

# Management Models in Organizations and Problems of CSR Promotion: Lithuanian Case

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## Abstract

The article tackles the problems of CSR initiatives and human resource development in Lithuanian organizations. Proceeding from the results of empirical researches the authors analyze social-cultural obstacles, which blocks up the headway of CSR processes, and particularly emphasize the problems of social responsibility in organizations of state/public administration, and especially in educational system. They maintain and prove necessity of value management and reconstruction of management models through introducing of ethics infrastructure in organizations.

## Keywords

Corporate social responsibility, value management, human resource management, organization ethics, business ethics institutionalization.

## Introduction

In this paper we rely on the results of the researches and monitoring that furthered creation of appropriate training programs on business ethics, CSR and HRM as well as their approbation conducted within recent years. Our simultaneous participation within 3 years in NORDplus project "Creation of training programme for human resource development and promotion of social responsibility" contributed to it as well.

Hereinafter we emphasize business ethics, since it is the interdisciplinary science, which study and assist in factual CSR realization and HRM development in various practices. The research methods used preparing the paper include content (mass media) analysis, study of articles and information on the web, case studies, narratives, comparative analysis, participant observation, informal interviews and surveys. Namely the obtained data enabled to display generalized problems as well as to express and substantiate theoretical assertions.

The position of internal observer enhanced possibilities to correct our hypotheses, ideas, considerations, techniques, proposals and recommendations related to the programs on CSR and HRM. The above NORDPLUS project enabled to approve elaborated programs among business people from different organizations in Lithuania, Kaliningrad region of Russia and also in Latvia. The findings of researches conducted during the project period showed an especial importance of some problems that must be emphasized and solved. Particularly the problems of HRM and CSR implementation in state/public (budget) organizations became obvious and the most urgent during the recent period. Proceeding from this situation it proved to be expedient to compare it with that of business organizations.

The idea to compare the differences in implementation of CSR/business ethics in practice emerged as a result of our experience gained through ethics training in different organizations, meetings with representatives of business enterprises during various events, working meetings, researches carried out in some organiza-

tions, as well as through the content analyses of local mass media. Large volume of data on CSR and HRM in educational organizations was regularly provided by the members of Lithuanian Association for Business Ethics. Considerable experience in dealing with public organizations was accumulated within the recent decade in Lithuania. Our position of insiders in academic circles and local educational organizations also gave a lot of facts for reflection, and especially the experience in creation and implementation of CSR and HRM programs along with the subsequent feedback. We have found out that the CSR and HRM implementation progress take place mainly in big industrial enterprises and financial companies related to private sector. Contrary to them required positive changes in this direction do not occur in organizations of public sector.

## CSR and HRM implementation progress in advanced companies

The assertion about considerable progress of CSR promotion firstly in private business should be regarded with the proviso that we take only the part of businesses explicitly or implicitly involved in CSR promotion campaign. In fact the rate of enterprises really implementing CSR is not too large and comes to some percents from the total amount of companies in the country. So we take them as the patterns of emerged good business practice, as well as the exponent of tendencies and mechanisms of organizations' development. In some companies CSR had really become their policy and practice, especially in Lithuanian branches of multinational corporations. Most of them has recently joined the Global Compact, and actively support both local and international activities on CSR/business ethics promotion.

First the idea of CSR officially emerged in public discourse in autumn 2004. Shortly thereafter due to joint efforts of Lithuanian branch of the United Nations Development Program (UNDP) and the Association "Investors' Forum", the National Network of socially responsible business was established. They initiated a number of conferences and seminars on

CSR issues and gave an impulse for consolidation of all CSR advocates and supporters in the country.

Only since that period the CSR appeared on the agenda of state institutions especially after the request from EU headquarters for the report on CSR promotion in Lithuania. By now all the activities related to CSR are being coordinated by the Ministry of Labor and Social Affairs. Being engaged into the ad-hoc group coordinated by this ministry the authors of this paper could monitor and evaluate the CSR related activity in public institutions. The state strategy on CSR promotion was prepared and formally adopted in 2005-2006.

The real processes of CSR development are more obvious through the activities of enterprises involved into National Network of Socially Responsible Business activities. This Network, operating as a part of the United Nations Global Compact Network "seeks to improve business strategy of the companies, serve as discussion, exchange and learning forum for responsible businesses and, together with United Nations, Government, non-governmental sector develop solutions to social and environmental problems thus contributing to more inclusive development of economy" (UNDP Programme). The activities of the Network made a sound contribution to CSR idea dissemination and providing with appropriate information in local business community. At the same time the monitoring of their activity witnesses that many local CSR activists still try "to invent bicycle" and often fail to implement concepts and data of scientific researches on CSR and HRM. It also should be admitted that all these developments took place mainly due to the external impact – UNDP, ICC, MNC initiatives and encouragement as well as the direct transfer of multinational corporations' managerial practice to their Lithuanian affiliates.

