BUILDING AN ETHICAL WORKPLACE CULTURE
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INTRODUCTION

Welcome

Managing people in the workplace can mean that both managers and HR professionals are required to confront a number of difficult issues and dilemmas concerning ethics, roles, and business practices.

Managers and HR professionals alike increasingly need to address complex ethical issues in the workplace as part of their role. More and more organisations are making explicit the standards of behaviour expected in the workplace, and often both HR and line managers are charged with ensuring that these standards are met and are tasked with dealing with the situation when these standards are breached. This can give rise to some complex situations that may be extremely difficult to manage.

While the basics of ethical conduct can be quite simple, the application can be difficult because in real-life it often involves complex dilemmas (Wilson 2015). This one-day course looks at the role both managers and supervisors and HR professional play in managing ethics within the organisational context and the workshop uses a case-based approach to consider ways in which ethical dilemmas can be managed.

Learning outcomes

When you have completed this course you will be able to:

▪ define the professional and ethical principles which guide human resource management
▪ understand both management’s role and HR’s role in supporting the CEO to ensure an ethical workplace culture
▪ understand both HR and management’s role in the ethical decision-making process
▪ apply ethical decision-making tools to ethical workplace dilemmas.
TOPIC 1: WHAT IS ETHICS?

Ethical definitions

As an introduction to this topic it is useful to consider some definitions of ethics.

The *Oxford Dictionary* defines ethics as:

*Moral principles that govern a person's behaviour or the conducting of an activity.*

*Schools of ethics in Western philosophy can be divided, very roughly, into three sorts. The first, drawing on the work of Aristotle, holds that the virtues (such as justice, charity, and generosity) are dispositions to act in ways that benefit both the person possessing them and that person's society. The second, defended particularly by Kant, makes the concept of duty central to morality: humans are bound, from a knowledge of their duty as rational beings, to obey the categorical imperative to respect other rational beings. Thirdly, utilitarianism asserts that the guiding principle of conduct should be the greatest happiness or benefit of the greatest number.*

The Ethics Centre ([www.ethics.org.au](http://www.ethics.org.au)) is an independent not-for-profit organisation that has been working for over 25 years to help people navigate the complexity and uncertainty of difficult ethical issues. Their view is that ethics aims to answer one big question:

*How should I live?*

*Ethical beliefs shape the way we live – what we do, what we make and the world we create through our choices. Ethical questions explore what Aristotle called 'a life well-lived'.

*Ethics isn't just an exercise for philosophers or intellectuals. It is at the core of everyday life.*

*We ask ethical questions whenever we think about how we should act.*

*Being ethical is a part of what defines us as human beings. We are rational, thinking, choosing creatures. We all have the capacity to make conscious choices – although we often act out of habit or in line with the views of the crowd. We could all make conscious and conscientious ethical choices if we wanted to.*
We ask ethical questions whenever we think about how we should act. Being ethical is a part of what defines us as human beings.

There are times when those questions become challenges we just can't resolve alone.

Complex ethical problems can be individual and private or widespread and systemic, involving groups, organisations or whole communities. The distress these challenges cause is real and pervasive, leaving people stuck and struggling, anxious or broken.

Ethics provides a framework for answering these questions well. It allows us to be consistent in our judgements, provide reasons for our beliefs and to critically examine opinions. Most importantly, ethics allows us to act in a manner that accords with a set of core values and principles.

Ethical people have what philosopher Thomas Aquinas called a ‘well-informed conscience’. They live what Socrates called ‘an examined life’ – a life particularly associated with being human. Ethical people try to answer the question of how to live by reflecting on difficult situations. They then act in a way that is true to who they are and what they believe.

**Why be ethical?**

Lots of people like to play devil’s advocate and ask why they should be ethical. After all, sometimes doing what’s ethical comes at a personal cost. If ethics means we can’t exploit other people, tell lies, or steal when these things are in our best interests, why bother?

Ethical questions are an inescapable part of being human. We think and act according to ethical judgements all the time, whether we want to or not. Often the things that drive our actions are unknown to us – underpinning habits that lead us to act for good or ill without serious thought. Ethical reflection helps us make responsible judgements that reflect what we care about most.

There are a few other things you should know about ethics.
It's not all theory and complex dilemmas

Ethics is not only for the ‘big issues’. Should we execute criminals? Can we destroy embryos for medical research? Lie under oath?

These issues are complex and deserve attention, but ethics covers more than these big things.

It informs our day-to-day interactions. Should we tell a friend a truth even though we know it will upset them? Must we buy organic free-range eggs even though they cost more than the alternatives? Is it luxurious to spend my money on an overseas trip when there are people dying of starvation?

Ethics also looks beyond specific actions. Yes, we want to know how to act right now, but we also want to know how to structure our lives as a whole. This is the part of ethics Aristotle called eudaimonia – best translated as ‘flourishing’.

Ethics helps us to do the right thing, but it also helps us to live a life worth living.

Not every ethical question has one right answer. That's ok.

There is no ethical theory that can resolve every situation perfectly. Lots of things in our lives have moral value - sometimes they come into conflict. Moral dilemmas are inevitable.

Should you tell a lie to protect a family member who has done something wrong? Lots of people would say lying is always wrong. But those same people probably think we have special duties to take care of our families. Our answer in a case like this depends on how much we value certain ideals - truth or family.

What if we value both equally? This is where ethics gets tough. Unfortunately, even when faced with a moral dilemma we still have to make a decision.

In these cases we need to accept the limits to certainty when trying to decide what we ought to do. Sometimes our range of choice is reduced to picking the least bad alternative. Sometimes we may feel genuinely ‘stuck’ by a problem. In those cases we may just have to trust our experience and our conscience.

(The Ethics Centre, http://www.ethics.org.au)
Activity: Ethics – what does it mean to you and your organisation?

What is your and your organisation's definition of ‘ethics’?

Your personal definition:

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Your organisation’s definition:

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TOPIC 2: LEADERSHIP AND ETHICS

Ethical behaviour goes hand in hand with professionalism in business and is a base competency for both managers and HR professionals who aspire to practise leadership in the work environment. It is essential to keep in mind that managers operate at the intersection of ‘people and business’. Both have significant ethical dimensions. The work of senior managers, line managers and HR professionals requires a robust understanding of the ethical dimensions in decision making. This can be a critical area that many managers fail to fully comprehend.

For example, Nankervis et al. (2014, p. 39) highlight how unethical managerial practices led to the collapses of Enron in the USA and HIH insurance and One-Tel in Australia, necessitating an urgent need for more integrity in corporate governance.

In particular, these authors suggest that HRM is often seen as the most appropriate place for the ‘ethical conscience’ of an organisation to be located, stating that the centrality of ethics in corporate governance ‘makes HR the natural territory for ensuring integrity and ethics in the emerging strategies, behaviours and organisational processes’ (Nankervis et al. 2014, p. 40).

Nankervis et al. (2014, pp. 40-1) also state that:

*It is now widely accepted that specific micro-level HRM practices are of limited value unless they are aligned to the macro-level ‘big picture’ frames of ethical reference. In issues such as downsizing, discrimination, confidentiality, anti-union practices, intellectual property rights, product safety, commercial dealings, negotiating techniques, and outsourcing, both macro-level and micro-level ethical principles need to be the guiding frameworks.*

The following section looks specific at ethical conduct requirements for HR management.
Ethical conduct in HRM

Nankervis et al. (2014) outline five professional ethics items that should govern ethical conduct in HR management, as shown in the figure below.

(Source: Nankervis et al. 2014, p. 41, Figure 1)

Nankervis et al. (2014, p. 42) provide the following examples of what might constitute ethical practice in HR management:

1. International and national human, civil and employment rights
2. Ensuring organisational and procedural justice for all employees
3. Compliance with legal and social responsibilities
4. Generation of social capital for common good through ethical conduct
5. Working conditions and occupational safety
6. Child labour, gender equity, sexual harassment, etc.

7. Differential pay and conditions of local expatriate staff

8. Dealing with whistle blowing.

The issue of ethics in human resources is also taken up by Gubman (2004, p. 23) who advocates the need for HR professionals to become strong spokespeople for ethics and for healthy corporate cultures. He also refers to a number of corporate scandals and suggests that these ‘revealed no HR heroes, just complicity. Shame on us for being so willing to yield to executive excesses. There should be no need for a chief ethics officer—it should be the HR leader’.

Ethical leadership will not always be easy, however. Kramar et al. (2011, p. 558) note that:

*The ethical behaviour of a HR manager is necessarily limited by the ethicality of senior management and organisational culture. … Human resource managers who continue to take an ethical stance in an unsupportive organisational environment risk negative personal and professional consequences.*

While it may be difficult at times, there is no question that the credibility of an HR professional as they take on the diverse and interrelated roles of HR practice will depend to some extent on their leadership, by example and policy, on ethical practice within organisations.

If the organisation has a code of conduct, it may help avoid or address some ethical issues, however, as Kenton and Yarnall (2010, pp. 200-1) ‘a clear sense of your own principles is often more important in helping you to make judgements when faced with ethical dilemmas’.

