

1- Define the following terminologies:

$$5 \times 5 = 25$$

- 5) **Autocratic.** The manager makes all the decisions and dominates team members.
- 5) **Participative.** The manager involves the subordinates in decision making by consulting team members (while still maintaining control), which encourages employee ownership for the decisions.
- 5) **Laissez-faire** (also called free-rein). In this hands-off approach, the leader encourages team members to function independently and work out their problems by themselves, although he/she is available for advice and assistance.
- 5) **Referent power** is dependent upon the extent to which subordinates identify with, look up to, and wish to emulate the leader.
- 5) **Social responsibility** is the obligation of decision-makers to take actions, which protect and improve the welfare of society as a whole along with their own interests.

**Tools For Ethical Management**

Managers in businesses use specific tools and methods to make sure that business ethics practices are well managed and followed in their organizations. The followings are some ethical tools used by administrations:

- 4) 1) **Top management commitment:** Managers can prove their commitment and dedication for work and by acting as role models through their own behaviors.
- 4) 2) **Codes of Ethics:** A formal document that states an organization's primary values and the ethical rules it expects employees to follow. The code is helpful in maintaining ethical behavior among employees.
- 4) 3) **Ethics committees:** Appointment of an ethics committee, consisting of internal and external directors is essential for institutionalizing ethical behavior.
- 4) 4) **Ethics Audits:** Systematic assessment of conformance to organizational ethical policies, understanding of those policies, and identification of serious deviations requiring remedial action.

$$\left\{ \begin{matrix} (5 \times 4) \\ (1 \times 5) \end{matrix} \right\} = 25$$

6

4) 5) **Ethics training:** Ethical training enables managers to integrate employee behavior in ethical arena with major organizational goals.

5) 6) **Ethics Hotline:** A special telephone line that enables employees to bypass the normal chain of command in reporting their experiences, expectations and problem. The line is usually handled by an executive appointed to help resolve the issues that are reported.

4) **Publics** – The Company's marketing environment also includes various publics. A public is any group that has an actual or potential interest in or impact on an organization's ability to achieve its objectives. Types of publics include:

- 3) - **Financial publics** – Financial publics influence the company's ability to obtain funds. Banks, investment houses, and stockholders are the major financial publics.
- 3) - **Media publics** – Media publics are those that carry news, features, and editorial opinion. They include newspapers, magazines, and radios and television stations.
- 3) - **Government publics** – Management takes government developments into account. Marketers consult company's lawyers on issues of product safety, truth-in-advertising, dealer's rights and others.
- 3) - **Citizen action publics** – A company's marketing decisions may be questioned by consumer organizations, environmental groups, minority groups, and others.
- 3) - **Local publics** – Every company has local publics such as neighborhood residents and community organizations. Large companies appoint a community relations officer to deal with the community, attend meetings, answer questions, and contribute to worthwhile causes.
- 3) - **General publics** – A company needs to be concerned about the general public's attitude toward its products and activities.

$$4 + (7 \times 3) = 25$$

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3 - **Internal publics** – A company's internal publics include blue-collar workers, white-collar workers, volunteers, managers, and the board of directors.

- **Identify the meaning of "Free Enterprise Economy", and explain its characteristics?**

4 This economic system works on the least interference by the government or any external force. The primary role of the government, if any, is to ensure free working of the economy by removing obstacles to free competition.

A free Enterprise Economy is characterized as follows:

- 3.5 1. Means of production are privately owned by the people who acquire and possess them.
- 3.5 2. Private gains are the main motivating and guiding force for carrying out economic activities.
- 3.5 3. Both consumers and firms enjoy the freedom of choice; consumers have the freedom to consume what they want to and firms have the choice to produce what they want to.
- 3.5 4. The factor owners enjoy the freedom of occupational choice, i.e., they are free to use their resources in any legal business or occupation;
- 3.5 5. There exists a high degree of competition in both commodity and factor markets and,
- 3.5 6. There is least interference by the government in the economic activities of the people; the government is in fact supposed to limit its traditional functions, to defense, police, justice.

$$3.5 \times 6 = 21 + 4 = 25$$