Nevertheless one can verify that for advanced businesses the introduction of CSR/business ethics elements and appropriate procedures, socially responsible policy and practice become the means to increase effectiveness, further development of effective management, communication and motivation systems, solution of social problems caused by business expansion and its impact upon a community. These changes display the situation how market relations and real competition becomes true in Lithuanian business community.

### What the CSR initiatives are stumbling over

At the same time the situation in organizations of state/public (budget) sector unlike the one in business community essentially varies. One should note that ethics and values are also much talked about there, however ethics is mainly comprehended as words, but not as definite processes and actions, it is interpreted as a concern of individuals, but not as a matter of an organization as a responsible moral agent. Meantime in organizations of public administration even the very term of responsibility is still interpreted only in legal sense of subordination and accountability in the vertical power structures.

Significant differences in private and public sectors become obvious, while studying organizational processes and properties of ethics infrastructure. Such elements as ethics committees and commissions, ethics codes and public debates on ethics issues became daily routine. But one can evidently see how public institution use ethics mainly for image and reports, while many business organizations through ethics institutionalization pursue better performance and effectiveness. For the sake of this aims businesses already purposively resort to the practice of social responsibility and use ethics tools even when they do it without declarations, by transforming appropriate organiza-

tional processes inside.

Yet it has not take place in organizations of public sector including educational organizations. That is why the backward models of management that determines poor effectiveness, multiple dysfunctions and even organization pathologies (corruption, nepotism, abuse of power, simulated facts, mobbing, and women discrimination) still exist in these organizations. Such a blocking of innovations in public sector, especially in educational system has an influence on the whole society preventing from dissemination of ideas and practice of social responsibility.

The period of the recent 15 years in Lithuania obviously demonstrates how market system inspires improvement of business and its responsible behavior, as well as compels to master and apply the latest science achievement including advanced managerial technologies, in which business ethics is directly integrated. At the same time state/public structures proved to be unable to keep up to date. Instead of being creators and promoters of new knowledge and managerial technologies they become the storehouses of backward management and an obstacle for the community progress. Numeral critics from business structures, state officials, politicians, academicians and other social groups witness it (Aleksandravičius, 2006; Donskis, 2005; Maldeikienė, 2006; Motuzas, 2006; Putinaitė, 2006; Rubavičius, 2006; Steponavičius, 2006; etc).

Such a situation may be explained by several reasons: a) lack of political will and volition of police makers and officers responsible for decision-making to change anything in pursue to preserve existing status quo; b) avoidance of institutionalization of rigorous processes to improve the quality of products and services; c) lack of public comprehension that operationalization of CSR and HRM standards is a must and should be fulfilled not on paper, just formally, but on a factual level; d) the ignorance of higher officials about the possibilities of modern social sciences, i.e. unawareness of methodological background for social changes management based on the paradigm of social constructivism; e) lack of purposeful funding for change management in organizations of public sector.

To illustrate these assertions, one can compare activities of personnel departments of a modern industrial company and any state university (the same state of affairs is typical for the departments of communication, audit, strategic development and their appropriate functions). Then it is possible to maintain that the latter mostly has no process and system approaches in personnel management and does not comply with the criteria of today HRM. First of all some differences may be detected in number of personnel department staff and scope of their duties. Though the total number of employees in many universities exceeds that of the biggest industrial companies, the personnel departments at universities constitute very small groups with narrow duties. The staff of personnel Dept in educational organizations as in previous times are mainly engaged in keeping personal files, registration of employment/dismissal/retirement and other clerical works. Besides the staff of this unit, as a rule, has no special education in HRM. Unlike the staff of the personnel department in the industrial enterprises that of the universities do not rise the level of professional skills in modern HRM.

It may seem trivial that organizations introduce individual job performance assessment systems pursuing increase in effectiveness. However in most Lithuanian public organizations it is almost absent or non-functional as just formally existing on paper while the daily routine remains the same. The evaluation of employees' job performance is not included into the duties of university personnel department staff, while neither

communication department, nor some other department takes it up. As a result the assessment of employee's job performance is fully dependent on the subjective will of a boss. It takes place since structural subordination has not reconstructed yet into the functional accountability for the results of employees job performance. Consequently it stipulates high level of abuse of power among chiefs of structural units. That is why the facts of arbitrariness, nepotism, favoritism, toadying, mobbing are wide-spread phenomena in most public organization. It determines multiple conflicts, deterioration of performance quality, prevent from productive team work.

Contrary to them the personnel department of advanced industrial company with regard to the number of staff, its proper educational level as well as its real functions, conforms to the requirements of modern HRM with its goal orientation, and is in accord with the company management system and valid organizational processes.