While some of the above questions may only apply in serious and extreme cases, the questions are useful to ask yourself in any circumstance where you are faced with an ethical dilemma. They will help you work through the situation and hopefully help you determine an appropriate course of action as a HR leader in your organisation.
Activity: Ethical conduct?

What guides human resources ethical practice in your organisation? Does your organisation have a professional code of ethics?
TOPIC 3: ETHICAL WORKPLACE CULTURES AND STANDARDS

Sustainable ethical practices

Some managers and HR practitioners have found the principles of robust ethics somewhat elusive. The basics of ethical conduct and morality are quite simple, but application can be difficult because real life cases involve no single correct answer (Wilson 2015).

Good ethics is good business. In 2011, the Ethics Resource Centre in the United States reported that half of the nation’s employees witnessed unethical or illegal conduct in their workplace, and the cumulative costs were 10% of GDP. A commission of inquiry into the global financial crisis concluded that it was caused by a systematic breakdown in business ethics (Wilson 2015).

Many organisations have high level ethics and value statements prominently displayed on their walls, posted on their website etc., but they’re no more than broad based expectations or conditions of acceptance. Good HR practitioners have taken this a step further and have considered where their main ethical risks lie by talking to their people (Wilson 2015).

Wilson (2015) states that HR can be both a champion and a guardian of ethical cultures on the job by focusing on eight areas for sustainable success in these challenging roles:

1. Recruitment, selection and induction procedures – where an employee’s experience with an organisation begins is the best place to immerse them in the organisation’s values and what is deemed acceptable behaviour.

2. The structure and nature of ethical compliance programs should be integrated with continuous learning and leadership programs.

3. Pay performance and promotion procedures are areas where ethics should feature in how performance is assessed.

4. Review how leadership and role modelling occurs to facilitate leadership regularly talking about ethical challenges and how they are resolved.

5. Training and development programs should aim at developing the required culture.
6. Measure workplace communications and interactions for alignment with the organisation’s values.

7. Ensure cultural surveys capture all critical values and behaviours and are measured in all business units.

8. The tone should be set at the top of the organisation with executive leadership examining measuring how people are rewarded through peer reviews.

Longstaff (2017) advises that it is the role of both management and HR to ‘walk the talk’ when it comes to ethics and values, and to recruit and retain people who do the same. Their role is to:

…ensure that business identifies, recruits and retains people who are committed to their company’s ethos. Their own values and principles need to be in line with those of the company for them to look beyond mere compliance as a reason for helping the company achieve its commercial objectives through ethical conduct.

Ethical culture: Management and HR’s role supporting the CEO

According to Colvin (2017) senior management, line management and HR play a pivotal role in setting the cultural tone in an organisation, and they provide an ethical lens through which the CEO, executive team and the board make decisions. Culture is a proven and accepted influence on behaviour, however, few organisations measure culture and track their ethical climate and even fewer understand their sub-cultures and their misconduct risk ‘hot spots’ (Tsahuridu 2017). Colvin (2017) advises that this requires managers and HR to:

▪ bring to the attention of the CEO sound measurements such as those related to absenteeism, staff turnover or staff surveys
▪ discuss the significance of these measures in terms of any ethical concerns, and
▪ work on possible solutions where issues are identified.

Tsahuridu (2017) argues that if culture is important and it is better at predicting what people will do then why not invest in perfecting its measurement and ensuring that the organisation knows its culture as accurately as it does its headcount?
Managing ethical issues is part of the fabric of the organisation with serious ethical breaches potentially being life threatening to any organisation and reputational damage can be long lasting. Misjudging the severity or nature of the ethical issue, be it over- or under-estimating, can also be cause for concern. Both the management team and HR can help the CEO assess these judgements, as most ethical issues are people issues (Colvin 2017).

Ethical choices are built into the both the supervisory management and HR functions in various ways, such as when organisations are involved in disciplinary actions, setting remuneration (including bonuses), preventing discrimination, and managing workplace safety. It’s part of what good managers and HR practitioners do on a day-to-day basis. Ensuring any ethical issues are discussed in addition to performance, conduct and business issues where appropriate is invaluable to a CEO, the board and the executive management team. Courage to do so in some circumstances can be required (Colvin 2017).

According to Colvin (2017) it’s important for the organisation’s leaders to ‘walk the talk’ on cultural and ethical issues. This demonstrates to the wider organisation that the actions of the leaders reinforce ethical standards and don’t detract from them. HR can also assist and advise the CEO personally and confidentially on ethics if a positive and professional relationship has been developed.

Well-intentioned employees will become cynical if a company behaves in a way that they think is hypocritical and the extent to which employees think their leadership is hypocritical is one of the most important indicators of latent risk (Longstaff 2017).

To ensure a ‘whole of organisation’ approach to ethics, the organisation can implement programs, policies and training which is up-to-date, relevant and user friendly. Induction programs for new employees which includes ethical expectations is also part of the ethical mosaic (Colvin 2017).

CEOs have become the ‘chief ethics officers’ of their organisations and the ascent and omnipotence of social media means they operate in an environment of contested values (Maak 2017).

HR therefore has a key role to assist in CEO appointments through assisting the board in the appointment of a CEO which helps to appoint the right ‘ethical CEO’ which is one of the keys to creating an ethical organisation (Colvin 2017).
In order to assist both the CEO and the organisation on ethics, managers (in particular the HR function) must be trusted advisers, up-to-date on organisational culture and ethics, and they must facilitate good solid training and development to management and staff (Colvin 2017).

Indeed, the management team and the HR function can play a vital role in ensuring that the CEO does not make decisions that (inadvertently) undermine the company’s declared purpose, values and principles (Longstaff 2017).

According to Maak (2017) ethically positive decisions cannot be made in isolation; management and HR should become an ethical sounding board for CEOs – a challenging but exciting role in a changing world.

Activity: Ethical culture?

What strategies does your organisation use to measure the ethical culture?

What mechanisms do you have in place in your organisation to support the CEO and the Executive in helping them to ‘walk the talk’ on cultural and ethical issues? How strong is your relationship with senior leaders on ethical issues?
Ethical standards

We each have our own ethical ‘standards’ by which we abide. According to the Markkula Center for Applied Ethics:

…ethics refers to standards of behaviour that tell us how human beings ought to act in the many situations in which they find themselves - as friends, parents, children, citizens, businesspeople, teachers, professionals, and so on.

(Markkula Center for Applied Ethics 2017)

Why identifying ethical standards is difficult

The Markkula Center for Applied Ethics (2017) identified two fundamental problems in identifying the ethical standards we are to follow:

1. On what do we base our ethical standards?

2. How do those standards get applied to specific situations we face?

Philosophers and ethicists suggest that there are at least five different sources of ethical standards we should use.

The following excerpt from the Markkula Center for Applied Ethics, ‘Five sources of ethical standards’ provides a useful introduction to these sources of ethical standards.

Five sources of ethical standards

The utilitarian approach

Some ethicists emphasize that the ethical action is the one that provides the most good or does the least harm, or, to put it another way, produces the greatest balance of good over harm. The ethical corporate action, then, is the one that produces the greatest good and does the least harm for all who are affected-customers, employees, shareholders, the community, and the environment. Ethical warfare balances the good achieved in ending terrorism with the harm done to all parties through death, injuries, and destruction. The utilitarian approach deals with consequences; it tries both to increase the good done and to reduce the harm done.
The rights approach

Other philosophers and ethicists suggest that the ethical action is the one that best protects and respects the moral rights of those affected. This approach starts from the belief that humans have a dignity based on their human nature per se or on their ability to choose freely what they do with their lives. On the basis of such dignity, they have a right to be treated as ends and not merely as means to other ends. The list of moral rights—including the rights to make one’s own choices about what kind of life to lead, to be told the truth, not to be injured, to a degree of privacy, and so on—is widely debated; some now argue that non-humans have rights, too. Also, it is often said that rights imply duties—in particular, the duty to respect others’ rights.

The fairness or justice approach

Aristotle and other Greek philosophers have contributed the idea that all equals should be treated equally. Today we use this idea to say that ethical actions treat all human beings equally—or if unequally, then fairly based on some standard that is defensible. We pay people more based on their harder work or the greater amount that they contribute to an organisation, and say that is fair. But there is a debate over CEO salaries that are hundreds of times larger than the pay of others; many ask whether the huge disparity is based on a defensible standard or whether it is the result of an imbalance of power and hence is unfair.

The common good approach

The Greek philosophers have also contributed the notion that life in community is a good in itself and our actions should contribute to that life. This approach suggests that the interlocking relationships of society are the basis of ethical reasoning and that respect and compassion for all others—especially the vulnerable—are requirements of such reasoning. This approach also calls attention to the common conditions that are important to the welfare of everyone. This may be a system of laws, effective police and fire departments, health care, a public educational system, or even public recreational areas.

The virtue approach

A very ancient approach to ethics is that ethical actions ought to be consistent with certain ideal virtues that provide for the full development of our humanity. These
virtues are dispositions and habits that enable us to act according to the highest potential of our character and on behalf of values like truth and beauty. Honesty, courage, compassion, generosity, tolerance, love, fidelity, integrity, fairness, self-control, and prudence are all examples of virtues. Virtue ethics asks of any action, "What kind of person will I become if I do this?" or "Is this action consistent with my acting at my best?"

