



# **Ethics and Professionalism when Managing People**

# PHASE 1: Learning SHRM Through Theory

Week 1: ——— An Intro to the module and a little on what we mean by Strategic HRM

Week 2: ——— What makes a good employer? (Best Practice)

Week 3: ——— Shouldn't HRM be dependent on organisational needs? (Best Fit)

Week 4: ——— What external forces influence HRM?

Week 5: ——— What do HR functions and departments actually look like?

Week 6: ——— HR and ethics – people are problematic

# Where do we draw the line with what HR in an organisation should do for employees in order to be “Ethical”?



The top 10 HR questions in October 2020:

1. [What is the Job Support Scheme?](#)
2. [How should employers carry out right to work in the UK checks for European nationals following Brexit?](#)
3. [What should an employer do if an employee refuses to wear a face covering when this is required?](#)
4. [How should an employer calculate an employee's length of service for the purposes of redundancy pay if the employee is paid in lieu of notice?](#)
5. [When will the Coronavirus Job Retention Scheme close?](#)
6. [Does an employer commit an offence if a worker who is required to self-isolate attends work?](#)
7. [When does the £95,000 cap on exit payments in the public sector come into force?](#)
8. [What is the Job Retention Bonus?](#)
9. [Can an employer inform its staff if a colleague has tested positive for coronavirus \(COVID-19\)?](#)
10. [What is IR35?](#)

# ***Outline for today***

Ethics & HRM – Definitions, principles and ethical frameworks

Topical Areas

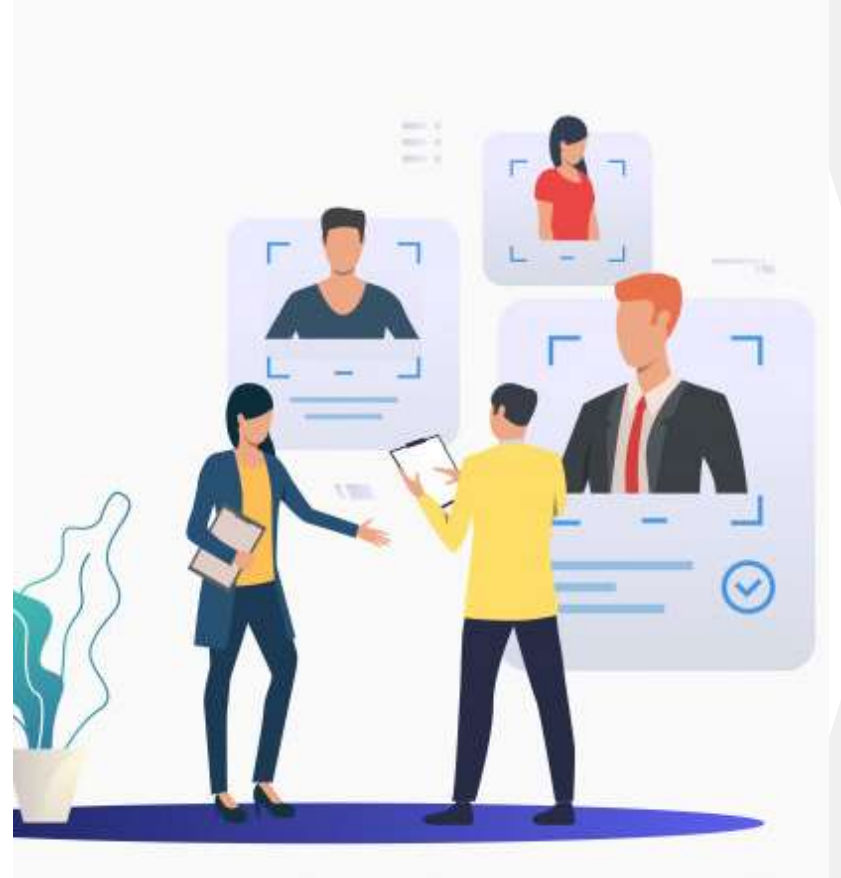
- Downsizing
- Corporate Social Responsibility and HRM
- CIPD Code of Conduct

Your project, ethics, and identifying stakeholders

# Ethical practice and the role of HR

- HR professionals “have unique access to staff throughout their careers”
- “Ethics are at the heart of professionalism, and practitioners need to demonstrate strong standards of integrity when advising leaders on the people implications of business decisions, in order to create cultures of transparency and trust”
- This is against a backdrop of accepting that “work isn’t always a force for good”
- “Ethical practice in organisations includes the application of ethical values (such as fairness, honesty, openness, and integrity) to organisational behaviour”

