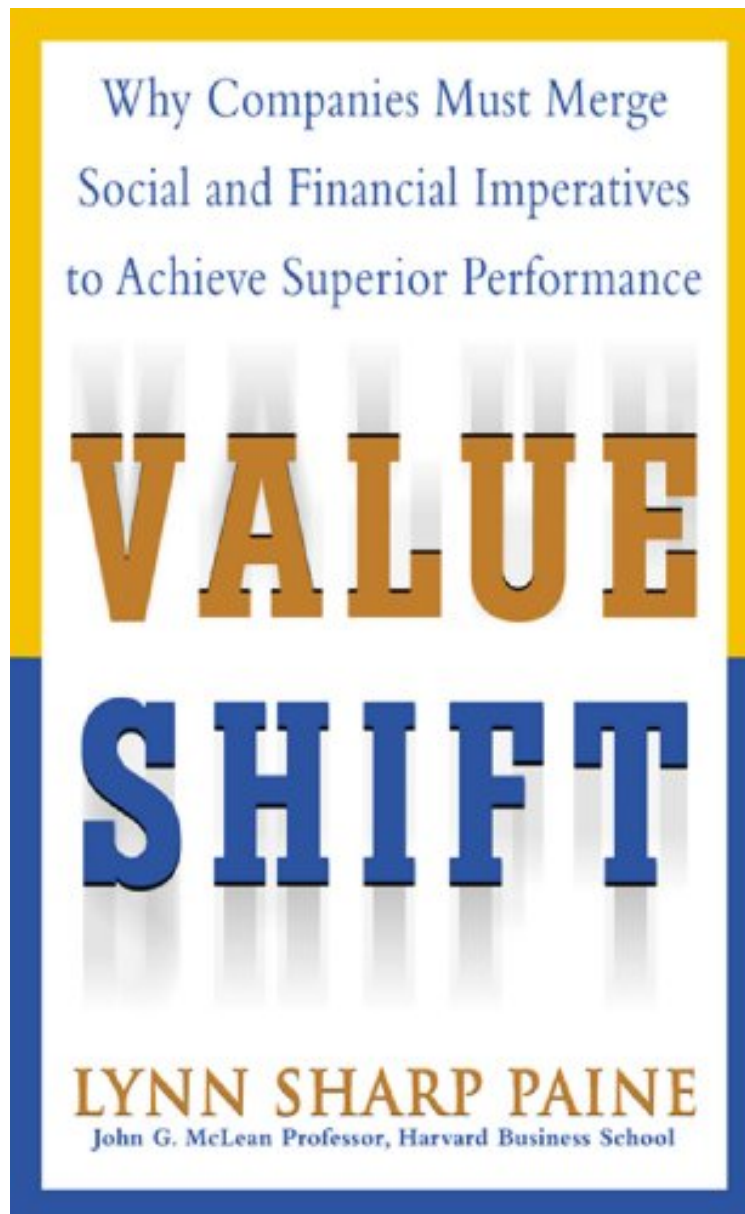


[FREE] Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance

Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance

Lynn S. Paine

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Lynn S. Paine : Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance before purchasing it in order to gage whether or not it would be worth my time, and all praised Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance:

