Role and Significance of Ethics in Human Resource Practices at Organization- A Conceptual Study

Rajendra Prasad G R[1], Dr. Manjunath, K. R[2]

[1]Research Scholar, [2]Assistant Professor,
[1,2]Institute of Management Studies and Research,
Kuvempu University, Jnana Sahyadri, Shimoga, Karnataka, India

ABSTRACT

Ethics refers to a system of moral principles - a sense of right and wrong, and goodness and badness of actions and the motives and consequences of these actions. In the organization, businessmen must draw their ideas about what is desirable behavior from the same sources as anybody else would draw. Ethical values channelize the individual energies into pursuits that are benign to others and beneficial to the society. Ethical issues abound in HR activities, such as remuneration, labour relations, health and safety, training and development etc. studying the role of the Human Resource Management (HRM) in promoting ethics is an emerging research topic due to the heavy influence that HRM practices are thought to have on employees. This paper is aimed at developing a thorough analysis of HRM's role in promoting ethics, and specifically at focusing of its practices. This article offers insight into a detailed discussion of how ethical issues related to HR situations in the organizations.

KEYWORD: HRM Practices, Behavior, Ethics, Workplace, Organization

INTRODUCTION

Ethics in hrm indicates the treatment of employees with ordinary decency and distributive justice. The ethical business contributes to the business goals as the employees will feel motivated and they will work with efficiency and effectiveness. Ethics in HRM basically deals with the affirmative moral obligations of the employer towards employees to maintain equally and equity justice. The main role of ethics in maintaining HR is

1. Improvement of recruitment and selection tests
   ➢ Follow the recruitment policy that is identification of the recruitment needs, monetary aspects, criteria of selection and preference.
   ➢ Follow the situational factors such as economic factors, social factors, technological factors etc
   ➢ Selection must be in planned manner
   ➢ Avoid illegal questions

2. Conduct ethics training
   It is short term process of training given to the HR of the organization to do their work in adhere to the ethical code of conduct. The main advantages are increased productivity, higher employee morale, less supervision, less wastage.

3. Ensure that there are no pitfalls in performance appraisal.

4. Improve and facilitate two way communication

5. Reward and disciplinary system.

6. Avoid any kind of discrimination among the employees based on certain factors like caste, colour, culture, religion, appearance etc.

7. Equal opportunities must be given to every employee for their advancement and development.

8. Measure should be taken for employees' safety while working in the organization[1].

9. Employee code of conduct ensures career growth and also benefits the organization in the long run. If employees understand the difference between what to do and what not to do at the workplace, problems would never arise. We bunk offices because we do not realize that such a practice is wrong and unethical. Employee ethics ensures employees adhere to the rules and regulations and also work for the organization. Employee ethics motivates employees not to indulge in gossiping, nasty politics, criticizing fellow workers, bunking office and so on. They seldom think of sharing confidential information or data with competitors and all their energies are utilized in productive activities which would benefit the organization[2].

Review of earlier works

Michelle Alarcon, Esq.(2012)[3] in their research work identified how human resource management practices influence on ethics in the organization. They were discussed Human Resource Management (HRM) is a business discipline that handles one of the most crucial components of business: People. Anyone who has ever managed or led people knows the sensitivity and complexity of ensuring that everyone is in sync with the goals while balancing the ever-changing diversity of the human nature. This paper will discuss two cases that reveal some disturbing manipulation of HRM policies implemented within a structure of legally sound and ethically grounded procedures, but cleverly conducted in ways that undermine the basic goals of fairness, dignity, and honesty in treating employees. The author examines 4 possible causes of such behavior including 1.) "buddy" nepotism 2.) tribal culture 3.) false sense of company pride and 4.) lack of personal integrity and analyzes the symptoms and consequences that flow from each factor to provide recommendations that focus on creating a solid implementation of HRM policies through a strong, values-based organizational culture.

Cam Caldwell Do X. Truong Pham T. Linh Anh Tuan (2010)[4] in their paper discussed about strategic human resource management (SHRM) has suggested that human resource professionals (HRPs) have the opportunity to play a greater role in contributing to organizational success if they are effective in developing systems and policies aligned with the organization's values, goals, and mission. They suggest that HRPs need to raise the standard of their performance and that the competitive demands of the modern economic environment create implicit ethical duties that HRPs owe to their organizations. They define ethical stewardship as a model of governance that honors obligations due to the many stakeholders and that maximizes long-term organizational wealth creation. They are propose that if HRPs adopt an ethical stewardship framework and the qualities of transformative leaders, they will be more aware of their ethical duties to their organizations and more effective in helping their organizations to create increased wealth, achieve desired organizational outcomes, and establish work environments that are more satisfying to employees.