The awareness of HRM issues also witnesses the proper skills of personnel department staff. The appropriate staff in industrial company always keep up to data, track all innovations in HRM, read latest literature, regularly participate in special training, and raise the level of professional skills. It is displayed both in daily routine and during ethics training in enterprises, at the conferences where these people actively participate in debates and demonstrate both theoretical knowledge and practical skills in HRM.

All the employees in industrial companies can see what are the definite functions carried out by the HRM department, they are well aware of who and how have to "defend their rights", "establish fair salary", "assess job performance according to their merits". At the same time in the organizations of public administration in 16 years after the beginning of reforms the employees have to recall trade unions that could fight for justice, for the rights of teachers (both in schools and universities), doctors, or even policemen and firemen. Meanwhile the need to put in good order the organizations' activities, delegated to management and by appropriate functions defined as duties of separate structural units, in backward organizations not only hasn't been met yet, furthermore is still interpreted as a struggle of "workers and exploiters", in the spirit of Marxian stereotypes about "class confrontation", but not as a result of social consensus.

In general, while in advanced companies one can obviously see orientations to the demands and expectations of a modern community and appropriate progress in this respect, yet in educational organizations there remains a fertile field for parochialism namely due to the legal self-government of universities, where daily routine is stipulated not by norm, standards and regulations, but the will of those who are in power. It is the vivid example of how self-regulation in post-totalitarian societies turns into arbitrariness and archaic forms of management. "The fact, that there are a lot of instances of seamy-hazing and great power concentration on the level of higher officials in the Lithuania universities is well-known, but complaisantly concealed. That is why it is a joy that there are people ready not to conceal it anymore" (Bielskis, 2006).

Recently not only in universities' internal disputes but also in public discourse there appeared statements that universities only imitate democracy. The recent pronouncement of a famous professor that feudal relations, ingrained between university teachers and administration like that of serfs and landlords (Donskis, 2005), initiated the avalanche of similar negative witnesses.

In May, 2006 during the Round Table discussion in the President Office the higher officials of Ministry of Education and Science and other stakeholders' representatives admitted the failure

of 10 year lasting academic science reforms induced by the recommendations of Norwegian Research Council<sup>1</sup>. Even in such official circles the „feudal” nature of management in Lithuanian Universities was also emphasized during the discussion on today state of Lithuanian academic science (Valiokas, 2006).

Dozens of critical publications in mass media and thousands comments of common people express their concern what for they should finance state universities. There formed the public opinion that university autonomy during 16 years after destruction of soviet high school management came to the crisis: "The chronicle of university life witnesses about growing disability of all communities with big autonomy to control their bosses and decision-making" (Steponavičius, 2006). At the same time the managers of some universities and faculties advocate the university autonomy and ignore the fact that universities' freedom is possible only together with their social responsibility.

The very idea of social responsibility as applied to educational system was definitely articulated since olden times (Bakshtanovsky, Karnaukhov, 2001; Davis, 1999; etc) and today is expressed in many contemporary politics and international initiatives. "The effectiveness of the university over a period of more than 900 years has depended on maintaining a judicious balance between freedom and responsibility. On the one hand, this balance has involved institutional autonomy and freedom of inquiry, expression, and teaching. On the other, it has relied on self-regulation, educational integrity, scholarly impartiality, and professional responsibility. This balance has served as the basis for the social compact in which society supports the university – both financially and in granting a remarkable degree of institutional autonomy and academic freedom – with the understanding that its resources and its freedom will be used responsibly to serve the public interest" (The Glion Declaration II, 2000).

Thus in spite of the fact that idea of CSR politics and practice purposely promotion in educational organizations is not articulated like in business yet, the issue of responsibility for the quality of their work and professionalism has already emerged in Lithuanian public discourse. Today the community already asks why enterprises bear responsibility for the quality of its product and working condition according to definite standards, while the educational organizations still avoid any practical actions to assume responsibility for their performance and graduates.

Not only students, university teachers, but also some members of parliament began to speak publicly about shortcomings in public sector management. "Education and health care are the domains of social life in which a consumer in 16 years after independence is still deprived of civil rights; bureaucracy and parochial priorities predominate while the internal groups of interests are only concerned about their existence, but not about purposeful efforts to meet the needs of society in a proper way" (Steponavičius, 2006). However nobody tackles reconstruction of status quo on the managerial level. Just groups of interest continue the fighting between each other paying no attention to the managerial science and advance organizational practice.

The above dysfunctions in Lithuanian educational organizations impede human resource development and do not contribute to the promotion of social responsibility. Due to such factual destruction of human resources a lot of people do not identify themselves with the organization they work in, getting inclined to escapism, serving out working time formally, many of them turn from educational system to other spheres of business or leave for foreign countries<sup>2</sup>. All this calls for necessity of a proper stakeholder's management (that constitutes a kernel of

CSR) in public organizations.

