Ethics And Hr Essay, Research Paper

Ethics commonly refers to the rules or principles that define right and wrong conduct. Many people believe that we are currently suffering from an ethics crisis. Behaviors that were once thought unacceptable — lying, cheating, misrepresenting, covering up mistakes — have become in many people’s eyes acceptable or necessary practices.

Managers profit from illegal use of insider stock information and even college students seem to have become caught up in the wave where studies show significant increases in cheating on tests. Concern over this perceived decline in ethical standards is being addressed by organizations, and companies are relying on Human Resource (HR) to build an ethical culture. Human Resource departments are creating codes of ethics, introducing ethics training programs and hiring ethics officers. Why is ethics important to Human Resources? When employees in organizations make decisions to act unethically, they affect not only the company itself, but also its shareholders, employees and customers. Employees make a myriad of choices every day in businesses — if unethical, they can damage a company’s productivity, profits and reputation.

Unethical decisions can come in many forms: the employee who conducts personal business on company time to the line worker who fails to report a product flaw just to meet a deadline, and even more serious, the manager who profits from illegal use of insider stock information. All these incidents lack ethics. In most companies today, the competitive advantage rests on the shoulders of it’s employees. These employees must be trusted to do the right thing, especially when no one is looking. It is up to HR to train, educate and communicate with employees on rights and wrongs in the workplace. After all, ethics is one topic that begins and ends with people and you cannot separate standards of behavior from HR.

Human Resources and ethics are linked and must be integrated. In today?s high-pressured environment, HR must spell out for employees that ethics come before deadlines or bottom lines. It?s a message that can easily be overlooked in the work rush especially if employees feel pressured to violate company policies in order to achieve business objectives. In an April 1997 study by the American Society of Chartered Life Underwriters and Chartered Financial Consultants and the Ethics Officers Association, found that 56% of all workers feel some pressure to act unethically or illegally. The study also revealed that 48% of workers admitted they had engaged in one or more unethical and/or illegal actions during the last year. Among the most common violations: cutting corners on quality, covering up incidents, lying to supervisors, deceiving customers, and taking credit for a colleague?s ideas. It?s good to dispel even the slightest impression among employees that management encourages unethical behavior in obtaining business objectives. In the empowered workplace where decisions are being forced down to the very lowest level, the employee must understand the importance of making that decision right the first time.

Ethics are becoming more and more important, and HR departments are vital in establishing ethics guidelines. As we celebrate this growing empowerment of employees, companies must ensure these employees always act ethically. Ethics should be instinctive when making decisions, and a good ethics program can successfully guide employees through the decision making process. Where once managers called the shots and employees followed suit, employees now need that support system to clear up any questions they have — questions that managers are no longer around to answer. Well-communicated guidelines help set the standards for employees. An important part of an ethics program is just increasing awareness levels. Companies with ethics programs find that many ?unethical? decisions are not of deliberate commission, but of ignorance. An effective ethics program can be an important tool in an organization because as employees learn to use this tool, they become more confident in the self-regulating atmosphere of the new workplace. A clearly explained code of ethics plays a pivotal role in employee empowerment by clearing up any questions on their own.

Codes of ethics are suggested means for institutionalizing ethical behavior. A code of ethics is a formal document that states an organization’s primary values and ethical rules it expects employees to follow. It has been suggested that codes should be specific enough to show employees the spirit in which they should do things, yet loose enough to allow freedom of judgment. Human Resources must be careful when establishing a code of ethics. In order for the code to be effective, HR should be careful not to omit important issues such as personal character matters, product safety, product quality, environmental affairs, or civic and community affairs. Ethics are becoming more and more important, and HR must continually revise the code of ethics to address issues that come up in the changing workplace. Corporations must ensure the code of ethics is used effectively and not just as window dressing. Their effectiveness depends heavily on whether management supports them and how employees who break the codes are treated. When management considers them important, regularly affirms their content, and publicly reprimands rule breakers, codes can supply a strong foundation for an effective ethics program. However, winning the ethics battle isn?t only about how an organization punishes those who engage in unethical behavior, but how the company rewards both good and bad behavior. For example, a company can provide ethics guidelines and detailed conduct codes; HR can offer superb training and establish an ethics hot line for questions and problems, but it?s the reward system and the organizational behavior that let people know the real story. If a manager turns his/her head and looks the other way when it comes to a top salesman who cheats on an expense account or accepts inappropriate gifts, that sends a powerful message. The desired behavior must start from the top and work its way through the entire organization. This means that managers must be honest and expect honesty from their employees by establishing clear-cut policies, guidelines, and rewards.