Paul L. Schumann (2001)[5] in his research study evaluated that a morale principle frame work for Human Resource Management ethics. In this paper argues that the analysis of ethical issues in human resource management is legitimate and important. It argues that the theory of ethical relativism should be rejected and that is meaningful to search for universal moral principles. it then presents a comprehensive framework for making judgment about human resource management ethics that consist of five complementary moral principles that have been developed and studied by philosopher: utilitarian ethics, rights ethics (using kants categorical imperative), distributive justice ethics, care ethics, and virtue ethics. It illustrates the application of the moral framework by analyzing the ethics of deceiving employees about hazardous nature of chemicals in the work place, the ethics of discrimination in employment, and the ethics of sexual harassment.

Gary R. Weaver and Linda Klebe Trevino (2001)[6] their research evaluation of Many large corporations now have formal programs for managing ethical behavior and legal compliance. But the often minor role of human resources (HR) in companies' ethics management efforts is problematic. This is because ethics management efforts are likely to raise questions of fairness, and trigger a fairness heuristic among employees that can generate important outcomes for the ethics program specifically and the organization generally. Relying on research on fairness in organizations and corporate ethics practices, Here explain why the extensive involvement of HR incorporate ethics programs is important to the perceived fairness, and thus the likely outcomes (e.g.,employee commitment), of those programs.

Sevgi Dönmez Maç and Şuayyip Çalış (2012)[7] in their research explain on the subject of Social Responsibility within the Ethics and Human Resource Management Debates: A Review of Global Compact and SA8000 Social Responsibility Standard. It may be thought that companies adopting social responsibility contracts and standards have more ethical HRM practices. However reviewing social responsibility studies it is seen that there is not only one approach and reasons of adoption and implementation may vary. Furthermore, ethical frameworks presented in the study (the ethics of duty, fairness, justice, utility, liberty, virtue and care) show that it is not possible to mention one type of ethical understanding. Therefore reasons of adoption of social responsibility contracts and standards may arise from respect for people or benefit calculation for the company. Following studies may focus on effects of these differences on HR practices. Revealing of realities in practice will pave the way for understanding and developing of theoretical frameworks and will be a guide for practitioners.

Edit LUKÁCS and Doina UDRESCU (2003)[8] in their research confer aims to summarize the main aspects of ethical issues in human resource management. The noteworthy topics are: how people perceive fairness in organizations and which are those moral rights and obligations of employees which, although not stipulated in the work contract, have a great impact on ensuring an ethical management of human resources? We will refer to discrimination in the workplace, moral and sexual harassment and the legal framework governing equal treatment in labor relations. The paper ends with the proposal of an ethical model of human resources management which is inspired by the spirituality of an ancient religion, Zoroastrianism. This view of ethics in human resources management is not the only one to be anchored in spirituality. There is high interest among specialists to study the connection between spirituality and business. Studies have shown that the incorporation of spiritual values in organizational values have a positive impact on profitability.

It is obvious from the above review that a number of works have been undertaken by the researchers in the past on different aspects of efficiency, of few of the ethics in human resource practices which is the broader subject of this paper. And they concentrated on one or the other micro aspect of the topic selected for the present study. However, no comprehensive work on establishing the meaningful relationship between the ethics and their impact on human resource practices is done. Further, there are no efforts initiated to understand the opinions of the people regarding

what as per them would provide for efficiency in execution of these programmes. Hence, the present conceptual study is an attempt to cover these aspects with an emphasis on how human resource practices have been efficient in reaching the organization employees, and the realized benefits among the number of programme developed. This study makes an attempt to contribute (in the perspective of the concept development) as to what are the essential requirements of the human resource to put them of the path of ethics, growth and development of the employees as well as organization.

Objective of the study
The study has the following objectives
1. To study role and significance of ethics in human resource practices in organization.
2. To explain brief concept of ethics and their influence on human resource of the organization.
3. To evaluate the human resource and ethical issues in work place of the organization.

