

## Contemporary Issues in Management.

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### ABSTRACT

Organizations have to grapple with different contemporary management issues as they navigate their way in the ever-dynamic and global business environment. These management issues are important, have connections with social change, and implications for the future of management. In this presentation, I summarized some contemporary management issues vis-à-vis corporate governance, corporate social responsibility, innovation, and workplace privacy. I posit that these issues will remain as society continues to move towards transparency, disclosures, and organizational recognizing for accountability as well as the need to foster innovation and strike a balance between monitoring and employee privacy.

**Keywords:** Management, corporate governance, corporate social responsibility, innovation, workplace privacy

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### 1. CONTEMPORARY ISSUES IN MANAGEMENT

The word management often creates a mental connection to organizations, but in our day-to-day lives, humans seem to manage everything from the home, family, time, resources to tasks, responsibilities, and relationships in their various communities. In managing our personal lives, people encounter issues as it relates to them and others. However, looking at management from the organizational perspective also brings to bear issues as well and how they affect both the internal and external environments. Management roles encompass planning and budgeting; organizing and staffing; and controlling and problem-solving in an organization (Kotter, 1996). In a nutshell, management roles are geared towards maintaining the status quo and thus, produces a degree of predictability and order in achieving organizational goals.

According to Kotter (1996), "management is a set of processes that can keep a complicated system of people and technology running smoothly" (p. 25), but if this were so, the discussions about issues in management would not be taking place. Research conducted by BMGI (2015) identified uncertainty in the global economy, innovation struggles, government policies and regulations, diversity, and weak supply chain strategies as some of the top 10 management problems.

Comner (2013) talked about management challenges that small entrepreneurs could face vis-à-vis organizational integrity, increased product selection and competition, risk, and customer loyalty management. Other management issues include sustainable strategy, corporate governance, change management and, corporate social responsibility. In this paper, I focused on the issues of corporate governance, corporate social responsibility, innovation, and workplace privacy.

## 2. CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

Corporate governance (CG) and corporate social responsibility (CSR) are critical topics in organizational discourses. According to Crişan-Mitra (2015), "the concept of corporate governance (GC) was used for the first time in XIX century both in economic and law domains, to facilitate contracts implementation and to protect property rights and collective action" (p. 467). It seems there was a disconnect between how agents acted and how they were expected to act by their principals. As Marie LHuillier (2014) noted, "corporate governance is deemed a systematic provision of some measure of control over the actions of agents such as managers and subcontractors" (p. 301). In other words, the averse behaviors of agents towards their principals brought about the need for corporate governance.

On the other hand, corporate social responsibility (CSR) as defined by the World Business Council for Sustainable Development (1998) is "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (p. 3). In the same vein, Reich (1998) noted, "to an ever-larger extent, it seems, corporations are being called upon to respond to the needs of "stakeholders" other than investors" (p. 8). Thus, it is about looking at the whole and not just its parts vis-à-vis investors, employees, community, environment, and supply chain.

Corporate governance (CG) and corporate social responsibility (CSR) are worth analyzing as they both span why organizational leaders should not undermine the interest of their owners and the holistic consideration of all stakeholders respectively. The Lehman Brothers and Enron scandal to name a few, are examples of why CG and CSR are worth continuous analysis. Therefore, the issues related to CG and CSR can have ramifications for organizations and must be at the forefront of management discussions. Hopkins (as cited in Crişan-Mitra, 2015) pointed out that "the numerous crises generated by notorious companies, sustain the importance of corporate governance, in reducing immoral and unethical behavior in their struggle for getting higher profits" (p. 466).

These unethical actions by the management of such companies can dampen public confidence. For example, weak CG lead to the 2001 Enron crises. Stiles (as cited in Clarke, 1998), talked about a shift from the prescriptive theory associated with CG to a more descriptive approach. Thus, it is essential that robust CG systems be implemented by organizations to change public perceptions of distrust and boost market confidence. Corporate social responsibility is also significant as it calls for ethical responsibility concerning society as a whole and greater responsiveness to investors and employees (Reich, 1998). In other words, it is not all about making decisions to maximize shareholder's value but considering social impacts as well.

CSR is so important that companies are shifting towards striking a balance among profit, people, and the planet; from purely financial gains to sustainable profits (Cramer, 2003).

### 3. INNOVATION AND WORKPLACE PRIVACY

Innovation is the spark that makes good companies great, and great companies cultivate a new style of corporate behavior that is comfortable with new ideas, change, risk, and even failure (Hughes, 2003). Innovation involves creating better solutions, process improvements, or products. Creativity is nothing more than seeing and acting on new relationships, thereby bringing them to life (Anderson, 1992). In other words, it is about the ability to synthesize diverse elements to produce something original and useful.

On the other hand, privacy is perhaps the most discussed ethical and social issue. According to a study by Smith (as cited in Alder, 2001), employee monitoring can lead to extreme anxiety and depression. Staff monitoring is becoming a predominant feature of most firms, be they big or small. This monitoring, made easier with the use of electronic devices, compromises the employee's right to privacy in the workplace. The monitoring, which covers, recording with CCTV & miniature cameras, opening e-mails, listening to voicemails, checking internet usage, social media platforms, and keeping records of telephone calls, amounts to a mass stripping away of privacy. Being aware of the fact that somebody knows about everything you do, can feel invasive and violating (Hartman, 2001). Employees want to be treated as free people; being able to exercise the ability to decide how their lives will unfold without being electronically monitored.