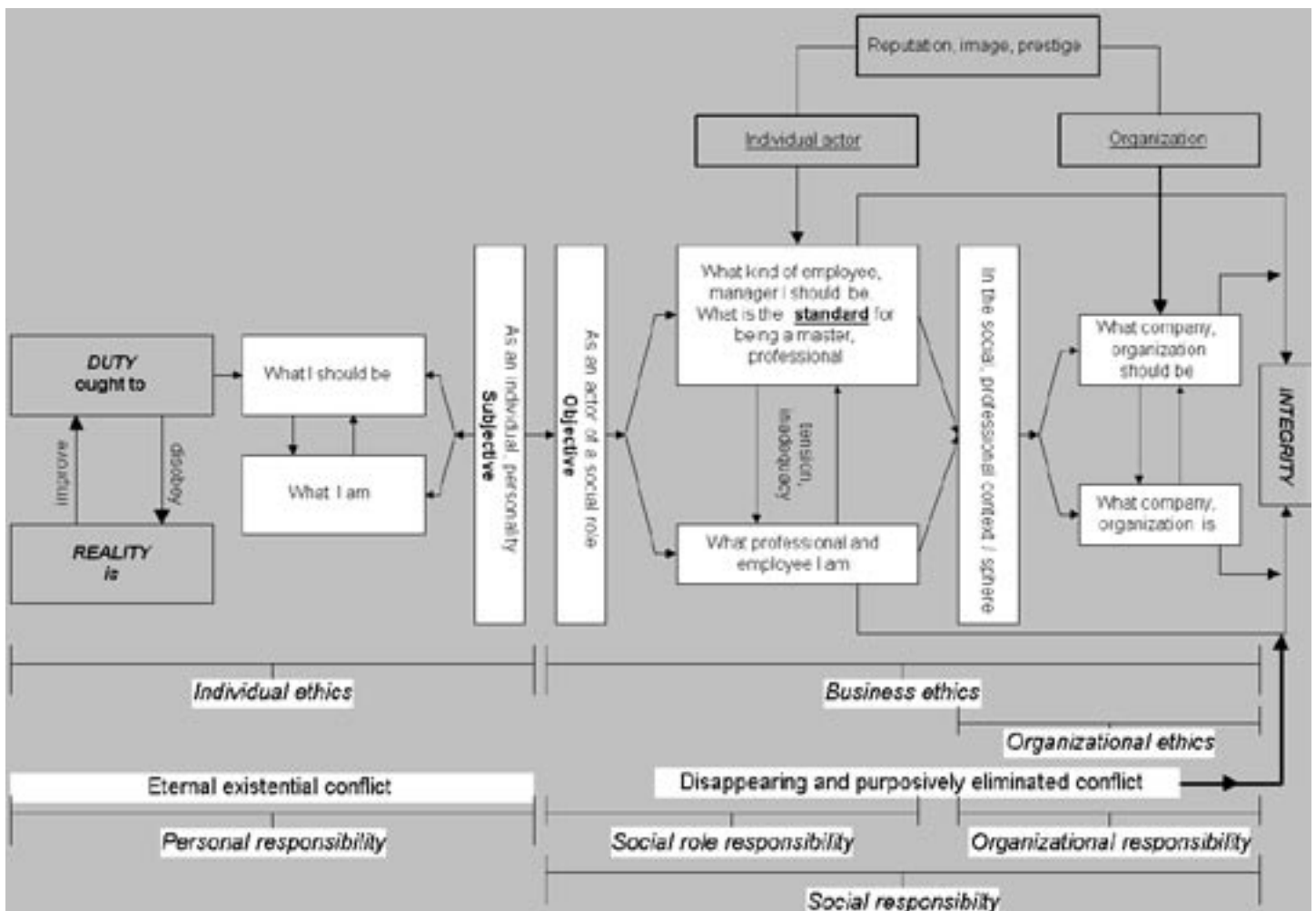
Under the existing conditions the problem of women discrimination emerged particularly. Today the women discrimination in organizations is not only the issue of social responsibility, fairness, humanism or similar values. Besides, the EC emphasizes another aspect, that elimination of women discrimination is the source of human resource enhancement. Indeed purposeful implementation of CSR and HRD policy would help to solve this painful problem. In post soviet domain it is needed instead of waiting for better in one or another field of social life "after changing generations". The researches on organisational behaviour show that such changes do not occur naturally, since the young generation take over the same behaviour habits or being unsatisfied and disappointed with existing human relations, do not work at their full potential or leave for foreign countries. We should admit that only not many in post soviet domains comprehend that destructive behavior and unfavorable work environment, which undermines human resources, is not so much the consequence of separate persons' behavior, but rather irresponsible organizations', i.e. the one of nasty organization management. Yet hitherto existing vertical model of organizations determines inefficient interrelations, lack of respect and adequate communication, low level of trust and knowledge sharing between employees. This kind of relations in organizations needs methodologically based management tools.