**Putting the approaches together**

Each of the approaches helps us determine what standards of behaviour can be considered ethical. There are still problems to be solved, however.

The first problem is that we may not agree on the content of some of these specific approaches. We may not all agree to the same set of human and civil rights.

We may not agree on what constitutes the common good. We may not even agree on what is a good and what is a harm.

The second problem is that the different approaches may not all answer the question "What is ethical?" in the same way. Nonetheless, each approach provides important information with which to determine what is ethical in a particular circumstance. More often than not, the different approaches do lead to similar answers.

**Making decisions**

Making good ethical decisions requires a trained sensitivity to ethical issues and a practiced method for exploring the ethical aspects of a decision and weighing the considerations that should impact our choice of a course of action. Having a method for ethical decision making is essential. When practiced regularly, the method becomes so familiar that we work through it automatically without consulting the specific steps.

Further the more novel and difficult the ethical choice we face, the more we need to rely on discussion and dialogue with others about the dilemma. Only by careful exploration of the problem, aided by the insights and different perspectives of others, can we make good ethical choices in such situations.

(Markkula Center for Applied Ethics, 2017).
TOPIC 4: ETHICS IN BUSINESS

Since the global financial crisis triggered ten years ago by the subprime era, ratings agencies such as Moody’s and Standard & Poor’s have admitted they are broadening the structure of their ratings on merger and acquisition deals. The firms’ defence is that their analysts now take into account not just the financial metrics of companies but also the critical element of human judgement. This is good news as spectacular failings of ethics and judgement helped fuel the debt crunch that sparked the 2008 global crisis, causing misery to millions of workers and their families. Accountants look after the financial resources of organisations and line managers and HR practitioners perform a similar function with respect to people. A central element is that sound human judgement went missing during the heady days leading into the subprime crisis. In particular, post-mortem assessments have had little trouble agreeing that there were widespread failings with respect to the appreciation of and adherence to ethical standards.

Role of the Chief HR Officer and the Chief Finance Officer

Ethical leadership works most effectively when it includes the shared responsibility of chief financial officers and chief human resource officers in modelling ethical values and practices.

The joint leadership of both these professions can contribute materially to the establishment of a corporate infrastructure that not only encourages and affirms ethical standards, but also enables key mechanisms for the ‘calling out’ of unethical behaviour.

As technological changes start to impact more widely on work, workplaces and workforces, collaboration between CFOs and CHROs will become even more critical in the emerging ‘gig’ economy. With the imminent outsourcing of the many transactional aspects of both CFO and CHRO roles to forms of artificial intelligence and automation, the opportunity is emerging for both professional groups to provide strategic direction on business ethics. Such a focus of leadership beyond the transactional tasks, will become a hallmark of practitioners in both professions. Furthermore, sound ethical leadership will become a central factor in distinguishing those who are professionally certified, from those who are not.

In close association with the research staff at CPA Australia, AHRI crafted a survey questionnaire in late 2016 which was designed to ask accounting and human resource practitioners their views on corporate ethical policy and practice from their different professional vantage points. A total of 902 responses were received. The findings of the survey are set out under three headings: on
ethical policy and practice in organisations in general, in the organisation of the respondent, and from the perspective of the professional role of the respondent. The survey also asked respondents to think back over their professional lives with ethical practice front of mind.

An interesting outcome of the findings was that the perspectives of the respondents in the two professional groups were markedly similar on a number of fronts. One was that responsibility for an ethical culture was seen as coming from the top, especially from the chief executive and the executive group. Another was a general agreement that what most influences the standing of ethical behaviour in organisations was evidence of leaders who walk the talk and demonstrate fairness. On the issue of what impacts on ethical conduct in their own organisation, the issue of reputation stood out among responses. On related issues, respondents thought leadership was vital in improving ethical behaviour and that the greatest ethical motivator was the expectation set by leaders. Reflecting on their own professional role, respondents cited unfair treatment of employees and bullying as the two most common forms of ethical misconduct they had observed.

In terms of the future, respondents were asked whether they thought ethical behaviour would improve over the next five years. While around a third agreed it would, most of the remainder expect it will deteriorate or remain the same. For the answer to that question, we will have to wait and see.

- Around a third of respondents to the survey (36%) expect workplace ethical behaviour to improve over the next five years.
- Respondents say the main influences on an organisation’s ethics are ensuring consistency between what is said and what is done, and treating others fairly.
- Respondents believe the CEO has the greatest impact on ethical conduct.
- Respondents believe the most important reason for having an ethical culture is because of its impact on the reputation of the organisation.
- The single most powerful motivator for employees to meet ethical standards is expectations, according to respondents.
- Faced with an ethical issue, almost half the sample said they would turn to their manager or supervisor for advice.
- The most common forms of misconduct experienced by respondents were unfair treatment of employees, and bullying and harassment.

(AHRI 2017)
**Activity: Ethics in your organisation – influence of leadership characteristics on workplace ethics**

Indicate on a scale of 1 to 10 what you regard as the main influences on your organisation’s ethics (with 10 being the strongest influence through to 1 being the weakest influence).

<table>
<thead>
<tr>
<th>Factors</th>
<th>Rank Scale (1-10)</th>
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<tbody>
<tr>
<td>Allow others to participate in decisions</td>
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<tr>
<td>Be transparent in the decision-making process</td>
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<td>Care about, respect and support others</td>
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<td>Communicate clear expectations and performance goals</td>
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<td>Ensure others are clear about their responsibilities</td>
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<td>Ensure people have adequate resources, including time</td>
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<tr>
<td>Ensure there is consistency between words and acts</td>
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<td>Explain ethical rules</td>
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<td>Keep promises</td>
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<td>Listen to others’ ideas and concerns</td>
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<td>Make principled and fair choices</td>
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<td>Measure ethical conduct</td>
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<td>Promote ethical conduct</td>
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<td>Reward ethical conduct</td>
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<td>Talk about ethics</td>
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<tr>
<td>Treat others in a way that is right and fair</td>
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</table>

**Compare your rankings with the Ethics in Business results**

Respondents of the AHRI Ethics in Business survey were asked to indicate on a scale of 1 to 10 what they regarded as the main influences on an organisation’s ethics. The two top preferences with scores of 9 or more were:
- Ensuring consistency between what is said and what is done
- Treating others in a way that is right and fair.

Scores in the high 8s were: promoting ethical conduct, making principled and fair choices, and keeping promises.

**Activity: Ethics in your organisation – factors that are important in making organisations in general ethical**

You are asked to rank on a scale of 1 to 9 what you believe makes your organisation ethical (with 9 being the most important factor through to 1 being the least important factor).

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rank Scale (1-9)</th>
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</thead>
<tbody>
<tr>
<td>Controls compliance</td>
<td></td>
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<tr>
<td>Ethical culture</td>
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<tr>
<td>Ethical leadership</td>
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<tr>
<td>Ethics training</td>
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<tr>
<td>Laws and regulations</td>
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<tr>
<td>Oversight and enforcement</td>
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<tr>
<td>Penalties and fines</td>
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<tr>
<td>Policies and rules</td>
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</tbody>
</table>

**Compare your rankings with the Ethics in Business results**

Of organisations in general, respondents of the AHRI Ethics in Business survey were asked what they believe makes organisations ethical and to rank them on a scale of 1-9. The highest ranked were:

- Penalties and fines (7.19)
- Controls (5.77)
- Compliance (5.55)
- Oversight and enforcement (5.6)
- Laws and regulations (5.48).

There were no scores in the 6 range.
**Activity: Ethics in your organisation – factors that have the most impact on ethical conduct in your organisation**

You are asked to rank on a scale of 1 to 10 what you believe has the greatest impact on ethical conduct (with 10 being the most important factor through to 1 being the least important factor).

<table>
<thead>
<tr>
<th>Factors</th>
<th>Rank Scale (1-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influences from the external environment</td>
<td></td>
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<tr>
<td>Other role models within your organisation</td>
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</tr>
<tr>
<td>The control measures your organisation has in place</td>
<td></td>
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<tr>
<td>The culture of your organisation</td>
<td></td>
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<tr>
<td>The goals of your organisation</td>
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<tr>
<td>The leaders of your organisation</td>
<td></td>
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<tr>
<td>The mission of your organisation</td>
<td></td>
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<tr>
<td>The practices and behaviours in your organisation</td>
<td></td>
</tr>
<tr>
<td>The stated policies and rules of your organisation</td>
<td></td>
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<tr>
<td>The values of your organisation</td>
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</table>

**Compare your rankings with the Ethics in Business results**

Of their own organisation, respondents of the AHRI Ethics in Business survey were asked what they believe has the greatest impact on ethical conduct, and to rank them on a scale of 1-10.

The highest score was ‘The leaders of your organisation’. It was the only score in the 9 range at 9.2. The next highest scores were:

- The culture of your organisation (8.84)
- The practices and behaviours in your organisation (8.68)
- Other role models in your organisation (8.33), and
- The values of your organisation (8.11).

