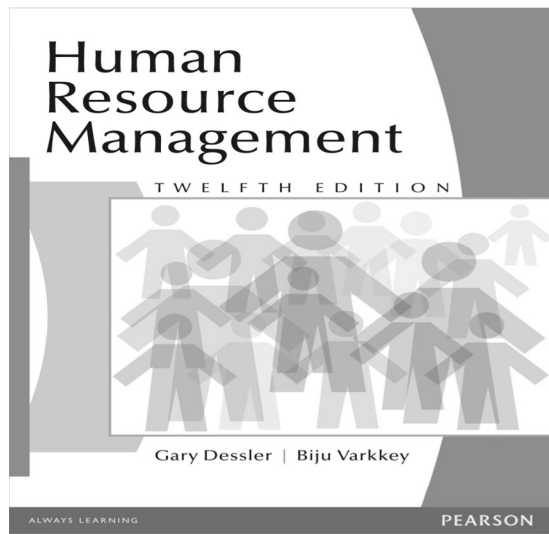




**Postgraduate Diploma in Business
and Management Program
PGD S2.4 Human Resource Strategy
By Dr. Travis Perera**

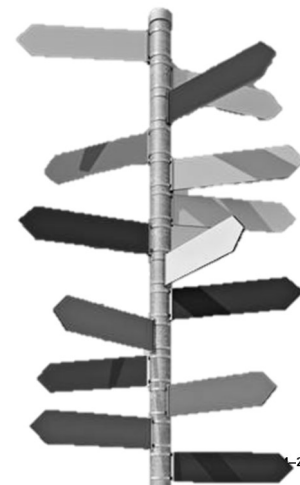
Day 09. Ethics, Justice, and Legal
Issues Affecting Work and Employment

PEARSON

Specific Observed Unethical Behaviors

Abusive or intimidating behavior toward employees	21%
Lying to employees, customers, vendors, or to the public	19%
A situation that places employee interests over organizational interests	18%
Violations of safety regulations	16%
Misreporting of actual time worked	16%
E-mail and Internet abuse	13%
Discrimination on the basis of race, color, gender, age, or similar categories	12%
Stealing or theft	11%
Sexual harassment	9%
Provision of goods or services that fail to meet specifications	8%
Misuse of confidential information	7%
Alteration of documents	6%
Falsification or misrepresentation of financial records or reports	5%
Improper use of competitors' inside information	4%
Price fixing	3%
Giving or accepting bribes, kickbacks, or inappropriate gifts	3%

Source: From 2005 National Business Ethics Survey: How Employees Perceive Ethics at Work, 2005, p. 25. Copyright © 2006, Ethics Resource Center (ERC). Used with permission of the ERC, 1747 Pennsylvania Ave., N.W., Suite 400, Washington, DC 20006, www.ethics.org. Reprinted in O. C. Ferrell, John Fraedrich, and Linog Ferrell, *Business Ethics* (Boston: Houghton Mifflin, 2008), p. 61.



Ethics and Fair Treatment at Work

- The Meaning of Ethics
 - The principles of conduct governing an individual or a group.
 - The standards you use to decide what your conduct should be.
 - Ethical behavior depends on a person's frame of reference.
- Ethical Decisions
 - Normative judgments
 - Morality