**Defining obstacles on the headway of CSR & HRM**

It is notable that legal basis, as required by EU directives, is taken over, simultaneously the EU managerial models are empha-

sized and introduction of other world educational standards' are declared. However further processes of operationalization of standards, reaching real goals of organizational responsibility and HRD policies do not take place, and the Lithuanian society is still unaware of their purposes. In spite of the fact that EU documents on CSR have been translated and are much spoken about, in practice those policies do not adequately function because the goals, guidelines and orientations, expressed in them, are not operationalized, and appropriate processes in organizations are not factually being purposely constructed in deterministic way. The CSR and HRM standards and norms are comprehended as "commandments" prescribed from above and having little in common with local reality. Pure copying of such metaphysical "ought to" goals is resulted in their contrast with real practice and further deepening of the conflict between "is" and "ought", i.e. putting obstacles for integrity formation of organizations (see picture No.1). There is no pressure on organization to stimulate it pursuing outstanding goals and own integrity. In such a situation the mission of business ethics is to explain to a society how this distinction can be eliminated by ethics tools, how to construct in organizations such values as integrity and responsibility by managerial methods (see picture No.2). So it is necessary to carry out intensive and proactive promotion of modern management without fail in public sector applying postmodern ethics concepts and practically approved by enterprises methods of business ethics infrastructure implementation in all organizations.

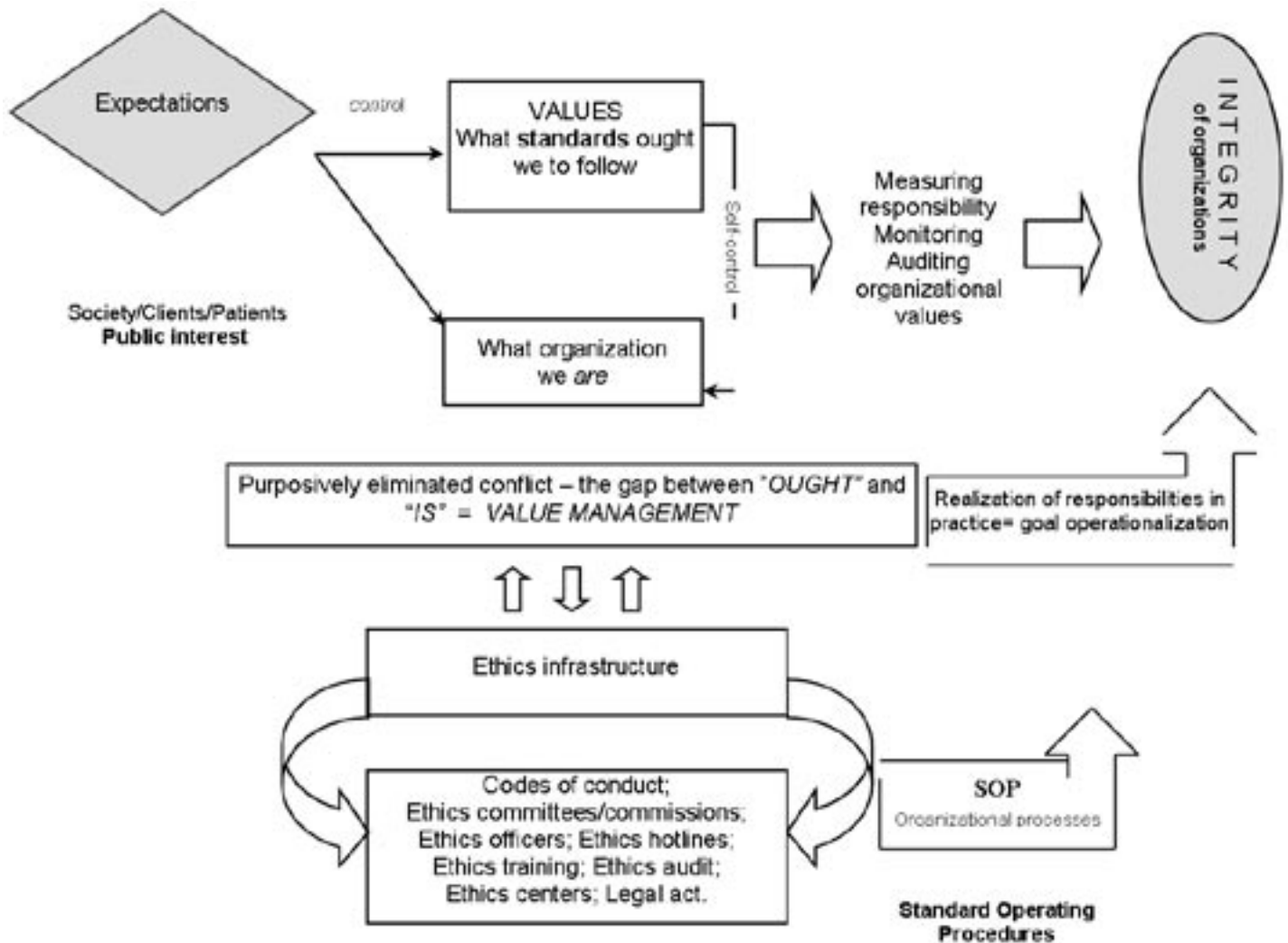
At this point the problem how to implement values (social responsibility, integrity, justice, compliance, trust, solidarity, subsidiarity, etc) into the real behavior of people becomes critical.