CIPD, 2018



# Does HRM distance and depersonalize morality? After all, we're still treating people (disassembling them) as human "Resources"! (Gama et al, 2012)

J Bus Ethics (2012) 111:97–108  
DOI 10.1007/s10551-012-1479-z

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## **Ethics and HRM: Theoretical and Conceptual Analysis** **An Alternative Approach to Ethical HRM Through the Discourse and Lived Experiences of HR Professionals**

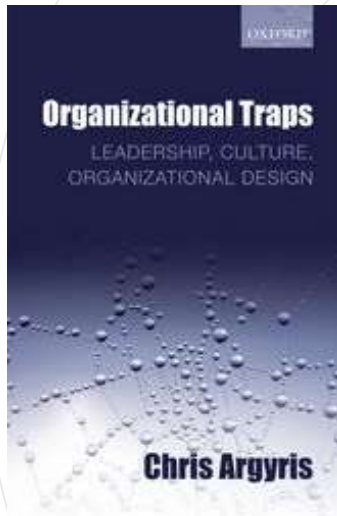
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**Abstract** Despite the ongoing consideration of the ethical nature of human resource management (HRM), little research has been conducted on how morality and ethics are represented in the discourse, activities and lived experiences of human resource (HR) professionals. In this

**Keywords** Alternative ethics · Discourse and lived experience of HR professionals · Moral neutralization · Moral impulse

# The messy reality of organizational life



People in organizations become trapped into following the same dysfunctional behaviours over and over. As such, it's hard to follow espoused values or learn from past problems.

Why is this? Because we use Defensive Reasoning when talking about things.

*"we deal with difficult situations by not dealing with them. We find ways to pretend to engage and in fact manage to avoid engaging and keep what we are doing hidden from ourselves".*

**What's the difference between moral and ethical?**



# Setting the context ...

**Moral** – the extent that certain actions are thought to be consistent with the accepted ideas of right or wrong

**Ethical** – relates to general principles about what people “ought” or “ought not to do”. Norms or standards of behaviour that guide moral choice

Blumberg et al, 2005, cited in Anderson, 2009: 92

**Ethical dilemmas** – these arise when two or more values conflict, e.g. pharmaceutical company has to meet profit target by testing a drug on animals

Ethical decision making is mainly legally driven. An **ethical stance** is where an organisation exceeds its minimum obligations to stakeholders and society at large (Johnson et al, 2005 cited in Bratton & Gold, 2012: 44)



# Ethical theories fall into 2 categories

- **Practical** – judge a decision on the outcome, *“the end justifies the means”*, utilitarianism *“greatest happiness for the greatest number”*
- **Principled** – are the motivations to act correct – taking account of the rights and duties of individuals, *“do unto others as you would have done unto yourself”* – this is cited in 6 different religions

So one is about outputs and the other is about rules

# ***Five ethical principles***

For managers and HR professionals to consider when navigating through tangled moral issues which will arise. They are:

- 1. *Individual rights*** – free speech, privacy, freedom of conscience, due process of the law. People never treated as a means to an end, or commodity
- 2. *Distributive justice*** – decisions should be based on fairness, equity and impartiality
- 3. *Utilitarianism*** – ‘greatest good for the greatest number’
- 4. *The stakeholder*** – decisions take into account those with a stake in the organisation
- 5. *Care*** – sensitive to relationships between workers and the needs of the situation. Estrangement from self and others causes moral indifference.

Bratton & Gold, 2017

# Eight Ethical Lenses

1. **Fairness** – everybody in the organisation should be able to agree to it
2. **Merit** – actual merit (worth) shows itself and guaranteed equal opportunity
3. **Markets** – jobs and rewards follow the voluntary market
4. **Democracy** – no one should be subject to a regime in which they have no say
5. **Wellbeing** – work should be good for us and promote well-being
6. **Rights and duties** – some right are universal and everybody has duty not violate others' rights
7. **Character** – we should all work to develop the best ethical character for our roles
8. **Handing Down** – although we can't change the world, we can conserve and maintain the small part where we have stewardship.

CIPD, 2015

Utilitarianism – ‘greatest happiness principle’, i.e. it is morally right if it results in the greatest amount of happiness for the greatest number. “The Greater Good.”



Can you think of any dangers (take into account the other ethical principles)?