There were no scores in the 7 range.
Activity: Ethics in your organisation – the most important reasons in your organisation for having an ethical culture

Rank on a scale of 1 to 10 what you believe are the most important reasons for having an ethical culture (with 10 being the most important reason through to 1 being the least important reason).

<table>
<thead>
<tr>
<th>Factors</th>
<th>Rank Scale (1-10)</th>
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<tbody>
<tr>
<td>Current employees’ expectations</td>
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<tr>
<td>Effectiveness of the organisation</td>
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<tr>
<td>External stakeholder expectations</td>
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</tr>
<tr>
<td>Future employees’ expectations</td>
<td></td>
</tr>
<tr>
<td>Law/regulation Profitability of the organisation</td>
<td></td>
</tr>
<tr>
<td>Meeting professional standards</td>
<td></td>
</tr>
<tr>
<td>Providing transparency for stakeholders</td>
<td></td>
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<tr>
<td>Reputation of the organisation</td>
<td></td>
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<tr>
<td>Sustainability of the organisation</td>
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</table>

Compare your rankings with the Ethics in Business results

Of their own organisation, the respondents to the Ethics in Business survey were asked what they believe are the most important reasons for having an ethical culture, and to rank them on a scale of 1-10. The highest score was ‘Reputation of the organisation’, being the only score in the 9 range at 9.08. The next highest scores were:

- Sustainability of the organisation (8.28)
- Effectiveness of the organisation (8.24)
- Current employee expectations (8.06)
- Meeting professional standards (8.05), and
- Providing transparency for stakeholders (8).

Scores in the 7 range were future employee expectations (7.82), external stakeholder expectations (7.75) and law and regulation (7.57).
TOPIC 5: CAUSES OF ETHICAL ISSUES

There are numerous reasons why ethical issues and unethical behaviour might arise in an organisation. In the Ethics in Business report (AHRI, 2017) respondents were asked to think about the organisations in which they have worked, and to state what they believe to be the most common causes of ethical issues that have arisen in their experience. A total of 376 respondents provided answers to this question.

Responses alluded to the wide range of reasons as to why ethical issues may arise. A sample of responses follows under summary headings.

Leadership

Around 200 responses touched on matters to do with management behaviour and culture as well as tone at the top.

Sample respondent comments include the following:

- “Dodgy leadership.”
- “Incompetent and uninvolved executive leadership pre-assured of performance bonuses.”
- “Lack of direction from the leadership team, setting unacceptable standards, not living the company values – double standards.”
- “Lack of leadership and behaviour of senior leadership team – did not set an example for the rest of the employees.”
- “Lack of senior leadership on ethical behaviour. Accepting low standards of conduct and behaviour from more senior managers.”

Management behaviour

Around 120 responses touched on behaviours such as saying one thing and doing another, behaviour and culture, as well as tone at the top.

Sample respondent comments include the following:

- “Behaviour of others, especially leaders, not being fair and equitable, the 'if it's ok for them' mentality.”
- “Executive team behaving poorly.”
- “Managers not walking the talk; lack of understanding.”
▪ “Senior management leading with the wrong behaviour.”
▪ “Poor behaviour from the management team.”

Pressure for results

Around 110 responses touched on matters connected to short-term thinking, and results that are exclusively focused on targets, profits and budgets.

Sample respondent comments include the following:

▪ “Budget first regardless of ethics.”
▪ “Competing interest delivering on target vs what is right.”
▪ “Drive to achieve targets and profits at all costs.”
▪ “Extreme, unachievable targets.”
▪ “People striving to meet targets and using unethical means to do so.”
▪ “Pressure to gain hard profits/more revenue regardless of what you do to achieve this – valuing profit margins over ethics.”

Culture

▪ Around 90 responses touched on matters connected to organisation culture but also to different national cultures bringing different ethical assumptions to the organisation.
▪ Sample respondent comments include the following:
▪ “Cultural norms and expectations that were not supportive of basic ethical tenets.”
▪ “Culture, where doing ‘the wrong thing’ was either accepted or a blind eye was turned.”
▪ “Embedded organisational culture.”
▪ “Poor culture that reinforced poor ethics in decision making.”
▪ “The organisational culture/ethical environment is the true reflection of the leadership or the management team of the organisation. The values and ethics always cascades down from the top to the bottom layer in the organisation. Bringing ethically strong employees into the business not only brings good culture into the organisation but also brings high reputation and success to the company in the market. Ethically poor culture is the biggest issue.”
Knowledge/awareness

Around 80 responses touched on matters related to people behaving poorly who, through inadequate training, were unaware of how they should behave.

Sample respondent comments include the following:

- “Employees being unaware of what might constitute an ethical dilemma.”
- “I’ve only worked for highly ethical organisations, as such, any challenges or potential areas of risk have come from a lack of education as opposed to anything more sinister (such as unfair pressure to reach targets etc.).”
- “Lack of education on the importance of ethical behaviour.”
- “Poor understanding of how to behave appropriately.”
- “Ethical issues are not clearly explained. The majority of ethical issues I have dealt with are because people were unaware that they were not acting ethically.”

Self-interest

Around 70 responses touched on matters related to conflicts of interest.

Sample respondent comments include the following:

- “People acting dishonestly or purely for self-interest. Conflicts between ethics and achieving corporate and individual goals.”
- “People justifying their unethical actions, e.g. ‘I deserve it, it’s not a big deal’ etc.”
- “Promoting self-interest ahead of other interests; greed, psychological problems.”
- “Self-interest and balancing the interests of the organisations / stakeholders / employees when these can be in conflict or not aligned.”
- “Self-interest was the cause in every instance for the person’s unethical behaviour – and self-interest and preservation of the status quo for those aware of the behaviour who did nothing. I have seen this on a number of occasions in different businesses, e.g. at a listed company and a not-for-profit.”
Individual beliefs and values

Around 50 responses touched on matters related to morality, integrity and unwarranted entitlement.

Sample respondent comments include the following:

- “Individual moral standing.”
- “Lack of integrity of individuals.”
- “Leaders or staff with indifference and a sense of entitlement as well as not seeing or not thinking about the impact of actions and decisions in a broader context. Not seeing that what they were doing was actually unethical and even when brought to their attention, still don't get it. I think some people just don't see it, no matter how much training or procedures are in place.”
- “Bad people who would act unethically no matter where they worked.”
- “Individuals' own set of moral guidelines. Laws do not make for ethical behaviour but make for compliance to the letter of the law, not the principle behind it. I'm seeing a lot of unethical behaviour in the profession particularly from people of different cultural backgrounds that see ethics as laws not individual responsibility and principles. I'm actually struggling with the different cultural interpretations of what deceit means, which I hadn't for the previous 25 years.”

Greed

Around 50 responses touched on this issue, often naming it in one single word.

Sample respondent comments include the following:

- “Greed and more greed. Greed creates chaos. Chaos creates suffering for all of us, including the perpetrator.”
- “Greed by senior executives improving their personal net worth.”
- “People being greedy wanting power at all costs. They do not care about others or the impact that they have.”
- “Greed. Putting profits above doing what is right or just.”
- “Greed, ambition.”
Lack of controls

Around 40 responses touched on inadequate policies and frameworks, and lack of consequences for poor behaviour.

Sample respondent comments include the following:

- “Lack of formal policy and guidelines.”
- “Poor ethical frameworks, compliance systems and a lack of understanding about fundamental governance policies and procedures.”
- “I would say the cause of the majority of ethical issues was no compliance and control.”
- “Opportunity combined with poor control mechanisms.”
- “Opportunities for those disposed to transgress to be able to do so without significant penalty.”

Conflict of interest

Around 30 responses touched on issues primarily related to poor behaviour connected to self-interest compared to what is in the company’s interest.

Sample respondent comments include the following:

- “Conflict between what is best for the organisation and what is best for its customers.”
- “Conflict of interest. When people’s personal goals get in the way, or the incentive system is not well thought through.”
- “Poorly managed or undisclosed conflicts of interests, combined with cronyism and nepotism.”
- “Balancing the needs of the individual against the requirements of the organisation.”
- “Not understanding the ethics of the organisation, conflicts of interest and internal politics.”

Ambiguity

Around 20 responses touched on issues related to grey areas and unclear expectations.

Sample respondent comments include the following:

- “Having grey areas and not setting and communicating what the codes are.”
- “Unclear expectations, guidance and support.”
- “Lack of guidance as to expectations.”
“Giving conflicting messages about what is expected of employees and the organisation; a disconnect between the stated mission and values, and what leadership actually did when they had to respond to situations.”

**Accountability**

Around 20 responses touched on issues related to lack of consequences for poor behaviour.

Sample respondent comments include the following:

- “Lack of discipline for those who were unethical, rewarding and promoting those who were unethical and punishing those who dared speak up about unethical conduct. Power abuse is prolific.”
- “Lack of enforcement for non-compliance.”
- “Management ignoring unethical behaviour.”
- “No consequences for acting unethically, and managers turning a blind eye to their own unethical behaviour.”
- “Employees not being held to account for their actions and being poorly managed by their leader.”

**Activity: Major ethical issues in your organisation**

What do you think are the major ethical issues within your organisation?