14-3

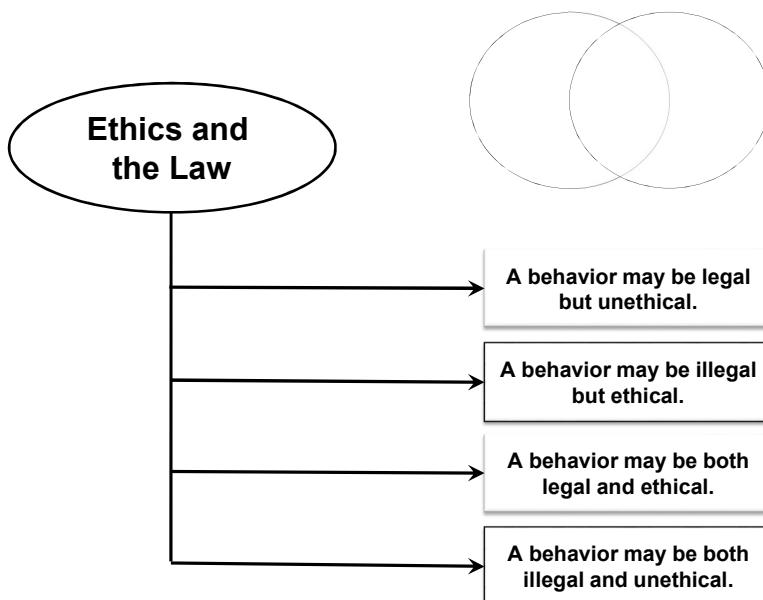
An Exemplary Leader – CEO of JAL





Ethics, too, are nothing but reverence for life. That is what gives me the fundamental principle of morality, namely, that good consists in maintaining, promoting, and enhancing life, and that destroying, injuring, and limiting life are evil.

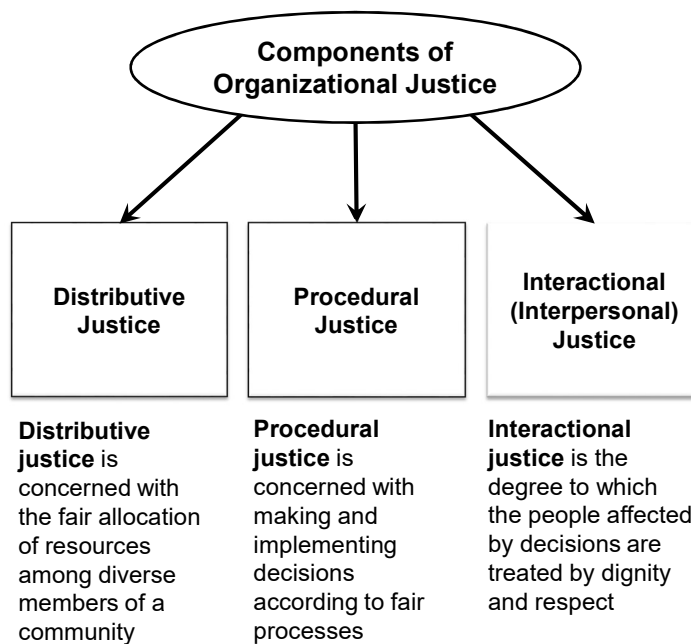
Albert Schweitzer,
Civilization and Ethics



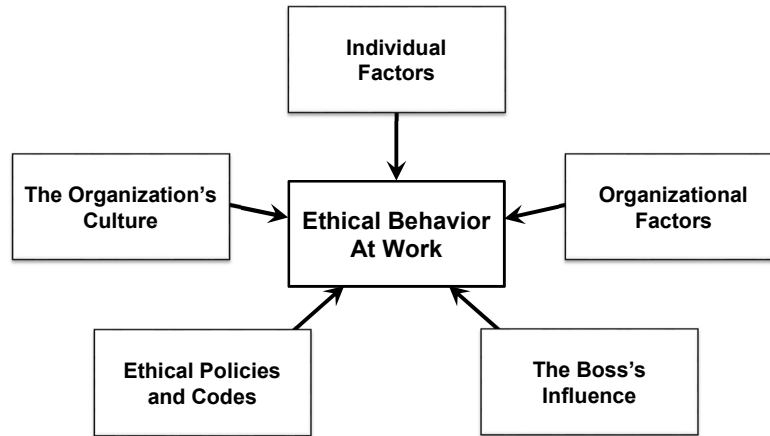
- **Codes of Ethics** give the public and professional a set of guidelines to judge and calibrate professional behavior. Most codes of ethics have three functions:

- The codes contain statements about the ideals a truly moral professional could aspire to be.
- The codes have an educational function. They give the public and the profession what behavior can be expected in social interactions.
- The codes have a legislative or mandatory function.

-Elliot-Boyle (1985)



What Shapes Ethical Behavior at Work?



Building Ethical Thinking



Review the handout:
***Recognizing
Leadership***



What Is Organizational Culture?

