

Neither the force of authority or persuasion nor the suasion of personal trust or morality can be as effective in obtaining organizational control as a social contract between the parties based on ethics.

## *Morality or ethics? Two approaches to organizational control*

By David K. Berlo

ORGANIZATIONAL CONTROL is often attempted through either of two stylistic approaches---morality or ethics. Let me clarify how I am using these three terms: control, morality, and ethics. To me, *control* is the maintenance of predictability of relationship, some regularity of the system for whatever purpose it is intended. When we say a system is under control, it is regulated, that is, the rhythms of the system are regular, patterned, consistent. Events are predictable. As that rhythm is disrupted, control is lessened; when there are no predictable patterns, we say the system is out of control.

Questions of *morality* focus on the quality of individual existence, the goodness of one's actions, the referencing of one's behaviors and beliefs

against some criterion of personal taste, personal correctness. It is a question of private behavior, personal values, and personal guidance.

Questions of *ethics* focus on the quality of human relationships, on fairness, rather than goodness, on equity more than virtue, and so on. It is a question of social behavior, of relationships between people, concerned more with what is just and honorable than with what is virtuous and good.

As managers, we have a responsibility for facilitating organizational control in an optimal fashion. We also have a responsibility and concern for questions of morality and ethics, for helping organizations behave in ways that will contribute to both goodness and fairness for all involved, whenever possible. How do questions of morality

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and ethics impinge on our decisions as to organization and control?

I know of only four basic control systems for human organization: *chance, force, trust, and contract*. Any existing system can be described in terms of some amalgam of these four.

There are those who abdicate from any personal responsibility for the management of their organization, leaving it either to the will of God or the laws of chance. Neither is acceptable to those of us who believe in human intervention in managing the system. As I observe the actual control systems within corporate structures, I sometimes find no control other than what appears to be chance; however, I am always assured it isn't intentional.

#### **Control by authority (force)**

The traditional control system, of course, is force and authority based on the potential use of force. Communication is a tool of authority, and the two major communication processes in a force- or authority-based control system are instructions and appraisal, followed by the appropriate judicial awarding of rewards and punishments. Such a system preaches the morality of hard work and submissive compliance and defends the justice of a class system in which some are instructors and some are instructees; however, the on-going management system doesn't invoke concepts of either morality or ethics as part of the daily routine.

The direct use of force and force-based authority are, for the most part, obsolete because:

- Counterforce is more readily available to those to whom force might be applied.

- Force is not easy to apply to knowledge workers since it is harder to detect the withholding of work and poor quality.

- Conscience makes force an unacceptable means.

- Information crucial to production is "owned" by subordinates, increasing the interdependency between supervisor and subordinate.

#### **Control by persuasion (force)**

The rejection of the use of force led to the greater use of and concern with persuasion. Persuasion makes a tacit recognition of voluntary compliance, but uses language to lead people to positions predetermined by the persuader as in *his* or *her* best interest. It is a form of external control, often having the appearance of cooperation and voluntariness, but, in fact, being a surrogate for force-power.

Techniques of persuasion use principles of conditioned learning, principles through which an individual is controlled by his environment, by external agents. There are two basic principles of persuasion: reinforcement and contiguity. In practical terms, these can be translated as (1) one thing leads to another and (2) birds that are flocked together become of a feather.

The principle of reinforcement simply says that behaviors that are reinforced (that is, rewarded) will get stronger and behaviors that are ignored will get weaker. It is the symbolic form of the "carrot and stick" routine familiar to us all.

Persuasion through reinforcement still is a management technique of control; however, its effectiveness is diminishing and will continue to do so.

Why? People are becoming less and less naive, the reinforcements at the manager's disposal are less alluring, there is reduced trust in the competence-trustworthiness and ability-to-deliver of the manager and, maybe most importantly, there is a rising aversion to external control, to manipulation by the environment. Also, the commitment to self-determinism is continuing to rise and youthful managers share the belief of workers that manipulation, the preaching of morality by telling people what's good for them, is unacceptable---both to the persuadee and the persuader.

#### **Control by personal trust**

Recognition of a growing interdependence among employees at all levels led to another basic form of control: personal trust. The field of human relations training---behavioral techniques---was founded on the assumption that the more open, honest and interested a manager is---or appears to be---to his employees, the more he will be trusted. A work group can be viewed as a team, striving for the same goals, the same ideological outcome, with the manager as a coach or even as a player-coach. Work decisions can be shared among the team.

Although there are situations in which personal trust is a useful and satisfying and adequate control system, I feel that those situations are quite limited in number and seldom include the typical managerial role in large and complex organizations.

If we analyze the use of personal trust as a management style, we find that either it does represent a sharing of control (which seldom is practical) or it represents an extremely subtle form

of persuasion embodying the second principle of conditioning learning---contiguity. This principle suggests that we can manipulate how people see things by controlling how things are presented to them. We need not get involved in the reinforcement techniques of manipulation at all. Rather, if we arrange the environment so that things we wish to be seen as favorable are always associated in time or space with things that are already accepted as favorable by the individual we are attempting to influence, that person will unconsciously do as we wish.

Behavioral techniques leading to perceptions of trust do not suffice over time in complex organizations because they are a morality-based control system. Subtly, often insidiously, they are based on the assumption that one person knows what is good for the other and can help lead the other to the promised land. The management process still involves a morality play, couched in sophisticated social scientific language and principles. And, over time, it doesn't work.

#### **Control by social contract**

But, what do we do? I suggest that we abandon principles that are based on telling people what's good for them and that we recognize that only the individual can know what is good for himself. Morality is a matter of personal choice and personal style and personal taste, and the internal development of the individual is the individual's business, subject only to whatever *social contract* he has negotiated with his manager. Why the concept of social contract? Because it provides a basis for trust. A social con-

tract need not be on paper; however, it must be thoroughly understood by both parties. And that is important. Some basis for trust is necessary to maintenance of our organizations and social systems. We must be able to believe that something is reliable, consistent, predictable, and so forth.

I would suggest that we need to place trust in the rules of fairness, the rules governing social relationships, that is, on *ethics*. I would further suggest that those rules are under relatively continual negotiation, must be agreed upon by both parties, and must be followed scrupulously.

The underlying role of an ethics-based control system is that I won't tell you what's good for you, and you won't tell me what's good for me. Rather, let's tell each other what we consider to be fair treatment: Let's negotiate an agreement on fair treatment and let's both follow the contract, renegotiating as needed.

What can be negotiated between the manager and his subordinate? Anything affecting how they will treat each other. For one thing, the job itself: How complex or "enriched" shall it be? We often err by assuming that everyone wants more enrichment. Not so: Some people don't see their jobs as the focus of life, and they want to negotiate a contract in which they'll do what's expected of them, collect the "bread" they need, and go off on their

own to enrich their own lives. The quality of the job can be negotiated in terms of what is fair to both parties.

Certainly we can negotiate how open we shall be with one another—and that too is a variable. The assumption that "the more open the better" is not held by all; it can be negotiated. We also can—and should—make a contract to try to tell it like it is, to report to each other under a simple rubric, tell the truth—regardless. That single rule, if followed and trusted, would do much to end our current malaise. We should negotiate what is expected, trying to be operational, so that appraisal is based on contract. We can call that "management by objectives." We often call it "contract learning." What we call it is not as important as whether we do it.

In short, we can negotiate anything affecting our relationship. In so doing, the manager's job begins to change from a task of managing a team to the task of managing the game itself. He is becoming less a coach and more a referee. The referee is in charge of the game, responsible for insuring that the rules of fair play are followed. To him, indeed, winning *is* how you play the game. ●

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