What strategies do you think need to be implemented to address the ethical issues you have identified?
TOPIC 6: ETHICAL DILEMMAS

Questions for HR

HR is a business function that is concerned with managing relations between groups of people. Inevitably, this process may raise questions about what the respective responsibilities and rights of each party are in this relationship, and about what constitutes ethical practice. Standards, values, morals and ethics have become increasingly complex in a postmodern society where absolutes have given way to tolerance and ambiguity.

Carter (2015) suggests that, as a group, it may be useful for HR practitioners to collectively consider the follow questions:

- **What is the ethical role of HR?** If it is every employee’s role to behave in line with company ethics and values and if managers are the keepers of the flame, then it can’t be HR’s role to implement ethical practice can it? Should we instead be an early warning system, ‘the canaries down the coal mine’, or individual smoke detectors of ethical fires that could erupt further down the line? Should our role be in engaging employees in the debate and promoting accountability?

- **What role does HR play when things seem to be going well but we can’t ‘see’ the bad behaviour, e.g. huge bonus payments, poor patient care etc?** Should HR be critiquing organisational culture as a matter of routine and being more pro-active in diagnosing problems and assessing ethical risk? Does our culture promote ethical conduct? Is there a pattern of problematic behaviour unfolding in specific areas and what are we doing about it? How do we identify ethical blind spots in our organisation’s culture?

- **What message does HR professionals’ own behaviour give?** Our decisions affect people’s working lives and future employment. Are we leading by example in acting with integrity, openness and honesty? Are we role modelling the right behaviours of inclusion and acceptance of diversity and honesty?

- **Has the HR function’s ambition to be seen as more strategic made us act too much like part of the business and too little like HR people?** Poor standards of conduct emanating from top management affect employee engagement and commitment to organisational goals. Should HR intervene more? Should we listen more to concerned employees speaking up and support them rather than help managers in shutting them up? Are we
as courageous and resilient as we need to be to challenge those at the top and say ‘this is wrong’? Are we just too keen to fit in with our most senior colleagues?

- Are we in HR clear what the practical implications are of living our organisation’s values in terms of contracts, appraisals, bonuses, non-monetary benefits, speak up mechanisms and development opportunities? Are we communicating these well and reinforcing the messages consistently? How are we evidencing practice in terms of ethics, integrity and honesty? Are we getting the whole story? Ethical conduct in business practice and HR procedures is no longer a matter of choice for companies: public pressure and consumer demand for sustainable and ethical business has forced most companies to set standards, systems and processes for ethics and values.

(Carter 2015)

**Activity: HR specialist ethical dilemmas**

Perhaps a way to think about ethics in HR is to consider some contemporary real-life dilemmas faced by HR specialists and line managers.

Some straightforward situations are provided below (Carter 2015). Try reading each dilemma in turn and ask yourself:

- Are there any ethical problems here?
- What is the full range of possible solutions available?
- Which solution would you choose and why?
- Would you behave differently if you knew for certain no one would ever find out?

After that, reflect on the scenarios as a whole. Consider:

- Which situation you found easiest to answer and which the hardest?
- What does this tell you about your approach to ethics and/or the culture of your organisation?
Scenario 1: Role conflict

You operate as a trained internal coach on top of your business unit manager day job. One of the managers you are coaching has been working hard on improving relationships within his team. You have also been encouraging him to provide more honest and constructive feedback so his staff are clearer about what needs to improve. A grievance is taken out against the manager by one of his team. The manager emails asking for support at his next coaching session tomorrow. You are also Chair of the Grievance Committee. What would you do and why? (Carter 2015)

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Scenario 2: Organisation change

You are HR Strategic Business Partner for a large manufacturing company which needs to cut costs and downsize in the face of fierce competition from emerging markets. The company have a number of manufacturing units in Europe, some of them in areas of above-average unemployment and deprivation. You are asked to join the leadership team planning which unit(s) should be closed and when. The assumption of the team seems to be that the decision will be made on financial grounds. What do you advise and why? What if financial analysis doesn’t produce a clear candidate? What would you then advise and why?
Scenario 3: Behaviour of leaders

You are HR Director of a professional services firm. A new Office Manager was appointed from outside the company a few months ago even though the Managing Partner had allegedly ‘favoured’ a particular internal candidate. Since then you have heard on the grapevine that the Managing Partner has been putting the new recruit under pressure, nothing she does is good enough and arrangements she requested at interview to support her work-life balance do not appear to be in place. She has not made a complaint but last time you saw her she appeared tired and stressed. What do you do (if anything) and why? (Carter 2015)

Scenario 4: Accuracy in reporting

You are a newly qualified Manager. Sales staff and senior managers at your company get bonuses based on sales figures in addition to their base salary. Sales figures were down last quarter. One of the sales team who you know socially mentions that he is expecting a big sale the following quarter when one of his customers has their annual sale. He alludes to pressure to write up the orders early so that they get counted for the current quarter. When you question this he says ‘We can always take the figures out later if we need to. Everyone else does it. This way everyone gets their bonuses. Isn’t that what the big bosses really want anyway?’ What (if anything) would you do and why? (Carter 2015)
Scenario 5: When the boss doesn’t like someone

You are an HR Manager in a media company. A receptionist has received positive appraisals over her 26 years with the company. The Creative Director does not like her. He claims she makes too many mistakes and ‘does not give the right first impression at the front desk’. He asks the supervisor to document the receptionist’s poor performance and get the paperwork ready so the termination process can begin. The supervisor is stunned. She thinks the receptionist is a good employee but she can’t afford to lose her own job by crossing swords with the Creative Director. What would you recommend the supervisor do? What are the potential consequences of her potential actions? At the core of these dilemmas is your ability to judge when a manager’s ‘latitude’ in decision-making becomes unethical. But this is by no means straightforward. (Carter 2015)

Now reflect on the scenarios as a whole:

- Which situation did you find easiest to answer and which the hardest?
- What does this tell you about your approach to ethics and/or the culture of your organisation?
There are many different ways of looking at each of the above cases. As well as our own moral codes we also have different levels of experience in different business contexts, all of which will affect our individual perspective on each case.

Those new to HR and line management roles may assume that their judgement will develop through experience and mentoring, but extensive experience can sometimes result in the sharing of corporate blind spots. If you are not 100 per cent certain that you have taken the full range of relevant ethical issues into account for each dilemma presented above, then perhaps you are not alone. Ethics is one of those topic areas where discussion between colleagues with differing levels of experience and different perspectives, can be beneficial for all concerned and help ensure that you reflect on a full range of potential solutions and their possible consequences.

**Topical ethical dilemmas**

Following are two recent topical ethical dilemmas that are getting a lot of media attention and creating substantial challenges for organisations in relation to the ethical issues they raise.

**Sexual harassment and bullying**

It can feel like not a day goes by without someone new being named and shamed in the sexual harassment scandals currently rocking the entertainment industry. So, in this cultural moment, what should HR be doing in their organisations? (Goonrey and Westcott 2017).

In the following article Hava (2017) looks at sexual harassment complaints and bullying allegations at Channel 7. Two serious issues that appear to have been mishandled by Channel 7 from an ethical, procedural and legal perspective. It is interesting to consider the implications for human resource management that arise from this case.

…a young cadet – who had previously complained about sexual harassment from an older, male reporter – was told to get her things and leave the building.

The cadet, Amy Taeuber was suspended from duty by a senior HR executive…

Although Channel 7 have denied any wrongdoing, if the investigation into Taeuber was retaliatory, their message seems to be loud and clear: Do not even attempt to go after senior male staff. And don’t expect HR to support you, if you do.
The case highlights the retaliatory nature of the investigation with problematic HR procedures during the investigation.

In the article AHRI Chairman Peter Wilson provides some insight:

“The two principles HR needs to manage when negotiating with a co-worker about an issue that might be employment threatening are – ‘no bias’ and ‘procedural fairness or natural justice’. On the published audio in this case – both principles appear to have been infringed.

“In cases of complaints like this, conversations are required with HR to clarify the context and prior events which are the subject of the complaint, and to afford the plaintiff co-worker with procedural fairness, such as access to a support person to be present when meeting with HR. All these issues must be dealt with fully, fairly and dispassionately before employment termination is either considered or acted upon.”

Ethical concerns

The Australian Human Right Commission says organisations’ are legally obligated to have an internal procedure for dealing with sexual harassment complaints supported by senior management and HR, as well as take remedial action when it occurs… a trusted mechanism should be in place to manage complaints – which will only be taken seriously by employees if action is taken.

…The Australian Human Rights Commission receives around 2388 complaints per year regarding anti-discrimination law, around 20 per cent (453) of which fall under the Sex Discrimination Act 1984.

…When an allegation of sexual harassment has been made, the Sex Discrimination Act says:

The complaints should be addressed in a fair, timely and confidential manner by trained personnel;

Ensure that the complainant is not victimised or disadvantaged for making the complaint, with their well-being reviewed regularly. Acting otherwise can be considered adverse action.
Workplace investigations

Whether or not allegations of bullying hold weight, you need to follow certain legally required steps in workplace investigations...complainants and witnesses need to be thoroughly interviewed, with the respondent then required to be informed of this evidence, as per Section 387(b) of the *Fair Work Act*. In accordance with section(c), the accused party should then be allowed to respond before a finding has been made. (Hava 2017)

Later in the workshop we will be working on a case study that brings out the ethical issues in relation to sexual harassment.

