Appeals Court ruled in October that he got off to lightly.