- Organizational culture
 - The characteristic values, traditions, and behaviors a company's employees share.
- How is culture revealed?
 - Ceremonial events
 - Written rules and spoken commands
 - Office layout
 - Organizational structure
 - Dress codes
 - Cultural symbols and behaviors
 - Figureheads

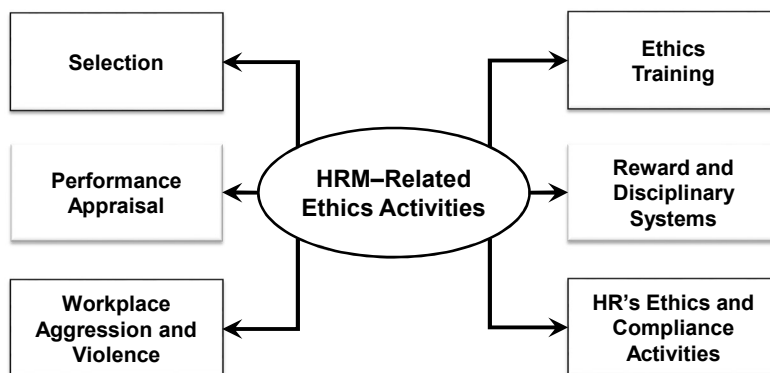


Employee Ethics Training



14-13

Human Resource Management's Role in Promoting Ethics and Fair Treatment



HRM-Related Ethics Activities

- Selection
 - Fostering the perception of fairness in the processes of recruitment and hiring of people.
 - ❖ Formal procedures
 - ❖ Interpersonal treatment
 - ❖ Providing explanations
 - ❖ Selection tools
 - ❖ Two-way communication
- Training
 - How to recognize ethical dilemmas.
 - How to use ethical frameworks to resolve problems.
 - How to use HR functions in ethical ways.



HRM-Related Ethics Activities (continued)

- Performance Appraisal
 - Appraisals that make it clear that the company adheres to high ethical standards by measuring and rewarding employees who follow those standards.
- Reward and Disciplinary Systems
 - The organization swiftly and harshly punishes unethical conduct.
- Workplace Aggression and Violence
 - Taking care that HR actions do not foster perceptions of inequities that translate into dysfunctional behaviors by employees.



HRM-Related Ethics Activities (continued)

- HR's Ethics Compliance Activities

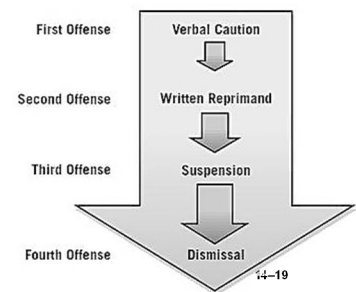
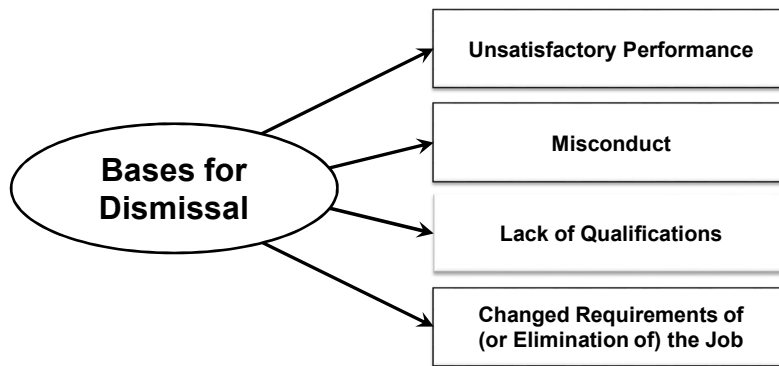
- Complying with various legislations.
 - ❖ Requires that the CEO and the CFO of publicly traded companies personally attest to the accuracy of their companies' financial statements and that its internal controls are adequate.
 - ❖ Increased the need for ethics training and verification of training.
- Firms are using online ethics training programs to comply with the act's requirements.



Guidelines for Fair Discipline

- Does evidence support the charge of employee wrongdoing?
- Were the employee's due process rights protected?
- Was the employee warned of disciplinary consequences?
- Was a rule violated and was it "reasonably related" to the efficient and safe operation of the work environment?
- Was the matter fairly and adequately investigated before administering discipline?
- Did the investigation produce substantial evidence of misconduct?
- Have rules, orders, or penalties been applied evenhandedly?
- Is the penalty reasonably related to the misconduct and to the employee's past work history?
- Did anger, hearsay, or personal impression affect the decision?

Grounds for Dismissal



Interviewing Departing Employees

- Exit Interview

- Its aim is to elicit information about the job or related matters that might give the employer a better insight into what is right—or wrong—about the company.
 - ❖ The assumption is that because the employee is leaving, he or she will be candid.
 - ❖ The quality of information gained from exit interviews is questionable.