Innovation and workplace privacy are worth analyzing as they are intertwined with the internal customers, otherwise known as employees, of an organization and thus, critical issues for management. An organization needs innovative employees as well as highly motivated employees to survive. In creating a product or service that adds value, an understanding of the customers is important; in this case, the employees. Therefore, the issues related to innovation and privacy in the workplace must be at the forefront of management discussions.

Not challenging the status quo can make organizations complacent and begin to focus on internal systems and neglect the significance of creativity (Pinard & Allio, 2005). Innovation is critical to the future survival of an organization as competition makes the status quo redundant. Research by Rao, Ahmad, Horsman, and Kaptein-Russell (2001) showed a positive correlation between innovation and productivity and per-capita income as well as a positive relationship between productivity and some drivers of innovation across developed and developing countries such as the USA, Canada, and Hungary.

Privacy in the workplace is amongst one of the most pressing personal and professional issues of our time. Highly invasive monitoring can lead to conflict in the workplace. The fact that employees cannot deal with personal issues or family emergencies immediately, and in a confidential manner during office hours, can lead to increased levels of stress for the employee and lead the employer to believe the employee is tardy or a skive. Although the individual need for privacy may vary, employees still expect the notion of it, at the very least, to be theirs. However, with their employer's monitoring activities along with its ensuing lack of privacy, may well impinge on their ability to control such (Hartman, 2001).

#### **4. IMPLICATIONS FOR MANAGEMENT**

Corporate governance will vary based on the size of the organization, and as Hart (1995) noted for large corporations, managers may have goals that are more benign but that are still inconsistent with value maximization and thus, the need for appropriate checks and balances. Such checks and balances mechanisms like boards of directors, large shareholders, the threat of proxy fights and takeovers, and corporate financial structure have limitations; and any attempt by outside parties to weaken these mechanisms might be counterproductive (Hart, 1995).

Academicians and practitioners face challenges with CSR that include unresolved theoretical and empirical issues relating to the definition of CSR, the institutional differences of CSR in different countries, and the demand and effects of CSR on firm and stakeholder groups (McWilliams, Siegel, & Wright, 2006). Going forward, these challenges would need to be resolved. Management will need to consider the financial resources, time, and the commitment of all stakeholders for the successful implementation of CSR initiatives (Phillips, Harvey, & Bosco, 2015).

Likewise, innovation and privacy in the workplace will have to be part of the discourse in management in a continuous cycle. It is going to be a never-ending discussion in management and a collaborative attempt by scholar-practitioners to promote innovation and common-sense workplace monitoring. For innovation, discussions will be about a restructuring of the organizational hierarchy, management styles, and developing policies that encourage creativity. Innovation could also be about automation for competitiveness (Ademola, 2016). Also, reward systems and culture would need to be in tandem to achieve the desired results.

Another implication for management in dealing with workplace privacy is the arguments about employer's right to surveil to protect assets and employees' privacy. These arguments can range from productivity, security, to privacy, and social control (Martin & Freeman, 2003). Further, how employees are monitored and how the data are stored and used will ensue in the discourse. These implications for management cannot be overemphasized.

#### **5. POSITIVE SOCIAL CHANGE**

Corporate social responsibility (CSR) and corporate governance (CG) have a relationship with positive change. Social change "is a broad umbrella to encompass a range of typical civic and social outcomes from increasing awareness and understanding to attitudinal change, to increased civic participation, the building of public will, to a policy change that corrects injustice" (Goel, 2015, p. 2). Wood (as cited in Moir, 2001) noted, "the basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities" (p. 16). CSR brings together the triple P: people profit and planet. Likewise, CG integrates the economic and social balance of crucial pillars and can influence the firm's financial overall performance thereby leading to economic growth and social change (Goel, 2015). Further, what is the essence of an innovative solution if it does more harm than good? Significant and positive social change can happen in social systems because of innovation (Bruce, 1993). In other words, innovation can drive positive change. On the other hand, positive social change can also influence innovation.

For example, health-related issues like the polio scourge in underdeveloped and developing countries have brought about innovative treatment solutions.

Overall, it is the responsibility of employees to perform according to the company's business policy and not engage in practices that undermine the interest of the company and society as a whole. Employers also owe a duty to act appropriately towards employees and not undermine their privacy and interest. Ellis (2004) noted that we are all responsible for ensuring the human rights of others, which in turn ensures that our own human rights are respected and protected. Thus, the society is better off when employers and employees act in ways that do not undermine either party.

## 6. CONCLUSION

The issues of corporate governance (CG) and corporate social responsibility (CSR) will remain at the forefront of management. These issues are critical as they cut across all stakeholders and the environment. The scandals of corporations in recent decades are clear reminders for organizations to continue to strengthen their CG and CSR policies. This strengthening will require resources; financial and human capital as well as management commitment for a sustained effort. In the same vein, innovation and workplace privacy are some of the current management issues. Both issues have importance and implications in management as well as a relationship with positive change. For innovation to happen in an organization, efforts must be made by managers to ensure the work environment is receptive to new ideas and integrate creativity into current decision-making processes to remain competitive.

In addition, employee monitoring at work can create a tense environment. Employers have the right to monitor their assets and employees should have the right to work without their personal communications being covertly monitored. Thus, by monitoring employees in an ethically balanced manner, employers can still protect their assets and respect the privacy of their employees. With such an approach, effort needs to be put into deciding where the biggest threats are and how best these risks should be mitigated. Having employees' input can help minimize the organization's exposure to such challenges. By bringing employees' suggestions onboard, the organization can further reduce the chances of assets being compromised. Altogether, these issues will remain as the society continues to move towards transparency and disclosures, and organizations recognizing the need for accountability.

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