Picture No1. Building Integrity of organizations (as terminating conflict between Duty and Reality in the Context of Organization Ethics).

The culture of post-totalitarian society especially needs particular researches and ethics methods adaptation in order to reconstruct moral stereotypes and to form more responsible people attitudes looking for the way how to make them real norms of people behavior. That is why it is important to use the instruments of modern procedural ethics.

the organization a person works in. During our works in ethics training with different organizations we have found out some distinctions in this respect. The differences in comprehension of business ethics issues and different attitudes to them during ethics training sessions are often pretty obvious. In private enterprise one can see better mutual understanding and common



Picture No. 2. Values management by ethics infrastructure and Standard Operating Procedures

However some circumstances prevent it because: a) yet ethics as academic discipline is not regarded soundly enough; b) social sciences are generally regarded as "belles-lettres", but not as a tools to reconstruct human behavior, to remove dysfunctions from different fields of social life (the latter was determined by the crash of Marxian approach to the function of social science); c) general defects of educational system negatively affect ethics teaching.

Business ethics is not adequately supported institutionally and is left in the charge of not numerous enthusiasts. Worst of all ethics teaching and training is left by itself – there are no generally certified programs of modern applied ethics of appropriate academic level. In addition the most part of teachers are unable to teach effectively this kind of ethics oriented to the changes of practice. Those teachers engaged today in ethics teaching and training cannot link it with organizational processes, since they are unaware of managerial science ABC and also cannot admit that business ethics is the managerial science.

The problems with the CSR and HRM ideas acceptance directly connected with the professional level of ethics training, though to a greater extent they are stipulated by the state of

language, morally concerned participants, long range outlook, constructive communication, seeing CSR as real processes, search for actual problems and decision-making. To the contrary, in public organization one often faces with typically skeptical attitude to ethics training: "We have met here just to talk and nothing is going to change about it" or "Your CSR is just a sort of social game and window dressing like in communist past". The employees of such public organizations cannot discover any connections between ethics values and organizational processes.

The employees in public sector organizations comprehend business ethics and CSR issues discussed during ethics training as blink words, spell or abracadabra. For them under the existing vertical managerial system, there is factually no function of HRM, as well as functional dependence of job performance assessment on the final result. The public sector organizations demonstrate a reactive approach to ethics institutionalization processes and engage in them following the fashion or as a result of an inescapable pressure from EU structures. In contrast to them industrial companies regard ethics institutionalization as means for better organizational relations and job performance.

That is why private companies more actively integrate ethics into practice and for them CSR is seen like a set of real processes. The feedback from representatives of private companies that took part in ethics training showed their interest in CSR promotion for further development of functional management, communication and motivation systems, HRD, and determination to tackle social problems stipulated by business expansion and its impact upon a community.

To form such attitudes to business ethics it is necessary to use new techniques, tested in applied/business ethics (science) and adapt them to a definite type of the organization, management style and definite socio-cultural environment. It can be effective remedy to diminish/remove cynicism and skepticism with regard to ethics/CSR. Our experience proves that due to the peculiar social-cultural environment in post-soviet area the appropriate adaptation of ethics teaching techniques is required, e.g. to place the emphasis on utilitarian concepts. The social experience of post-communist domain proved that in the absence of morally reasoned knowledge about the utility of compliance any progress in ethics standards implementation is impossible. First of all to make ethics standards valid in practice it is necessary to ensure people compliance with them. It is especially true in the country with intrinsic (in mass consciousness) attitude that "laws are needed just to break them". In this region the attitude to rule-breaking is often morally positive. Yet in all post-soviet regions it is customary to regard standards just a formality ignoring real practice that breaks the norms. Proceeding from multiple scandals a propos of "double standards" that burst out in a local society, one can maintain that it will take a lot of time to get rid of such behavioral models.