# SOME CURRENT ETHICAL TOPICS

GENDER PAY GAPS

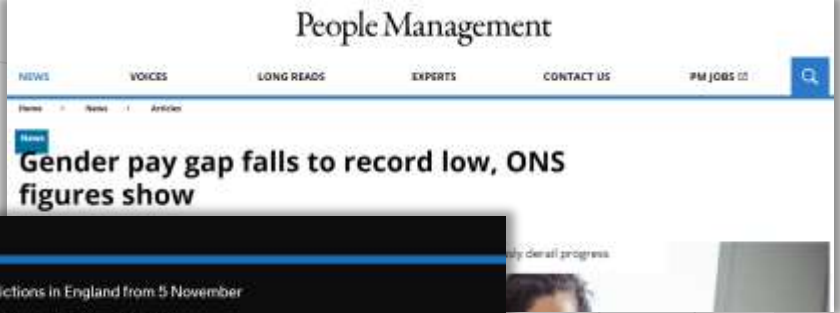
DIVERSITY AND  
DISCRIMINATION

WELLBEING

FLEXIBILITY

SAFETY IN THE  
WORKPLACE

THE “F” WORD  
(FURLOUGH)



# Human Rights Act 1998

- **Discrimination** - The enjoyment of the rights and freedoms ... shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.



# Equality Act 2010: Protected characteristics

1. Age
2. Disability
3. Gender reassignment
4. Marriage and Civil Partnership
5. Pregnancy and maternity
6. Race (inc. colour, nationality and ethnic or national origins)
7. Religion and Belief
8. Sex (gender)
9. Sexual Orientation



But what about other characteristics attracting stigma or disadvantage?

# **Key areas of UK employment law: you need to comply and views about whether they are ethically right or wrong are irrelevant**

1. The contract of employment
2. Employee rights to time off
3. Maternity and family rights
4. Part time employees' rights
5. Regulations over time spent working
6. Rights to fair and equal treatment
7. Rights to representation and communication



# Issues arise with what to do beyond the bare minimum of legal compliance (ethical stance)...

Downsizing

Pay gap reporting

Parental leave

Mental health and wellbeing

Employee voice

**Pay gap reporting, parental leave, employee voice and mental health are all very current conversations going on in HR (look at Personnel Today, CIPD and People Management for more on these).**

**Instead I'd like us to look a little more at downsizing. It's so common that there's a danger that we talk about it too casually.**

# “Downsizing” – an euphemism for sacking people

Defined as “an intended and systematic reduction in the workforce with a view to enhancing performance” (Kozlowski et al 1993) or “fulfilling shareholders’ profit-maximising expectations” (De Meuse et al 1994) (both cited by Parks and Harris, 2008).



- Downsizing takes a utilitarianism stance– “greatest happiness outcome” - a few job losses now, will protect the majority
- Also considers the needs of one stakeholder over another, e.g. shareholders over employees
- How far should this go? What are the dangers?

# “Downsizing” – an euphemism for sacking people

Downsizing is not a “ethically neutral” activity. The extent that resources are abundant, could be the grounds for judging whether downsizing is morally or socially responsible (Van Buren, 2000 cited in Kramar & Syed (2012: 136)).

Care needs to be taken not to ensure no impact on the organisation’s reputation.

It’s important that the process is carried out with fairness and equity otherwise there will be an impact in terms of employee behaviour (Kramar & Syed (2012: 136-7)).



# Corporate Responsibility (CR) and HR

“CR informs the way an organisation does business, including all aspects of corporate governance, to ensure that they are operating ethically and in a transparent and accountable way”

The CIPD suggests that within CR there are 4 main headings :

1. **Environment** – recycling materials to the whole carbon footprint
2. **Marketplace** – includes fair trading and corporate taxes
3. **Workplace** – focusing on the rights and well-being of employees
4. **Community** – e.g. supporting local community projects financially or via employee volunteering programmes

In relation to HR the advantages of taking a CR approach include:

1. Protecting the employer brand and reputation
2. Building credibility and trust with both current and potential customers and employees
3. Supporting employee engagement and retention





# Workplace CR – Health & wellbeing

You may agree that employers have a moral responsibility to provide employees with a **safe** and **healthy** working environment. (Investors in People has a wellbeing strand)

How far should this go?

1. Should organisations be writing wellness policies and getting involved in employees' health?
2. What has been your experience of health and safety policies at work?
3. Do you agree that managers should be charged with “corporate malpractice” where standards have gone below what is required?



# ***CIPD Code of Conduct\****



The code is designed to be applicable for all stages of an HR professional's career, for any organisation, and all work roles including line managers. It is constructed around four fundamental principles:

- 1. Professional competence and behaviour**, e.g. up to date and relevant knowledge.
- 2. Ethical standards and integrity**, e.g. honesty and confidentiality
- 3. Representative of the profession**, e.g. comply with the law and not collude with others to break the law, a role model for ethical standards
- 4. Stewardship**, e.g. ensuring that professional judgements are not compromised by bias and aligning practices to the achievement of business objectives.