Ethics in Human Resource Management at organization
Human resource management deals with manpower planning and development related activities in an organization. Arguably it is that branch of management where ethics really matter, since it concerns human issues specially those of compensation, development, industrial relations and health and safety issues. There is however sufficient disagreement from various quarters.

There are different schools of thought that differ in their viewpoint on role of ethics or ethics in human resource development. One group of thought leaders believes that since in business, markets govern the organizational interests and these interests are met through people, the latter are therefore at the highest risk. They believe that markets claim profits in the name of stakeholders and unless we have protocols, standards and procedures the same will develop into a demon monopolizing markets and crushing human capital; HR ethics are become mandatory.

There is another group of ethicists inspired by neo-liberalism who believe that there are no business ethics apart from realization of higher profits through utilization of human resources. They argue that by utilizing human resources optimally, there is more value creation for the shareholders, organization and the society and since employees are part of the society or organization, they are indirectly benefited. Nevertheless ethics in human resource management has become a perennial debate of late.

Discussions in ethics in HRD stem from employee relationships and whether or not there can be a standard for the same. Employee rights and duties and freedom and discrimination at the workplace are issues discussed and covered by most texts on the topic. Some argue that there are certain things in employment relationship that are constant others disagree with the same. For example, right to privacy, right to be paid in accordance with the work (fair compensation) and right to privacy are some areas that cannot be compromised upon.

Ethics and Market System
The kind of market system affects business and HR ethics; the latter thus becomes negotiable. In occupation where the market conditions do not favor the employees it is necessary to have government and labor union interventions in order to control the possible exploitation. In free market system, employees and the employer are almost equally empowered, negotiation create win situations for both the parties. Government or labor union interventions become harmful.

Globalization has brought about the concept of globalizing labor, trade unions have started to decline and the role of HR as such in issues like employee policies and practices has become a debatable topic. In fact many people are of the opinion that HR is nothing but an arm of the stakeholders through which major strategic and policy decisions are divulged geared towards profit making.

Thought there can be no single opinion on ethics in HR that is convincing. Market in itself is neither an ethical institution nor unethical and no policies and procedures alone cannot govern and align markets to human well being. However the requirement of such policies and procedures can also not be denied. In lieu of this HR ethics should take care of things like discrimination (sexual, religion, age etc), compensation, union and labor laws, whistle blowing, health and safety of the employees' etc[9].

Ethical Issues in HR
Of all the organizational issues or problems, ethical issues are the most difficult ones to handle or deal with. Issues arise in employment, remuneration and benefits, industrial relations and health and safety.
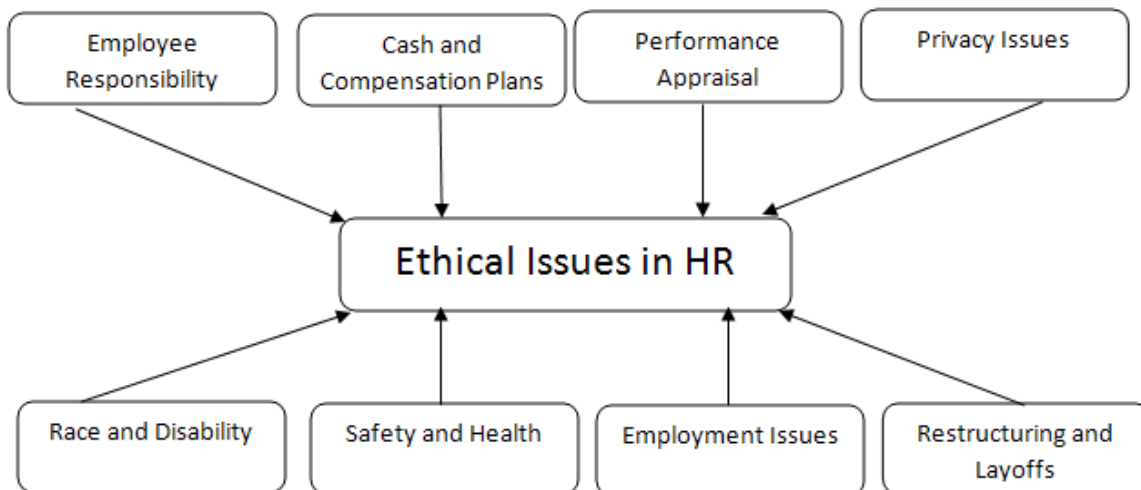
Diagrammatic representation of HR Ethical Issues

Cash and Compensation Plans

There are ethical issues pertaining to the salaries, executive perquisites and the annual incentive plans etc. The HR manager is often under pressure to raise the band of base salaries. There is increased pressure upon the HR function to pay out more incentives to the top management and the justification for the same is put as the need to retain the latter. Further ethical issues crop in HR when long term compensation and incentive plans are designed in consultation with the CEO or an external consultant. While deciding upon the payout there is pressure on favoring the interests of the top management in comparison to that of other employees and stakeholders.

