Ethics in Hr

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I. INTRODUCTION

Human Resource Management is a business function that is concerned with managing relations between groups of people in their capacity as employees, employers and managers.

THE ETHICAL NATURE OF HRM

All HR practices have an ethical foundation. HR deals with the practical consequences of human behavior'. The core concern of business – proponents of the market economy argue is in attempting to secure the best possible return on any investment. Any dilution of this focus will lead to the corruption of what is a finely balanced system. Businesses that seek to be 'ethical' as well as profitable will probably fail economically, following which the whole community may suffer. Ethics are becoming more and more important and HR must continually revise the code of ethics to address the issues that

THE UNETHICAL PRACTICE OF HRM ITSELF HAS ALSO HIT PUBLIC ATTENTION
1. Off-shoring and exploiting 'cheap' labour markets
2. Using child labour
3. Reneging on company pension agreements
4. Longer working hours
5. Increasing work stress
6. The use of disputed and dubious practices in hiring and firing of personnel.

It has been shown that just as consumers' perception of the ethics of a company can affect sales, so the views of its investors will affect its share price. New organizational forms and new ways of managing, including the emergence of more flexible working patterns, have come into force. During this era, HRM has become more strategically focused and more concerned with facilitating the achievement of organizational goals.

Winstanley and Woodall (1996) highlight a number of ethical concerns about standards of HR practice, arising from this strategic focus. These include:

1. INCREASED JOB INSECURITY – arising from 'flexible' work practices; short-term and temporary conditions of employment; fear of job loss due to outsourcing and off-shoring; increased stress; and a widening imbalance of power between management and workforce;

2. INCREASE IN SURVEILLANCE AND CONTROL – this ranges from the use of psychometric tests to electronic surveillance of work patterns through the application of ICT;

3. DEREGULATION – freedom of the market place has been imposed by global regulators such as the WTO, and has led to what Storey (1993) has termed: 'impatience with rule' and 'can-do outlook' amongst line managers, which in practice may be seen to push HR into compromising 'good' practice, for business needs. In professional services organizations, for example, fee-earners may be challenged to decide between 'doing good' and 'doing well';

Aligned to this is a decline in management integrity, leading to accusations of recourse to rhetoric and deceit among HR professionals. For example, the current emphasis on managing organizational culture and commitment of employees can be contrasted with a highly instrumental approach to the supervision of the employment contract.

Ethics to be followed in the following list of HR objectives
1. In recruitment and selection: ensure that all assessment measures are fair and just.
2. In reward management: ensure fairness in allocation of pay and benefits.
3. In promotion and development: ensure equal opportunities and equal access.
4. Ensure a safe working environment in both for all employees.
5. Ensure that procedures are not unduly stressful, and that the needs of employees work–life balance are not compromised.
6. When redundancies occur, to be fair and just in handling job losses.
7. Deal effectively with all forms of bullying and harassment.

8. In outsourcing and offshoring, ensure that contractors, consultants and franchisees are fair and honest in their dealings with employees, clients and customers.

II.   LEGAL CONSIDERATIONS

Breaches of ethics in human resources can lead companies into a world of legal trouble, in both the civil and criminal arenas. Breaches of ethics in the HR department are more likely to be reported by victims to the Better Business Bureau, the Equal Employment Opportunity Commission or other regulatory agencies than those committed in other areas, such as product development or accounting. Companies with comprehensive ethics programs in place can avoid costly trouble regarding discrimination and hostile-work-environment issues, resulting in lower costs for litigation and out-of-court settlements.

III.   COMPANY REPUTATION

In the business world, legal trouble can introduce additional challenges to employers, as news outlets and ethics watchdog organizations spread the word about companies' misdeeds. Discrimination issues, sexual harassment and unfair employment policies can land companies on the front page of consumer- or business-focused publications, damaging a company's reputation among consumers, potential strategic partners and potential future employees. Gaining a reputation as an ethical employer can help to attract the top talent in your industry from a wider area, as employees seek to find the most beneficial employment relationships they can. The opposite holds true, as well; if job applicants see your company as an unethical employer, the most skilled, experienced, creative and productive applicants are likely to put their resumes in elsewhere.

IV.   EMPLOYEE LOYALTY

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 recruiting and training costs under control. Sellers of consumer goods can gain marketing advantages from loyal employees, as well. Loyal employees often act as champions for a company's products, purchasing goods from their employer and spreading positive word-of-mouth advertising to friends, family and acquaintances over the years.

V.   PROMOTING ETHICS

A solid reputation as an ethical employer does not happen on its own. Ethics-conscious business owners put comprehensive ethics programs in place to display a firm commitment to ethics in every area of business, including human resources. Put HR ethics policies in place regarding discrimination, sexual harassment and the treatment of employees, and put each of your managers and supervisors through ethics training programs to make sure they are fully aware of your expectations. Most importantly, lead by example in your organization to create a culture of mutual respect and dignity, where ethical decision-making is valued and rewarded.

VI.   CONCLUSION

HR systems are the key to the development and maintenance of Ethical culture. One of the steps HR managers can take is to focus on how ethics and values fit into the design of key systems such as performance management and reward systems. Hr managers can integrate accountability for ethics and values into performance management systems so that implementing ethical values is weighted substantially in promotion and compensation decisions. Overall HR and Ethics managers must focus on how ethical systems fit together and align in support of ethical conduct, a common goal.