It?s up to HR to make sure employees fully understand the repercussions of ethical misconduct and that such behavior will not be tolerated. Ethics guidelines must be easy to use and even inviting to employees. A good ethics program provides both verbal and written reinforcements and offers a variety of packages for employees to learn about or discuss ethics. Although a usable ethics code and an accessible ethics officer will help get the message out, a successful effort requires active communication, education and training — a key role of the HR department. More and more HR departments are setting up hot lines, seminars, workshops and similar ethics training programs to try to increase ethical behavior. Recent estimates indicate 33% of companies provide some ethics training. The primary debate is whether or not you can actually teach ethics. Critics stress that the effort is pointless since people establish their individual value system when they are very young. However, supporters note that several studies have found that values can be learned even after early childhood. Evidence shows that teaching ethical problem solving can make an actual difference in ethical behaviors that training has increased individuals’ level of moral development and if it does nothing else, ethics training increases awareness of ethical issues in business.

How can HR teach ethics? Human Resource departments across the U.S. and recently across the world (not in such extent as in the U.S.) are coming up with innovative ways to teach ethics to employees. Texas Instruments gives their employees a “quick test”. This test teaches employees steps to determine if a decision is ethical. They believe the test allows employees to see a decision more objectively and ethically. Texas Instruments has worked hard to create an environment in which the ethics office and HR personnel work closely with one another to resolve problems. If a question arises about sexual harassment or discrimination, it’s up to HR to resolve it — and the ethics office will pass along any phone call or inquiry that pertains to those issues. On the other hand, if an employee asks a HR manager whether a gift from a client is appropriate, the manager will refer the matter over to the ethics department.

Human Resources also plays a role in briefing new hires about the ethics program and works with the ethics department and other company officials to refine policies and procedures. Some may believe HR plays a tangential role in the ethics debate, but that simply isn?t true. Human Resources can help design programs, advise on strategy and consult on investigations, as well as play an ongoing role in educating and training workers about ethics. The basic values of the company must be visible. Human Resources insures they are visible and communicated during the selection process, employee interview, orientation sessions and performance reviews to create a culture that emphasizes ethics. Therefore, whether an organization relies solely on HR for an ethics program or has a separate ethics office, the HR department is depended heavily upon to provide support for the underlying structure. Approximately 37% of all ethics inquiries involve HR issues, and that means ethics officers must consult with HR and use their expertise to interpret regulations, resolve disputes and consult on ways to reduce future problems. In some cases, HR is able to resolve specific ethics problems on the spot avoiding the time and expense of a full-scale inquiry.

In this day and age, employees need desperately to have opportunities to think through ethical situations. The training programs provided by HR must provide them with tools to think through those issues successfully. Ethical training sessions can provide a number of benefits. They reinforce the organization’s standards of conduct; they are a reminder that top management wants employees to consider ethical issues in decision making; and they clarify what practices are and are not allowed. Across the board, when managers and employees discuss common concerns among themselves, they are reassured they aren’t alone in facing ethical decisions. This can strengthen their confidence when they have to take ethically correct stances that may not be popular.

As discussed throughout this paper, an exhaustive communicative effort is key to getting the word out. The message must permeate the entire company from the top to the bottom. We know that communication must also be supported by education and training. A strong ethical reputation can give a competitive edge to an organization, improve recruitment, and help retain current employees. It encourages morale because a good ethics program supports such morale builders as openness and honesty. It can improve employee interaction and build a workplace atmosphere based on candor, fairness, integrity and trust, lowering barriers in communications. Bottom line, an effective ethics program builds morale of employees because most employees like to work for corporations they think are ethically intended.

Ethics are free — the HR department has to put forth the effort to communicate, educate, and train its employees on the importance of their decisions. An effective program costs very little, but the absence of ethics can be extremely costly. A company that finds a way to change the system so people can be influenced to act ethically and responsibly is far more likely to succeed. As one Texas Instruments executive so accurately stated, ?Trust is the foundation for any solid business relationship. You can?t form a close and candid relationship with suppliers, customers, and the public if you don?t have a track record of integrity or ethics.?