Many modern models of management are successfully functioning under the appropriate cultural environment of western culture. The similar models, "borrowed" from them fail to function properly or even give negative results in local environment of post-communist countries, since there is no required set of factors, which determine effective functioning of these models. Management of organizations often suffers from a lack of system approach. Besides, there is no permanent pressure from a community, and its clearly grasped expectation toward professional integrity and social responsibility in all organizations.

There are many real life examples how separate elements of functioning systems when transferred to different socio-cultural environment may become exact opposite and cause dysfunctions. For example one can take some recommendations given by Norwegian Research Council 10 years ago in a practice of Lithuanian universities, i.e. the recommendation to enlarge the units in higher schools to make them more capable in scientific researches (Apskritojo stalo diskusija, 2006). In reality some of these advises often undermined effectiveness of such scientific units and even ruined some productive ones. It took place since the employees has been mechanically brought together though any clear ways to pursue joint aims and job performance assessment criteria have not been formed. Besides, in many organizations there was neither a base for team work, nor prior skills of co-operation. Under the influence of strong rudiments of post-socialist mentality teamwork is still regarded as the former "collective farms". The employers of units, formed in this way anew, were involved into mutual competition not by their job performance results, but by subjective evaluations, sympathies or antipathies that provoked conflicts, discrimination, intrigues, and mobbing. As a result, many of the most talented professionals were forced to leave universities since such an environment was not acceptable for them.

For another instance of a recommendation that was resulted

in negative consequences one can take the one, which emphasized better finance results of university activities that turned this imperative into the end in itself. It factually turned into faulty practice to enroll more than maximum students, to employ assistants or maintenance staff to deliver lectures instead of professors, since it is cheaper and gives better financial results. In abundant publications devoted to the troubles of universities and in readers' comments it is emphasized that "university authorities are interested that only assistants, which never conducted any scientific work before, would carry out all teaching and training. For a University professor or an associated professor is the great burden. The point is that they should be well-paid, that is why it is necessary to get rid of them..." (Vernickaitė, 2006). That is why both students and employers from industrial organizations express outrage cause of poor knowledge of graduates.

Neither formally nor in fact today commercialization of higher education correlates with the quality of its product and the responsibility for it to consumers. Therefore in public discussions one can hear a lot of angry voices of tax-payers: "When I think what kind of people eat away hundreds of millions of tax-payers' money, my hair stands on end..." (ibid.). Often the parents of students express their deep concern because of their hardly earned and wasted money, when they let children to study at the Universities that provide inadequate knowledge (Juškienė, 2006).

The very academic experts admit that only small part of foreign advisers' recommendations has been realized and it comprised only the ones favorable for university nomenclature. "The main idea of Norwegians' recommendations was that universities can teach students only because they carry out scientific researches. But this essential idea proved to be forgotten" (Aleksandravičius, 2006; comments, Omni.lt).

In spite of the fact that in Lithuania it is a sort of fashion to reason innovations by "good experience of Western countries", and not by discourse, (i.e. by arguments, scientific knowledge or calculations) the functionality of such copying of western experience is often put in doubt. Within recent 16 years not only positive results, but also multiple negative consequences of such borrowing of foreign experience, done without scientific substantiation and analyses of deterministic interactions, become obvious. Now according to some experts this exchange of experience has to be also revised in respect of university reforms and education management, i.e. to check up if the experience of the best world universities fit for Lithuania (Daujotis, 2006).

Thus, Lithuanian practices and empirical data testify that there exist a lot of social-cultural obstacles on the headway of CSR initiatives and HRD. There are more barriers and problems in high schools' and other public organizations' management than in that of the industrial enterprises. It determines the greater scale of negative consequences, since educational system preserves supports and reproduces backward models of social relations. That is why the social responsibility of all organizations and their accountability to stakeholders should be introduced not only by declarations but by real actions in reconstruction of management models.

### Social constructivism of Business ethics as a must for CSR realization

Analyzing the failures of various reforms in organizations that took place within 16 years of sovereignty one can maintain that the reforms could be more successful if the knowledge of social science would really be introduced in practice. That is why it is

notable that social constructivism on which business ethics as a science should be based was especially required in such transformations.

Today postmodern business ethics as a new managerial discipline (tool) purposively teaches how to manage values practically, how it is possible to model and construct social reality on mezzo- and macro- levels. There are a lot of special methods and related literature devoted to "Building organization integrity", "Constructing trust", "Managing dignity", or "Modeling responsibility", etc. In such literature one can find how applied ethics instrumentally teach organizations to create and integrate the formalities (conventions, norms, rules, standards, principles) and real practice/performance, to model and reconstruct existing anomalies and nasty order, to repair dysfunctions and to develop responsibility and integrity standards in all workplaces (Brown, 2000; Danielson, 1998; Hummels, 1996; Pritchard, 2006; Trevino, Nelson, 1999; etc). For it in post-soviet area the teaching and training in new decision-making is needed firstly, besides advertising standards authority and developing organizational ethics in the compliance context (Worthley, 1999) should be emphasized especially.