See CIPD Code of Conduct, accessible at: [https://www.cipd.co.uk/Images/code-of-professional-conduct\\_tcm18-14310.pdf](https://www.cipd.co.uk/Images/code-of-professional-conduct_tcm18-14310.pdf)

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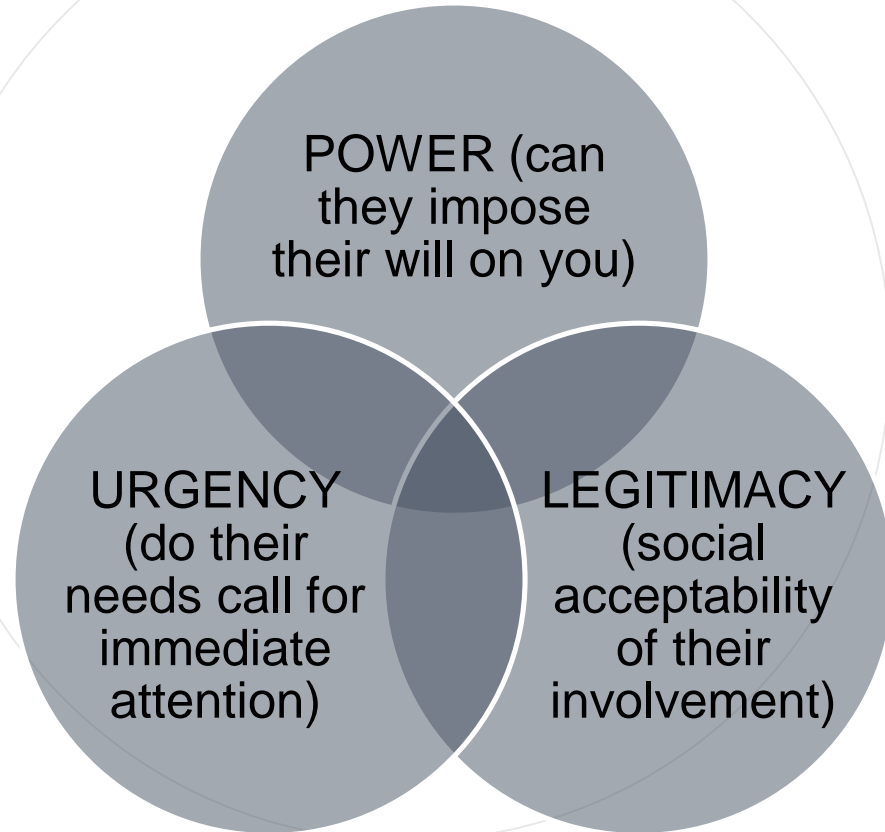
**MOVING FORWARD**

For Assignment Two there are going to be a variety of different projects based on a number of different topics.

All of the projects which have so far been finalised for this year will involve areas which have ethical issues attached to them.

Your challenge will be to identify who the stakeholders are AND where issues arise quickly so that you communicate professionally.

# HOW TO IDENTIFY AND PRIORITIZE STAKEHOLDERS:



Mitchell, Agle and Wood (1997)

# Alternatively... (Crane & Ruebottom, 2011)

		Traditional Stakeholder Roles							
		Investors	Customers	Employees	Competitors	Suppliers	Government	Media	NGOs
Social Identities	Age-based groups, e.g. children, seniors								
	Racial, national or ethnic based groups								
	Gender or sexuality based groups								
	Ability-based groups, e.g. blind, deaf, mental health								
	Political or issue based groups								
	Location-based groups								
	Role-based groups, e.g. parents, grandparents, students.								
	Other social groups								

# The key stakeholder – the Employer!

**Assessment criteria – project (for both the presentation and report)**

Skills and knowledge that will be assessed	F 0-33% Poor	D 40-49% Satisfactory	C 50-59% Sound	B 60-69% Good	A 70-84% Excellent	A+ 85-100% Outstanding
Meeting employer's requirements - often measured by whether the project adds values or can be used by the organisation	The project does not fulfil the requirements of the employer	Some parts of the employer's requirements have been met but not fully	The project has mainly fulfilled the requirements of the employer	As with C, but has marginally exceeded the requirements of the employer	The project delighted the employer	As of A but without any criticisms or areas for development

Don't forget about the University as a stakeholder either.

You are representing them, and you must keep me in the loop with how you are doing.

You must also cc me into any email correspondence you have with your organisation.

