

## Chapter 17: Ethics in Human Resource Management

### 1. Ethical Issues in HRM:

HR Ethical issues arise in employment, remuneration and benefits, industrial relations and health and safety.

- Cash and Compensation Plans
- Race, gender and Disability
- Employment Issues
- Privacy Issues
- Employee Responsibility
- Performance Appraisal
- Restructuring and Layoff
- Safety and Health

### 2. Managing Ethics:

Management ethics are the ethical treatment of employees, stockholders, owners and the public by a company. A company while needing to make a profit should have good ethics. Employees should be treated well whether they are employed here or overseas. By being respectful of the environment in the community a company shows ethics and good, honest records also show respect to stockholders and owners. Ethics and ethical behaviour are the essential parts of healthy management. From a management perspective, behaving ethically is an integral part of long-term career success. Wide access to information and more business opportunities than in the past makes ethics a need in modern business world.

### 3. Benefits of Managing Ethics in the Workplace:

- Attention to business ethics has substantially improved society
- Ethics programs help maintain a moral course in turbulent times
- Ethics programs cultivate strong teamwork and productivity
- Ethics programs support employee growth and meaning
- Ethics programs are an insurance policy they help ensure the policies are legal
- Ethics programs help avoid criminal acts “of omission” and can lower fines
- Ethics programs help manage values associated with quality management, strategic planning and diversity management benefits needs far more attention
- Ethics programs promote a strong public image
- Overall benefits of ethics programs
- Last and most formal attention to ethics in the workplace is the right thing to do

## Summary

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### 4. Guidelines for Managing Ethics in the Workplace:

- Recognize that managing ethics is a process
- The bottom line of an ethics program is accomplishing preferred behaviours in the workplace
- The best way to handle ethical dilemmas is to avoid their occurrence in the first place
- Make ethics decisions in group and make decisions public as appropriate
- Integrate ethics management with other management practices
- Use cross-functional teams when developing and implementing the ethics management program
- Value forgiveness
- Note that trying to operate ethically and making a few mistakes is better than not trying at all

### 5. Key Roles and Responsibilities in Ethics Management:

- The organization's chief executive must fully support the program
- Consider establishing an ethics committee at the board level
- Consider establishing an ethics management committee
- Consider assigning/developing an ethics officer
- Consider establishing an ombudsperson
- Note that one person must ultimately be responsible for managing the ethics management program.

### 6. Ethics Tools: Codes of Ethics:

#### Developing Codes of Ethics

- Organizational Culture
- Strategic Planning
- Valuing Diversity

### 7. Ethics Tools: Codes of Conduct:

#### Developing a Code of Conduct

- Identify key behaviors needed to adhere to the ethical values proclaimed in your code of ethics, including ethical values derived from review of key laws and regulations, ethical behaviors needed in your product or service area, behaviors to address current issues in your workplace and behaviors needed to reach strategic goals.
- Include wording that indicates all employees are expected to conform to the behaviors specified in the code of conduct. Add wording that indicates where employees can go if they have any questions.
- Obtain review from key members of the organization. Be sure your legal department reviews that drafted code of conduct.
- Announce and distribute the new code of conduct.

## Summary

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### 8. Ethics Tools: Policies & Procedures:

- Update policies and procedures to produce behaviours preferred from the code of conduct, including e.g. personnel, job descriptions, performance appraisal forms, management-by-objectives expectations, standard forms, checklists, budget report formats and other relevant control instruments to ensure conformance to the code of conduct.
- There are numerous examples of how organizations manage values through use of policies and procedures.
- Include policies and procedures to address ethical dilemmas.
- Include policies and procedures to ensure training of employees about the ethics management program.
- Include policies and procedures to reward ethical behaviour and impose consequences for unethical behaviour.
- Include grievance policy for employee to use to resolve disagreements with supervisors and staff.

### 9. Ethics Tools: Training:

- Orient new employees to the organization's ethics program during new-employee orientation
- Review the ethics management program in management training experiences
- Involving staff in review of codes is strong ethics training
- Involving staff in review of policies (ethics and personnel policies) is strong ethics training.
- One of the strongest forms of ethics training is practice in resolving complex ethical dilemmas.
- Include ethical performance as a dimension in performance appraisals
- Give all staff a copy of this free "Complete Guide to Ethics Management."