Race, gender and Disability

In many organisations till recently the employees were differentiated on the basis of their race, gender, origin and their disability. Not anymore ever since the evolution of laws and a regulatory framework that has standardized employee behaviors towards each other. In good organisations the only differentiating factor is performance! In addition the power of filing litigation has made put organisations on the back foot. Managers are trained for aligning behaviour and avoiding discriminatory practices.

Employment Issues

Human resource practitioners face bigger dilemmas in employee hiring. One dilemma stems from the pressure of hiring someone who has been recommended by a friend, someone from your family or a top executive.

Yet another dilemma arises when you have already hired someone and later found to have presented fake documents. Two cases may arise and both are critical. In the first case the person has been trained and the position is critical. In the second case the person has been highly appreciated for his work during his short stint or he/she has a unique blend of skills with the right kind of attitude. Both the situations are sufficiently dilemmatic to leave even a seasoned HR campaigner in a fix.

Privacy Issues

Any person working with any organization is an individual and has a personal side to his existence which he demands should be respected and not intruded. The employee wants the organization to protect his/her personal life. This personal life may encompass things like his religious, political and social beliefs etc. However certain situations may arise that mandate snooping behaviours on the part of the employer. For example, mail scanning is one of the activities used to track the activities of an employee who is believed to be engaged in activities that are not in the larger benefit of the organization.

Similarly there are ethical issues in HR that pertain to health and safety, restructuring and layoffs and employee responsibilities. There is still a debate going on whether such activities are ethically permitted or not. Layoffs, for example, are no more considered as unethical as they were thought of in the past[10].

Promote Workplace Ethics

Workplace ethics ensures employees are treated with utmost respect. It also leads to a sense of satisfaction among employees and they develop a feeling of attachment towards their respective organizations. The feeling of loyalty is a feeling which is seen in very few individuals. For them, going to work is the best source of earning money and also keeping one-selves occupied. Organizations often complain of employees moving on when they are fully trained. An organization invests its time, money and energy in training a new employee and thus it is a big blow when he/she quits all of a sudden.

The best way to promote workplace ethics is to be very specific and careful while recruiting potential employees who would be representing the top levels especially the human resource department. It is rightly said that human resource professionals are the face of an organization. They need to understand the psychology of individuals well as they are the ones who have the responsibility of formulating policies, rules and regulations of the organization. Remember, policies should neither be too flexible nor too rigid. If policies are too flexible, no one actually follows them and if policies are too rigid, again employees would depend on excuses and lies to escape them. You must understand your nature of business. An organization which works primarily for US Clients can't ask employees to report early in the morning as I am sure employees must be working till late or probably the whole night.

Human resource professionals ought to communicate the organization policies and code of conduct clearly to the employees the very first day. Also send them a mail for their ready reference. Tell them very clearly the office timings, hierarchy, dress code, salary structure, leave procedure, reporting structure and so on. In this case, they would never have an excuse later. Tell them from the very beginning that there are certain things which are expected out of them and organization is very strict on certain policies like coming to office on time, informed leaves etc. Make them clear that if they are caught bunking office or participating in unfair practices like stealing, passing on confidential information, they would be shown the exit door the very next day. Trust me, no one would even think of doing the same. Problems arise when employees are not aware of rules and regulations. Transparency between management and employees is of utmost importance and the best way to promote workplace ethics.

Listen to what your employees have to say. Let them come out with their problems. Superiors need to interact with employees on a regular basis and address their grievances. Management needs to make employees feel comfortable. They might come up with lots of issues and as a boss it is your responsibility to guide them and help them with a solution. Even if the problem is illogical, do not be harsh to them. Make them realize as to where they are wrong. Open communication is the best way to promote workplace ethics. Constant mentoring plays an important role in motivating the employees to adhere to the organization policies.