Artificial intelligence

The technology-driven world in which we live is filled with promise but also challenges. Cars that drive themselves, machines that read x-rays, and algorithms that respond to customer-service inquiries are all manifestations of powerful new forms of automation. Yet even as these technologies increase productivity and improve our lives, their use will substitute for some work activities humans currently perform—a development that has sparked much public concern.

McKinsey Global Institute’s (2017) latest report, ‘Jobs lost, jobs gained: Workforce transitions in a time of automation’, assesses the number and types of jobs that might be created under different scenarios through 2030 and compares that to the jobs that could be lost to automation.

The results reveal a rich mosaic of potential shifts in occupations in the years ahead, with important implications for workforce skills and wages. Their key finding is that while there may be enough work to maintain full employment to 2030 under most scenarios, the transitions will be very challenging—matching or even exceeding the scale of shifts out of agriculture and manufacturing that has been seen in the past.

McKinsey (2017) previously found that about half the activities people are paid to do globally could theoretically be automated using currently demonstrated technologies. Very few occupations—less than 5 percent—consist of activities that can be fully automated.

However, in about 60 percent of occupations, at least one-third of the constituent activities could be automated, implying substantial workplace transformations and changes for all workers.

The potential impact of automation on employment varies by occupation and sector. Activities most susceptible to automation include physical ones in predictable environments, such as
operating machinery and preparing fast food. Collecting and processing data are two other categories of activities that increasingly can be done better and faster with machines. This could displace large amounts of labor—for instance, in mortgage origination, paralegal work, accounting, and back-office transaction processing (McKinsey 2017).

According to Walsh (2017) the benefits of thinking machines are obvious. They will take the effort out of many intellectual tasks. They will do the jobs that are dangerous, mundane and unpleasant and they will do these tasks more efficiently and effectively than humans have done in the past. In addition to improving efficiency, computers augment our abilities, making us superhuman at a number of tasks.

However, Walsh (2017) asks what price we will pay for machines that think? They will take over jobs like truck drivers, interpreters, security guard, warehouse picker. Further Walsh (2017) argues that thinking machines will also likely hurt our privacy and that they may discriminate, and wittingly or unwittingly erode many of the rights we fought for over the last century. There will be other prices to pay. Human to human contact may decrease and in some cases, such as the care of the elderly, this maybe unwarranted. In other cases it may improve our lives. Another price to be paid may be in increase in inequality. The owners of the robots will get richer and the rest of us will fall behind even further. Walsh (2017) suggests that this widening gap is not inevitable, though. We can change our economic system, out taxes and our labour laws to prevent it happening.

Walsh (2017) poses the question that is this fifth revolution is it different. He says that in the industrial revolution machines took away just one of our skills: it liberated production from the limitation of our muscles. But there are still things only we can do. In the coming revolution, machines will take away one of our last unique skills: it will liberate our economies from the limitation of our minds. The machines will have no competition, for they will be literally superhuman.

Walsh (2017) describes a change in the future economy. The automation of many jobs will have significant impact on our economies. Many workers will be working for themselves by 2020 in this gig economy, charging consultant type fees and moving easily from one well-paid gig to the next. But unskilled workers will likely be squeezed, giving up job security, health care and other benefits, and receiving little compensation. Without significant fiscal changes Walsh (2017) says it seems likely that such forces will increase the growing inequality between rich and poor.
In his predictions Walsh (2017) says that computers will hire and fire. Computers are already trusted to match us with a spouse which he advocates is the most important decision we ever make. Matching people with jobs is much easier.

According to Walsh (2017) computers will increasingly take over many of the tasks of managing employee activities, holidays and monitor reward and performance freeing executives up to focus on more strategic aspects of their business. Associates, one of the world’s largest hedge funds announced a project to automate the day to day management of the firm, including hiring, firing and other strategic decision making. The project is being led by David Ferrucci, who previously ran IBM’s development of Watson.

Activity: AI – How should HR deal with these ethical issues? (Group discussion)

These AI projects raised by Walsh (2017) raise many ethical issues:

- Should we hand over decisions like hiring and (especially hiring and firing) to a computer?
- Where do we draw the line in empowering machines to make decisions, especially those that impact on peoples’ lives in fundamental ways?
- Are there some decisions we simply should not allow machines to make?
- How do we manage the push from employers for efficiency and the demands from employees for jobs?
- How do we re-design work and re-skill the workforce?
- How do we manage culture, performance and employee engagement in this gig economy?

What are your thoughts?
TOPIC 7: ETHICAL DECISION-MAKING TOOLS

Any of the following ethical decision-making tools can provide a useful means for exploring ethical dilemmas and identifying appropriate courses of action:

- The Ethical Decision Making Framework (Markkula Center for Applied Ethics)
- Guide to Ethical Decision Making (The Ethics Centre)
- The DECIDE Model (Thompson and Harries, 2000).

Ethical Decision Making Framework

| Recognise an Ethical Issue | 1 | Could this decision or situation be damaging to someone or to some group?
| 2 | Does this decision involve a choice between a good and bad alternative, or perhaps between two "goods" or between two "bads"?
| 3 | Is this issue about more than what is legal or what is most efficient? If so, how?

Get the Facts

| 1 | What are the relevant facts of the case? What facts are not known? Can I learn more about the situation? Do I know enough to make a decision?
| 2 | What individuals and groups have an important stake in the outcome? Are some concerns more important? Why?
| 3 | What are the options for acting? Have all the relevant persons and groups been consulted? Have I identified creative options?

Evaluate Alternative Actions

Evaluate the options by asking the following questions:

a) Which option will produce the most good and do the least harm? (The Utilitarian Approach)
b) Which option best respects the rights of all who have a stake? (The Rights Approach)
c) Which option treats people equally or proportionately? (The Justice Approach)
d) Which option best serves the community as a whole, not just...
some members? (The Common Good Approach)

e) Which option leads me to act as the sort of person I want to be? (The Virtue Approach)

| **Make a Decision and Test It** | 1. Considering all these approaches, which option best addresses the situation?
| 2. If I told someone I respect – or told a television audience – which option I have chosen, what would they say? |

| **Act and Reflect on the Outcome** | 1. How can my decision be implemented with the greatest care and attention to the concerns of all stakeholders?
| 2. How did my decision turn out and what have I learned from this specific situation? |

(Markkula Center for Applied Ethics)

**Guide to Ethical Decision Making**

According to The Ethics Centre (2017) the following questions are worth asking before making a decision:

1. **Would I be happy for this decision to be headlining the news tomorrow?**

   *This question is what’s known as the Sunlight Test. Imagine how it might feel if your decision – and the reasons you made it – were public knowledge. What if the people you most admire knew what you’d done and why? Note – it’s the ‘don’t be ashamed’ test not the ‘don’t get caught’ test.*

2. **Is there a universal rule that applies here?**

   *Is there a rule that any reasonable person should apply to this situation regardless of the consequences? Some rules are unbreakable, even when the stakes are high. For instance, we should never act in ways that undermine the equality and dignity of all people – ourselves included. The rules are often associated with duties – some of which we create ourselves, like when we make a promise.*
3. Will the proposed course of action bring about a good result?

We often think about ethics in terms of consequences. 'The greatest good for the greatest number' is a maxim many people recognise and accept. Consequences are an important part of ethical decisions, but are they everything?

We should be aware of what we’re sacrificing when trying to bring about good consequences. Are we violating an important principle? Are we compromising our own values? If so, have we considered these facts when balancing harms and benefits?

4. What would happen if everybody did this?

Would you be happy if your reason for action was used by everyone in the same circumstance? If not, then what makes you so special? Most ethical frameworks suggest the right decision for one person should be right for everybody in the same position. This test helps guard against ‘special pleading’ – when we make an exception for ourselves or different groups.

5. What will this proposed action do to my character or the character of my organisation?

Many people believe that our decisions shape our character and vice versa. That is, we can't lie and cheat without becoming a fraudulent liar. Subsequently, if we're a liar we'll tend to lie more often.

Think about whether your action is establishing a habit either for you or your organisation. Is it a good habit (virtue) or a bad one (vice)? If I cut corners on a work job today am I developing a habit of laziness that may affect my future work?

6. Is the proposed course of action consistent with my values and principles?

Plenty of people and organisations are happy to tell you what they stand for – but do they 'walk the talk'? Are my actions reflecting my ethical beliefs? Most ethical systems have no time for hypocrisy.

Answering these questions doesn't guarantee everyone will accept our decision. Moral disagreement is extremely common. But even the answer to our question doesn't achieve universal approval, the way in which we reach those answers
matters. Ethics allows us to explore these questions in a way that is sincere, rational, competent and honest.

In a nutshell ethics is about…

- Relationships.
- Struggling to develop a well-informed conscience.
- Being true to the idea of who we are and what we stand for.
- Having the courage to explore difficult questions.
- Accepting the cost of doing what we think is right.
- Asking one simple question – ‘what ought I to do?’