Even if you're doing well, or struggling a lot, let me know.

**Some (not all) of your projects might involve primary research.**

**I'll help with getting ethics forms completed quickly and support you with research consent forms.**

**But other issues will arise...**

Skills and knowledge that will be assessed	Fail 0-39% Poor	D 40-49% Satisfactory	C 50-59% Sound	B 60-69% Good	A 70-84% Excellent	A+ 85-100% Outstanding
<b>Critical evaluation - evaluates and challenges HR management practices and makes sound judgements about their value and implications (this is likely to involve conducting some primary research, although may not be applicable to every project)</b>	<i>Little or no evidence of critical thinking. Personal opinions are given, but little or no evidence is given to back these statements up. If primary research has been undertaken, there are significant limitations.</i>	<i>Attempts to analyse and think critically, but there are some personal opinions, and in places insufficient evidence is given. Some examples provided of HR practices in other organisations. If undertaken, the primary research adds some value but there are some limitations (e.g. small sample)</i>	<i>Arguments and statements are adequately backed up with evidence, i.e. appropriate examples of other organisations HR practices and/or sound primary research. If undertaken, primary research adds value and any limitations are acknowledged</i>	<i>As of C but to a greater depth. Primary research, if undertaken, adds value and is not flawed. There may also be examples of highly appropriate HR practices within other organisations</i>	<i>As with B but of an excellent standard, e.g. your work may challenge other people's ideas and HRM practices reflect expertly the organisation's needs</i>	<i>As of A but without any areas of criticism</i>



# Examples of primary research undertaken over the years!



- **What are the characteristics of Generation Y and what is their perceptions of Nationwide's employer brand?**  
Survey carried out on a small sample for qualitative perceptions of the employer brand.



- **Labour turnover analysis for nurses and sales staff:**  
Data given for analysis, confidentiality agreement signed by all group members, no primary research necessary



- **Revamping the management appraisal systems:**  
Interviews with 3 line managers and competitor analysis – Centre Parcs
- **Workforce planning:**  
Contacting providers of HRIS and outlining key features of systems.

# ***CIPD Code of Conduct\****



The following aspects apply to members carrying out HR research (taken from Anderson, 2009: 78).

I EXPECT YOU TO DEMONSTRATE THEM AS WELL.

Research is professional and responsible (taking account of privacy and confidentiality)

Research data is collected in an appropriate way

Informed consent is given by those being researched

Research methodology does not involve deception

The resultant research data is carefully interpreted

**Any information leaks beyond your organisation, or discussion outside your team, will result in an immediate stop to your project and a possible mark of ZERO.**

**You will destroy all of your data after submission of your report and presentation.**

# Gaining access

Even when the project has been set by the employer, access can be difficult. You're balancing the employers' time, information and access to intended participants (if appropriate). Bear in mind that:

Employers may not have the time to answer all your queries quickly:

- Always allow plenty of time (it's not going to be on the top of their priority list)

They may have concerns about the confidentiality of the information

- You may need to sign a confidentiality agreement and talk through concerns and be cautious

All employers state that students do not contact them enough and leave it too late! You need to submit a project update to them by Winter vacation (at the latest) but do take other appropriate opportunities to liaise with your employer.

# And most importantly...

Don't speak to people like they are a university experiment!

Be polite, act professional, and remember that you are talking to a human being.



**Before we finish...**  
**(a reward for those students who**  
**stuck around until the end of this**  
**session on ethics)**

# Some useful sources ...

Anderson, V., 2009, *Research methods in Human Resource Management*, 2<sup>nd</sup> edition, London, CIPD – Chapter 3, *Ethics and HR*: 70-94

Chartered Institute of Personnel & Development, 2015, *Research Report: Ethical decision-making: Eight perspectives on workplace dilemmas* [online], available at: [https://www.cipd.co.uk/Images/Ethical\\_decision-making\\_2015-eight\\_perspectives\\_on\\_workplace\\_dilemmas\\_tcm18-9564.pdf](https://www.cipd.co.uk/Images/Ethical_decision-making_2015-eight_perspectives_on_workplace_dilemmas_tcm18-9564.pdf), accessed 2 January, 2019

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Kramar, R. and Syed, J., (2012), *HR & Ethnics*, Chapter 5, pp.98-124 in *Human Resource Management in a global context: a critical approach*, Hampshire, Palgrave Macmillian

Parkes, C. and Harris, M., 2008, *Corporate responsibility, ethics and strategic HRM*, Chapter 11, pp.296-326 in *Strategic HRM – Building research-based practice*, The Aston Centre for Human Resources, London, CIPD