No employee should be given special treatments. Bonuses and hikes must be proportional to the employee's performance over a period of time. Appreciating the employee who really deserves is essential. Do not favour anyone just because you like him/her. Fair judgment is of utmost importance. You have nothing to do with his/her personal life. There should be absolutely no problem if an employee goes out to meet his girlfriend after office hours.

Organization needs to support its employees always, even at the hours of crisis. Job security and constant career growth are two most important factors which ensure employees stick around for a long time and also are satisfied with their current assignment. If employees are happy and contended and feel respected, they would also strive hard to deliver their level best every time[11].

Importance of Workplace Ethics
Workplace ethics ensures positive ambience at the workplace. Workplace ethics leads to happy and satisfied employees who enjoy coming to work rather than treating it as a mere source of burden. Employees also develop a feeling of loyalty and attachment towards the organization.

Organizations need to have fool-proof systems to measure the performances of individuals. Appraisal system needs to be designed keeping in mind employee's performance throughout the year and his/her career growth. Periodic reviews are essential. It is mandatory for superiors to know what their subordinates are up to. You need to know who all are going on the right track and who all need that extra push. Workplace ethics ensures management guides and mentors their employees well. Appraisal and salary hikes should not happen just for the name sake. Workplace ethics is important as it enables management to treat all employees as equal and think from their perspective as well. Employees must have a say in their appraisal system. Transparency is essential.

An employee is bound to move on after a year or so if employee is not appreciated and rewarded suitably. It is indeed the organization's loss when employees after being trained quit and move on. Do you think it is entirely the employee's fault? Why would an employee move on if he/she is fully satisfied with his /her current assignment? Employees change primarily because of two reasons - Career growth and monetary benefits. Management needs to make employees feel secure about their job and career. Unnecessary favouritism is against workplace ethics. If you favour anyone just because he is your relative, the other team members are bound to feel demotivated and thus start looking for new opportunities. An individual's output throughout the year should decide his/her increment.

Organizations need to stand by their employees even at the times of crisis. You cannot ask your employees to go just because you don't need them anymore or your work is over. Such a practice is unethical. How can you play with someone's career? If an individual has performed well all through but fails to deliver once or twice, you just can't kick him out of the system. Workplace ethics says that organizations need to retain and nurture talents. If you have hired someone, it becomes your responsibility to train the individual, make him/her aware of the key responsibility areas, policies, rules and regulations and code of conduct of the organization. Employees need to be inducted well into the system. They must be aware of the organization's policies from the very first day itself.

Workplace ethics also go a long way in strengthening the bond among employees and most importantly their superiors. Employees tend to lie if you do not allow them to take leaves. If you do not allow an employee to take leave on an important festival, what do you expect the employee to do? What is the alternative left with him? He would definitely lie. Do not exploit your employees and don't treat them as machines. No employee can work at a stretch without taking a break. It is okay if they talk to their fellow workers once in a while or go out for a smoke break. Understand their problems as well. If you feel the problem is genuine, do not create an issue. It is but natural that once or twice they would definitely call their family members and enquire about their well-being. Superiors should not have a problem with that. It has been observed that organizations which are impartial to employees, lend a sympathetic ear to their grievances and are employee friendly seldom face the problems of unsatisfied employees and high attrition rate[12].

Conclusion
A careful observation of the above conceptual analysis reveals that though the organization and higher authority has been striving to formulate such ethical policies to provide for overall growth of all the employees of the organization, still there has been a failure on the part of the corporate agencies designated with the purpose of delivering such ethical and value created policy initiatives to the real beneficiaries of the organization. The organization will have to undertake necessary measures to develop the required facilities that can help them to reach the targeted group and educate them regarding their utilities by imparting necessary human resource development programmes than can facilitate them in realizing the optimal benefits from organization.

HR practices and ethical policies in place regarding discrimination, sexual harassment and the treatment of employees, and put each of managers and supervisors through ethics training programs to make sure they are fully aware of your expectations. Treating employees ethically can garner long-term employee trust and loyalty, which conveys a range of distinct benefits to employers. Loyal employees gain more experience working with their employers, allowing them to master production processes and more fully understand the inner workings of the firm. This can increase employees' productivity and efficiency over time in addition to keeping human resource practices in the organization.

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