(The Ethics Center)

D.E.C.I.D.E. Model

Using the D.E.C.I.D.E. Model to Formulate Ethical Decisions

D = DEFINE YOUR PROBLEM [or problems] – What are the key facts of the case and what ethical issue/s demand an immediate decision from you or your team?

Analysis of a problem situation, using stakeholder analysis, generally reveals that defining the problem [or teasing out entangled problems] is often the most difficult part of the process. However, to define the problem clearly is essential before you can proceed to the next steps. It is useful to start by identifying all the stakeholders [those people with a direct interest in the outcome of a decision], and then proceed by the following steps:

- Familiarise yourself thoroughly with the key facts of the case
- List the key stakeholders and rank them in order of importance
- Clarify what are the primary rights of the main stakeholders and their contractual duties
- Determine what are your [or your agency’s] primary duties in relation to each stakeholder, and what rights you have in the matter.

E = ESTABLISH THE RULES – Which ethical principles or rules have a special bearing on the problem and decision you have to make, and how do you prioritise these?
Identify which of the fundamental principles of *protective beneficence, justice and respect for people’s rights*, as well as any other requirements such as the Code of Ethics and Professional Conduct have a bearing on the case. Then decide which of these principles ‘trumps’ the others in this situation. [Deciding between the competing demands of different principles is difficult and requires sound value judgement. There is no obvious ‘right’ answer, or there would not be a problem in the first place.]

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<tr>
<th>C</th>
<th>CONSIDER YOUR OPTIONS – What are the most reasonable, ethical and practical choices available to you in the specific situation under consideration?</th>
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<td>It is important to brainstorm all the possible things that you could do to deal with the problem, and then to spend some time focusing down on which are the most sensible and practical options. Some options will depend on obtaining further help or resources, or will take longer to achieve a satisfactory result, and some options may be more expensive or risky etc.</td>
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<th>I</th>
<th>INVESTIGATE THE LIKELY OUTCOMES – Given your past experience, what are the likely ethical outcomes, costs and benefits of each choice?</th>
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<td>Having generated a list of options and having ranked this in order of priority, from your point of view, it is important to run each option past the three principles of <em>justice, respects for people’s rights</em> and <em>responsible care</em> for others in the public good. If you tabulate the options and score each against the principles it is usually possible to see quite quickly which option is both more practical and ethically acceptable, or, at worst, least harmful.</td>
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<th>D</th>
<th>DECIDE ON YOUR COURSE OF ACTION – What is your goal? What are your practical objectives? How do you intend to achieve them effectively?</th>
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<td>Having conducted a careful option appraisal, on both factual and ethical grounds, you should have identified your best option for action. The next step is to develop a specific action plan with clear and achievable objectives, for only if you have clear goals and objectives, can you be said to be acting responsibly, and it is only with reference to your goals and objectives that you can evaluate later whether your action was successful or not. It is then important to commit yourself to resolute action and to execute your plan as efficiently and effectively as possible.</td>
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EVALUATE THE RESULTS OF YOUR ACTION – What criteria will you use to judge your success (or failure) to achieve your goal, and both your practical and ethical objectives?

No ethical decision can be said to be a fully responsible if you have not carefully appraised the results of your action and identified what you can learn from your successes or mistakes. Accountability means being able to give an account of what you have done to someone else, e.g.:

- What you perceived the problem to be and what ethical considerations you took into account
- What options you considered and what reasons you had for choosing your course of action
- What your action plan was and what goals and objectives you hoped to achieve
- What the specific outcomes of your action were, and whether these were good or bad.

[To be able to demonstrate what steps you took and to be able to justify them presupposes that you have documented the process and kept records of decisions and outcomes. Only in this way can you compare results of future occasions when you are faced with similar circumstances.]

(Thompson, I.E. and Harries, M and [Ed: Vagg, M.], 2000)
TOPIC 8: ETHICAL DILEMMAS – CASE STUDIES

Following are a number of ethical dilemmas for consideration and reflection – read the case studies and complete the activities following each of the case studies to explore situations which impact on both general management and HR management to apply ethical decision-making tools. In considering these cases think about the five sources of ethical standards that were considered earlier:

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<tr>
<th>The utilitarian approach</th>
<th>Some ethicists emphasize that the ethical action is the one that provides the most good or does the least harm, or, to put it another way, produces the greatest balance of good over harm. The ethical corporate action, then, is the one that produces the greatest good and does the least harm for all who are affected-customers, employees, shareholders, the community, and the environment. Ethical warfare balances the good achieved in ending terrorism with the harm done to all parties through death, injuries, and destruction. The utilitarian approach deals with consequences; it tries both to increase the good done and to reduce the harm done.</th>
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<td>The rights approach</td>
<td>Other philosophers and ethicists suggest that the ethical action is the one that best protects and respects the moral rights of those affected. This approach starts from the belief that humans have a dignity based on their human nature per se or on their ability to choose freely what they do with their lives. On the basis of such dignity, they have a right to be treated as ends and not merely as means to other ends. The list of moral rights - including the rights to make one's own choices about what kind of life to lead, to be told the truth, not to be injured, to a degree of privacy, and so on-is widely debated; some now argue that non-humans have rights, too. Also, it is often said that rights imply duties – in particular, the duty to respect others' rights.</td>
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<td>The fairness or justice approach</td>
<td>Aristotle and other Greek philosophers have contributed the idea that all equals should be treated equally. Today we use this idea to say that ethical actions treat all human beings equally- or if unequally, then fairly based on some standard that is defensible. We pay people more based</td>
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on their harder work or the greater amount that they contribute to an organisation, and say that is fair. But there is a debate over CEO salaries that are hundreds of times larger than the pay of others; many ask whether the huge disparity is based on a defensible standard or whether it is the result of an imbalance of power and hence is unfair.

The common good approach

The Greek philosophers have also contributed the notion that life in community is a good in itself and our actions should contribute to that life. This approach suggests that the interlocking relationships of society are the basis of ethical reasoning and that respect and compassion for all others—especially the vulnerable—are requirements of such reasoning. This approach also calls attention to the common conditions that are important to the welfare of everyone. This may be a system of laws, effective police and fire departments, health care, a public educational system, or even public recreational areas.

The virtue approach

A very ancient approach to ethics is that ethical actions ought to be consistent with certain ideal virtues that provide for the full development of our humanity. These virtues are dispositions and habits that enable us to act according to the highest potential of our character and on behalf of values like truth and beauty. Honesty, courage, compassion, generosity, tolerance, love, fidelity, integrity, fairness, self-control, and prudence are all examples of virtues. Virtue ethics asks of any action, "What kind of person will I become if I do this?" or "Is this action consistent with my acting at my best?"

(Markkula Center for Applied Ethics, 2017)

The following case studies have been reprinted with permission of the Markkula Center for Applied Ethics, Santa Clara University, www.scu.edu/ethics.
Case 1: Google's handling of the echo chamber manifesto

Consider the following case study exploring gender relations in a Silicon Valley company.

**Background**

In recent years, Google has been under major scrutiny for gender discrimination, and the Department of Labor is investigating Google for a potential gender pay gap. Also, Silicon Valley has been exposed as a community that repeatedly discriminates against women and other minorities, and research shows that the gender disparity in tech jobs is pervasive and widespread. As a result, Google has made a major push to create a more diverse and inclusive work culture.

In August of 2017, Google fired a male software engineer, James Damore, after he internally posted a memo that relied on inaccurate gender stereotypes to criticize Google’s implementation of its diversity and inclusion initiative. The memo was leaked to the press, which lead to a public outcry and exacerbated an already tense time for gender diversity in Silicon Valley.

Around the same time as Damore’s firing, a white supremacist protest that turned violent in Charlottesville, Virginia, heightened an already tense conversation about the complexities of free speech in America.

The overall conflicting views on free speech are split down ideological lines: Conservatives say they aren’t free to express their views because liberals will accuse them of being politically incorrect, while liberals believe that in an effort towards being more inclusive, people should avoid using language that is potentially offensive to marginalized communities.

**The Memo**

Damore says he was trying to point out that sometimes conservative viewpoints aren’t welcome at Google because of its liberal “echo chamber.” The memo also says that Google discriminates against certain employees and offers development opportunities “only for people with a certain gender or race,” and that Google has lowered the bar by hiring diverse candidates. Damore believes that in order to have a truly diverse culture, Google needs to create a safe space for more conservative views.
Damore’s memo also states that one of the central reasons there are fewer women than men in tech is women are biologically different from men. Damore then references scientifically unfounded gender stereotypes to support this line of reasoning. Some of the stereotypes he uses include: women are more neurotic than men; women are less capable of handling stress; and women are better at relationships than men because men are better at “things.”

The response

After the memo was leaked, many criticized the contents, calling Damore and his memo “anti-diversity,” with Google employees and some of the general public saying they were offended by its contents. Critics said Damore’s memo is exactly the type of discrimination that keeps women out of the tech industry, and some female Google employees expressed discomfort at having to work with Damore.

The day after the memo was leaked, Google’s VP of Diversity and Inclusion, Danielle Brown, issued a statement criticizing the discriminatory content of the memo, saying it did not align with Google’s dedication to creating a truly diverse workforce. Three days after the public release of the memo, Damore confirmed Google had fired him.