0 of 0 people found the following review helpful. Five Stars
By Dave
Required for school but very good book.
2 of 2 people found the following review helpful. A careful analysis of ethical stances and their consequences
By Bill Godfrey
The Enron affair has produced a flood of books on business ethics. Far too few of them engage fully with the real issues. This one does. The author has produced a definitive guide to the factors that make attention to organizational ethics an imperative in business thinking and to sound practical approaches to dealing with ethical issues. In the process, she demolishes the sloppy thinking that has surrounded much of the discussion of business ethics, in particular the view that an organization is and should be an amoral entity and the related view that the only ethical duty that a corporation owes is that to maximize the wealth of its stockholders. More important, she establishes clearly that ethical commitment and economic advantage are separate domains, with a degree of overlap that depends on context and timescale. The ethical dimension cannot be absorbed into the financial dimension with the cosy, but often untrue, assertion that 'ethics pays'. There is an area of activity within which ethical and economic considerations run together, but there are areas of activity where they are opposed. If one wants a simplistic assertion to support ethical behaviour, the author suggests that it should be 'ethics counts' rather than 'ethics pays'. The advantage of this formulation is that it establishes the ethical domain as existing in its own right. The author suggests that the two domains are different but complementary and need to be recognized as such. What are the circumstances in which ethical behaviour and profitable behaviour are most likely to coincide? As a broad rule, the longer the time frame being considered and the more closely the corporation adheres to the standards of ethical behaviour accepted in first world countries, the more likely it is that ethical practice will coincide with profitable practice. The author discusses both the principle and some of the difficult and perplexing departures from it. There is no pretence that decision-making is easy where ethics and profitability do not run together, but there is guidance, in two chapters entitled 'A Compass for Decision Making' and 'The Center-Driven Company'. In the course of the book, there is an excellent brief history of views of the corporation and its capacity to be a moral entity and an overview of the current situation, in which the full range of theories and behaviour from high to non-existent ethics can be found, but there is a discernible trend toward recognition of the importance of ethical behaviour. This is driven by community expectations, greater access to information (and greater difficulty of concealing unethical behaviour), and slow but progressive shifts in the law, as well as by the expectations and standards of managers and employees. The move is complicated by globalization, because increasingly the large corporations are operating in countries with a wide range of cultural frameworks where issues of corruption, near-slavery conditions for workers and so on may be endemic. There is a good discussion of the temptation to adopt local standards or to hide behind the practices of an 'arm's length' contractor and some of the longer term consequences of doing so. This is not a 'preaching' book. It is a cool analysis of the various ethical stances possible and of the probable consequences of each, in the context of a slow but continuing trend for the community to demand ethical behaviour. It also provides an extremely well-argued case for a stance that recognizes ethical standards as standing in their own right as a co-equal consideration with the demands of economic operation. In this sense, it is complementary to the best of the literature on the 'triple bottom line'.
6 of 6 people found the following review helpful. Good on framing issue but not actionable or practical
By Clinton P. Gary
I give great credit to Lynn Paine for framing the importance to organizations on making "social/ethical" issues a top priority. I loved the first chapter. However, she stays at a high level. When it comes time to provide action steps for companies to act ethically and develop and manage an ethical culture, she falls short by only providing a few questions relevant to executives by which, if asked and answered honestly, would provide a leader a "moral compass." As we have seen in the press, it is not always the senior executives who perform ethical misconduct. Quite often it is the managers and employees of an organization that make unethical decisions that put the organization in harms way. So my disappointment is in that she did not provide practical (and I stress practical) strategies, processes and tools for an organization to provide its workforce to address the dozens of potentially unethical situations managers and employees face everyday that provide the same risk, if not more, than a few bad decisions by executives. The questions that she provides for executives are not practical for managers. I doubt a manager at a manufacturing plant will take the time to "reflect" on the thought-provoking questions provided by her to help make good decisions. She offers several examples of companies that she considers are making progress, but these steps are still at a very high level. I offer an insight. There is a reason why the books "Execution" by Larry Bossidy and "Good to Great" are best sellers. Executives are asking for more actionable and practical guidelines to execute strategies in companies that already have established processes and cultures. It is obvious that Lynn Paine has great insight and vast experience. I would like to have seen actual steps (i.e., training, communications, processes, standards) by which a current organization, with an established culture, can leverage to shape their culture to fit this new ethical standard. I hope she writes a "how to." I will be the first to buy it.

"Lynn Paine has an optimistic analysis of the need for--and the value of--bringing ethical values into business decision-making. The 'meltdown' of so many high-flyers recently suggests that lesson had been lost on too many companies during the boom years. The time has come to take account of what she writes."--Paul A. Volcker
"This book presents a way of broadening the role of the corporation in our society, an interesting and exciting role. It's a good read for young

leaders in all walks of life."--John C. Whitehead, former Chairman, Goldman Sachs "Value Shift provides a timely and compelling argument for why companies must incorporate values into their strategies--that no one in business can afford to ignore."--Daniel Vasella, Chairman + CEO /Novartis AG

From Publishers Weekly Harvard Business School professor Lynn Sharp Paine had been studying corporate malfeasance long before the Enron debacle. In her forthcoming book, *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance*, she attempts to introduce readers to an "emerging new standard of corporate performance one that encompasses both moral and financial dimensions." Based on her researching, teaching and consulting experiences over the past 20 years, Paine has amassed an in-depth understanding of corporate values. She uses examples culled from these experiences to explain the growing emphasis on values, why this changing attitude is important and what the shift means for managers. She ends the book with advice for managers on setting up an organizational infrastructure, hiring employees whose views align with a company's value system and more. This is an important book for ethics-minded managers. Copyright 2002 Reed Business Information, Inc. "Lynn Paine has an optimistic analysis of the need for--and the value of--bringing ethical values into business decision-making." -- Paul A. Volcker; June 2002 "This book presents a way of broadening the role of the corporation in our society [and is] a good read." -- John C. Whitehead, former Chairman of Goldman Sachs; June 2002

From the Back Cover During the past two decades, leading companies around the world have launched values initiatives, ethics programs, code of conduct projects, or legal compliance efforts. An estimated 80 percent to 90 percent of America's large and midsize corporations have adopted written ethics guidelines. Over half the Fortune 100 have appointed ethics or compliance officials. Why, then, have so many well-known companies--Enron, Tyco, Xerox, and others--recently come under scrutiny for questionable business practices? Harvard Business School Professor Lynn Sharp Paine argues that the problem lies not in a sudden outbreak of corporate venality but in a mismatch between how many companies are managed and what's expected of them by society today. Instead of adding more new programs and initiatives, today's corporate leaders need to go back to basics and adopt a qualitatively different kind of management. In *Value Shift* they will find an approach that is suited to the corporation's contemporary role in society--an approach aimed at melding high ethical standards with outstanding financial results. Gone are the days when companies were thought of as purely amoral devices for managing pools of capital. The centuries-old doctrine of corporate amorality, still maintained by some theorists, has outlived its time. As corporations have become a pervasive presence in society, expectations for their behavior have also evolved. Today, it is not enough for leading companies to create wealth and produce needed goods and services. They are also expected to behave responsibly, adhere to basic moral principles, and manage their own values and commitments. *Value Shift* articulates exactly why the superior performers of the future will be companies that can satisfy both the social and financial expectations of their constituencies. By explaining the larger forces driving the current focus on scandals and ethics, *Value Shift* points to a new era in the corporation's development and shows what managers can do to align their companies' performance with the higher standard expected today.