

presentation 2

Fundamental actors & concepts



Fundamental actors

Individuals

Business organizations

Individuals

If individuals are biologically autonomous, they are psychologically and socially transduced.

This mutual participation involves two flows or transference relations:

- Self to other
- Other to self

The relationship is also characterized by transformation where self and other influence one another.

Business Organizations

a/The being of business organizations

Business organizations systems are set by law to carry out a business purpose. This means that without the legal conditions and framework they cannot fulfill their purpose.

b/Main features

If business organizations are legally set to be autonomous in the sense of deciding for themselves, the fact that they depend on resources to exist, they are socially transduced.

Thus the relations an organization has with its stakeholders (internal & external) are relationships of

- Transference – information flows
- Transformation – adapting policies and strategies

c/Types of transference

Relative to the power of transformation they involve:

Inbound flow 1: the domestic environment has an impact on the business organization in terms of the production resources available (L, K), state policies, market structure, and stakeholder desires

Inbound flow 2: the foreign environment as an impact on the business organization in terms of the production resources (L, K) the firm needs, foreign state policies, foreign market structures

Outbound flow 1: the organization influences the domestic environment in terms of the products and services it provides, competitive strategies, and advertising impact

Outbound flow 2: the organization influences the foreign environment with its products (exports), competitive strategies, and advertising

Non-bound flows: neither the environment (domestic, foreign) impacts on the business organization owing to the size of the firm, nor the business organization on the environments owing to its non-competitive stance.

Fundamental concepts

Trust

Language

Trust

A fundamental value in all relationships is trust

The following views:

- Interpersonal – trustworthiness
- Functional – stakeholder faith
- Existential – making possible beyond what there is

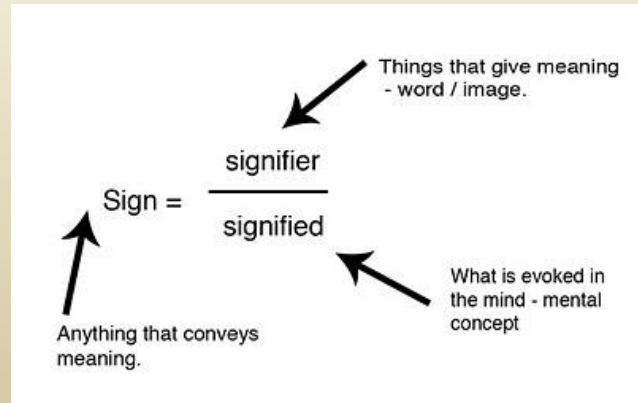
Language

“If trust is about making possible, what enables this possibility is language”

a/The “being” of language

Language is a descriptive system made up of:

- Signifiers making up the discursive signature
- Signifieds making up the discursive meaning



b/Language construction

A discourse as specified and specific language, is the result of choices:

- Signifiers are chosen as per the choice of meaning
- Signifieds are chosen as per the purpose that language must fulfil – ultimately to persuade

c/Effect of language construction

The chosen signifiers and signifieds bring about coherence, a myth-ology, premised on 3 features making up the power base of the myth-ology:

- Clout – familiarity and security
- Credibility – replication of values
- Constancy – durability and test for time