Taking into consideration the paradigms of business ethics it is very critical to transfer from individual ethics to the ethics of organization (see picture No.1), from a personal life to structural functional commitments at workplaces and to verify all decision-making of employees by expectations of society (see picture No.2). This is exactly the objective of business ethics to inspire both individual and organizational reflection on related public interest (Jonas, 1992; Ulrich, Sarasin, 1995). That is why business ethics is not called to form "goodness" of each individual, but appropriate option of an organization, i.e. organization responsibility on a system level. In contemporary business ethics it becomes absolutely clear that responsibility for ethical practice is not only the concern of separate persons, but the corporate responsibility of the whole organizational system. It creates the work environment that motivates its staff to behave responsibly or vice versa. Existing relations in socially irresponsible organizations require particular investigation and reconstruction by methodologically reasoned ethics tools. In order to assure organizational change management, only positivistic approach in ethics may be duly effective. No other metaphysical ethics theories can be applied in the hope of practical results. Under these conditions the behaviour technologies and social engineering methods contained in business ethics may serve for positive changes. However in Lithuania these remedies are rejected not because of some scientific data but deeply entrenched cultural stereotypes or mental inadmissibility, lack of knowledge about purposeful reconstruction of social reality through change management. Up to now people mainly hear about behaviour technologies only in the context of political "black technologies". However being scientifically-based, purified from negative stereotypes and indecent goals, behaviour technologies can be helpful for organizations pursuing its real progress. The competition based on job performance, objective criteria, defined indicators (if needed it is developed till the level of standard), and their realization through ethics infrastructure and operationalized procedures can to optimize organizations (see picture No.2). These managerial models verified in private business sector, should be applied in management of public organizations. In this way it is possible to manage integrity and responsibility, to construct horizontal relations in organizations that constitute soft management assuring implementation the principles of distributive justice, participation ethics, formation of communicative discourse and consensus, establishment of

morally favorable atmosphere as the key elements in a promotion of optimized and humanized organization activity. Procedural ethics methods enable using the competence, initiative and creativity of individuals, i.e. human resources notwithstanding their sex, age and other differences, for which in subjective interrelations they can be discriminated. Transfer of a power to preset rules, principles, indicators and procedures, removes the possibility of an individual to make inadequate subjective influence upon business affairs. This way there appears possibility to turn activity of organizations to one or another direction through reconstruction of corresponding processes. This sort of reconstructions of public organizations' practices needs to be based on a systems approach that responds to societal needs and concerns. In turn, it is possible through implementation of ethics infrastructure and Standard operating procedures (SOP) that firstly ensure independent and competent decision-making.

These considerations require clearly defined operating procedures: 1) as decision-making instruments, 2) as decision-making rules, 3) as instruction for decision-making, 4) as quality standards for decision-making, 5) the practical implementation of decision-making standards, 6) compliance programs in organizations. The implementation of SOP makes good decision-making visible in real practice. All these methods enable building integrity and responsibility in different fields of social life. Only integrating values by SOP in organizations it is possible to operationalize goals and to meet expectations of society with respect to all organizations (see picture No 2), i.e. only this way the CSR and HR development are reachable in society.

## Concluding Remarks

Proceeding from the results of our studies on managerial models in Lithuanian organizations we can conclude that the development of organizations is always determined by general regularities. Our observations bring out clearly that only management based on contemporary knowledge enforces the success of organisations, can promote the ideas of social responsibility and apply contemporary science achievement including advanced managerial technologies, in which business ethics is directly integrated. However in the post-communist areas it is complicated by existing models of management especially in public organisations domain. Under such circumstances it is critical to carry out intensive and proactive promotion of modern management in public sector applying postmodern ethics concepts and practically approved by enterprises methods of business ethics infrastructure implementation in all organizations.

<sup>1</sup> "It was this [Soviet model] entire system that had to be dismantled before a new one could be erected. Not surprisingly, the process was far from painless. <...>. An important initiative to help anchor the Baltic republics in Europe was the request for an external audit. In 1991, Estonia requested the opinion of the Swedish Royal Academy of Sciences. The following year, Latvia made a similar application to the Danish Research Council followed, in 1995, by Lithuania's request to be evaluated by the Norwegian Research Council" (Butkus, 2006).

<sup>2</sup> There are a lot of similar situations in many other organizations that is why today emigration from Lithuania is huge and, according to the results of monitoring and mass media content analysis, it is caused not only by unemployment or poor salaries in home country, but rather by lack of order and fairness in employment relations. It was recently detected by EU experts as well (Fernández Macias, 2006).

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