d/The power base in use

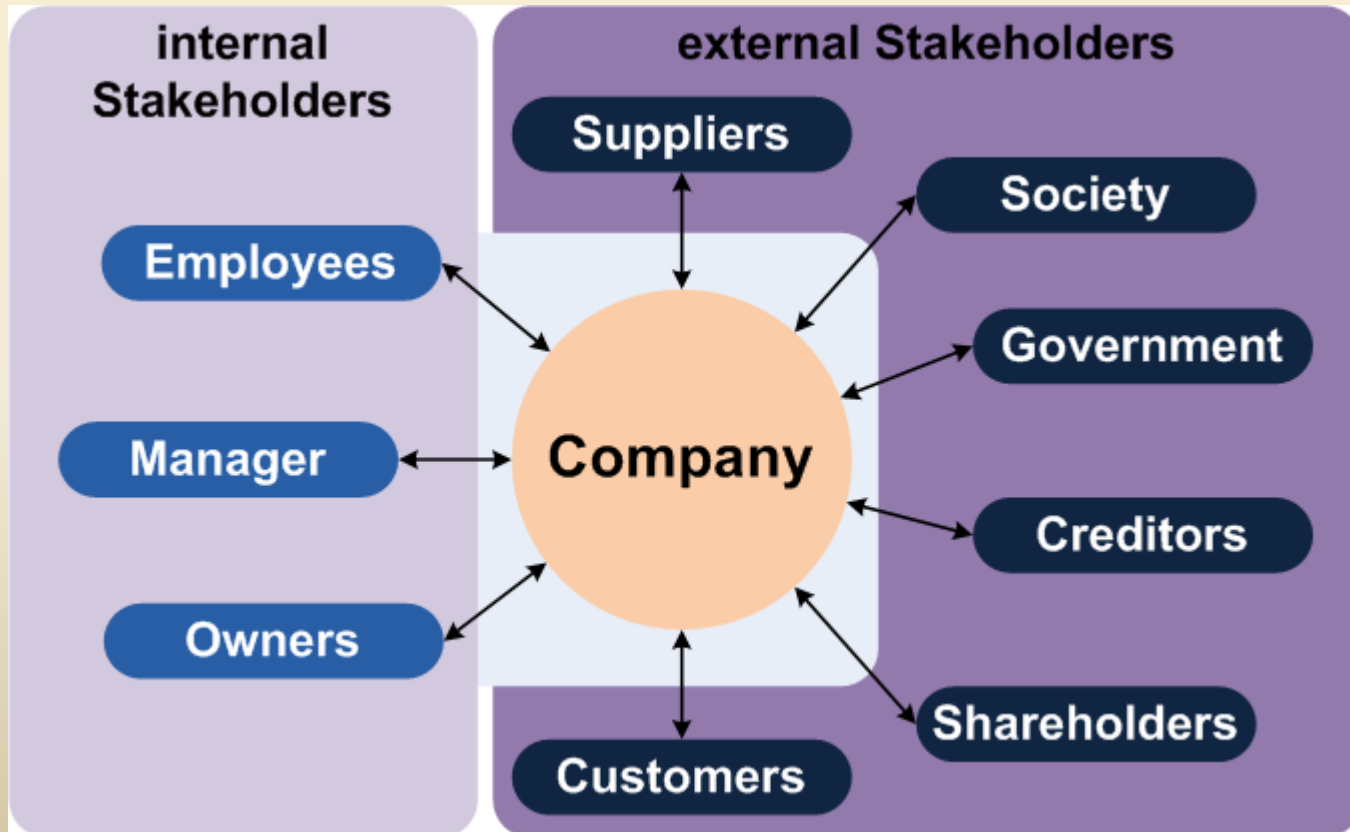
The power base of a myth-ology recruits or summons. Typical summoning strategies include

- Doctrinal summoning – e.g. political discourses
- Archetypical summoning – e.g. marketing discourses

Bringing it all together

Stakeholders

What a business organization interests individuals and other organizations, that is, its stakeholders of two types, namely internal and external.



Relationships

Types of relationship between individuals & organizations:

a/Individuals make up organizations (summative viewpoint) =
internal stakeholders:

- Employment relationships: Managers and employees trust business organization will pay the wages; the language used is that of labor/industrial relations
- Investment relationships: Shareholders trust they will get return on their investment; the language in use is financial

b/Individuals external to organizations (open systems viewpoint) = external stakeholders

- B2C relationships: Consumers trust the organization will provide the goods/services they desire; the language used is that of brands and advertising
- Financial relationships: Creditors trust the organization will pay its debts; the language in use is that of finance and law

- Social relationships: Society expects that the organization will contribute positively to societal welfare; the language used is that of CSR
- Fiscal relationships: States rely on company taxes to carry out their own policies and role; the language in use is political and fiscal

c/Relationship between organizations (open systems viewpoint)

- B2B relationships: Suppliers trust the organization will provide them with purchase orders; the language used is that of negotiation
- Market relationships: Competitors trust they are superior than other organizations; the language used makes divisions between “us” and “them”

Relational viewpoint