Sundar Pichai, Google’s CEO, released a statement explaining the decision to fire Damore. Pichai’s statement points out that some of Damore’s criticisms of Google’s attempts at creating a truly diverse culture are valid, but the memo violated parts of the company’s code of conduct “by advancing harmful gender stereotypes in our workplace.” Pichai also writes, “To suggest a group of our colleagues have traits that make them less biologically suited to that work is offensive and not OK.”

Those who disagree with the firing say it confirms Damore’s main argument: that Google does have a liberal echo chamber; Google is intolerant to conservative views; and that its diversity efforts have actually backfired and stifled diversity. Others who disagree point to Damore’s right to free speech. However, there is some legal ambiguity in this case because companies have the legal right to fire an employee who makes statements that could create a hostile working environment for other employees in a protected class (gender, age, sexual orientation, etc.), particularly in an at-will state like California, where Google is headquartered. But, in California, an employee cannot be fired for their political views, complicating the legal aspects of
this situation even further. Damore sought out legal counsel after Google fired him, and he is currently deciding whether or not to sue for wrongful termination.

Those who believe Google made the right decision by firing Damore point out that the company has made a very public commitment to creating a diverse and inclusive culture, and to have an openly discriminatory employee breaks that commitment. Keeping Damore around could also negatively impact morale among employees, create a hostile working environment, and lead to a backslide in culture. Additionally, Google has a peer review process, whereby employees review one another’s performance. These reviews directly influence potential raises, bonuses, and promotions, so Damore’s critics question whether he could be trusted to give fair reviews when he has openly discriminated against his female colleagues in the memo.

(Source: Tangdall, 2017)

Activity: Analysis of case study 1

Use the following questions from the Markkula Center for Applied Ethics and the Center’s Ethical Decision Making Framework presented earlier for reflection on the Google case study:

1. While Google’s termination of Damore’s employment may have legal repercussions, do you think their firing of Damore was ethical?
2. What would you do if you were in Pichai’s situation? Do you think you would have made the same decision?

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3. Is it ethical to fire someone who expresses beliefs that don’t ‘fit’ with the overall culture of the organisation?

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4. Does striving to make a work culture more diverse and inclusive, inhibit employees from speaking out? What can an organisation’s leaders do to avert potential negative outcomes?

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Case 2: The case of bad news

The new CEO of a corporation learns that he has inherited problems with growth and profitability. A four-day workweek and, eventually, layoffs prove necessary. Who is the CEO obligated to inform and when?

Responding to a business downturn

George Anderson was just a few months beyond his 40th birthday on the day he became CEO of Astratech Communications International (ACI). What an upper! He was still basking in the glow of his good fortune, eager to try out his skills as the CEO. He hoped to get the chairmanship one day when the company’s founder, Mike Marcus, decided to step down. Life was good.

ACI was a leading supplier of fiber optic transceiver components for the telecommunications industry. It sold to companies like Alcatel, Northern Telecom, and Ericsson, who put ACI’s components into the light wave equipment they manufactured. The company was based in Irvine, Calif., a great place to live, work, and raise a family.

ACI’s annual sales were around $500 million with 2,500 employees in locations in Mexico and Scotland, in addition to its Southern California headquarters. All of ACI’s hourly employees in the United States and abroad were represented by the IBEW, a union with a history of good working relationships with management. The Mexican operation was launched to take advantage of lower labor costs and close proximity to headquarters. The Scotland plant gave the company relief from onerous European tariffs. Both offshore facilities enjoyed excellent employee relations.

After settling into his new position, George busied himself identifying the major issues facing the company. Coming in, he had realized that ACI’s growth and profitability were problems, but he wasn’t sure if the source was the management team, product development, marketing and sales, or something else.

After several months, George was clear that it wasn’t the people. Sure, there were a few problem areas, and some employees seemed a bit too comfortable. But the main issue was a lack of focus and a general weakness in the business systems required in this fast-paced industry. There was no clear vision of what ACI wanted to be and
no acceptable plan on how to get there. What was it that someone said? “If you don’t know where you are going, all roads will lead you there.”

To address this weakness, George implemented a task force made up of middle managers from all the various disciplines, as well as the executive team. He chaired the task force because he believed strongly that CEOs shouldn’t delegate strategy.

When it came to business systems, the problem seemed to be a lack of adequate cost accounting. The company didn’t know its individual product costs to any reasonable degree of accuracy. To address this challenge, George brought in a new chief financial officer.

But just as George was beginning to feel optimistic about where ACI was going, he got a phone call from sales to tell him that Alcatel was cancelling its backlog. Apparently, Alcatel’s customers were slowing their acquisition of new equipment, and Alcatel seized that opportunity to shift all of its business to a French competitor of ACI’s that had a reputation for higher product quality.

George’s first call was to the chairman. To his surprise, Mike handled it well, voicing his empathy and support. But clearly, George was expected to take action quickly. He decided that one way of avoiding a layoff was to implement a four-day workweek. That spread the pain evenly among all employees. George called his executive team together to tell them the bad news and to get the necessary action underway. Next, he went to discuss the issue with union leadership. The regional head of the union—also the local steward—was in George’s office before lunch with a stern look on his face. “Look, George, you’re the new kid on the block, so we don’t think this setback was your doing. No one likes to lose part of their pay check, but your plan treats management the same as the blue-collar workers, so you’ve got our support. We want to give you a chance to act. If we don’t like what you’re doing, we’ll be back.”

The four-day workweek was implemented. Without being told, the entire management staff knew that they got four day’s pay, but they were expected to be there five. After about six weeks, the lower costs began to kick in, and ACI was again holding its head above water...barely.
Then, George’s worst fears began to unfold. The lack of demand from Alcatel was now spreading to his other customers and, although they didn’t cancel their backlogs, they significantly reduced them. The customers’ forecasts reflected the same story.

Like it or not, George could no longer avoid a layoff. His best calculation was that 900 people would have to go. The remainder would go back on a five-day week. But a lot more details had to be worked out. What projects should be cut? What parts of the organization should be hit the hardest? Who should be protected?

(Source: Amelio, 1999)

Activity: Analysis of case study 2

Use the following questions from the Markkula Center for Applied Ethics and The Ethics Centre’s Guide to Ethical Decision Making presented earlier for reflection on the case study:

When George moved to the four-day workweek scheme, should he have expected his managers to work five days for four days’ pay?

Should George tell anyone except his immediate staff about the impending layoff before the details have been worked out? What about the board of directors? The union? The employees?
Case 3: The Mike Wallace factor and the common good

George decided to be open about the impending layoff with all the important constituencies even though the implementation details were not worked out. That evening as he left his office for the day, George was surprised to see that a television crew had set up their camera near the main entrance and were talking to employees as they left.

As soon as the reporter spotted him, the crew raced over and thrust a microphone in his face. "We understand that there are going to be layoffs at this plant. What is your comment? We hear that the plants in Mexico and Scotland are not going to be hit as hard as the Irvine plant. Aren't you just using this layoff as a way to export jobs to lower-wage countries? Don't you owe it to the American workers to let them keep their jobs so long as there are foreign workers to be laid off?"

George made a few comments that set the matter in perspective. Although still sceptical, the press grudgingly conceded the argument...for the moment.

When he got to the parking lot, he found that his car had been slashed. The paint job was ruined. As he drove home, he thought, these problems are not my doing. If the managers and workers had paid more attention to quality, they might not have been hit so hard by order cancellations. The layoff was going to happen the next Tuesday, and he scheduled an all-hands meeting for the remaining employees. Did he ever have things to say to them!

The next six months were the roughest of George’s career. But things started to click, the industry was coming back, and the organization had fixed the quality problems. Best of all, the new product, which used technology that was a generation ahead of the competition, was moving along at lightning speed. They would have it to market by his first anniversary. As George reflected on the past year, he realized he had learned a lot.

Two years later, ACI was the most profitable company in its sector. It felt like a rebirth, for George as well as for the company.

(Markkula Center for Applied Ethics)
Activity: Analysis of case study 3

Use the following questions from the Markkula Center for Applied Ethics and the DECIDE Model presented earlier for reflection on the case study:

Was George's decision to be open about the impending layoff the ethical thing to do? Are there situations in which it is best to try to keep a lid on such information?

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Soon after Frank started, the company decided for the first time to “right-size” (a euphemism for downsize) to respond to rapid changes in its business. Frank, who had been through this before when he was a senior manager in his previous company, agreed this was good for the long-term health of the 20-year-old company. He decided not to worry that family members seemed more concerned about their own short-term financial interests.

Besides, the CEO was relying on Frank to help him determine how to downsize in an ethical manner; the CEO said he trusted Frank more on this than he did the head of his personnel department, who had “been around a little too long.”

On Frank’s recommendation, the company decided to make its lay-off decisions based on the annual performance appraisal scores of the employees. Each department manager would submit a list of employees ranked by the average score of their last three appraisals.

If the employee had been with the company less than three years, if the score for two employees was identical, or if there was some extraordinary circumstance, the manager would note it and make a decision about where to rank the person. At some point, Frank and the Executive Committee would draw a line, and those below the line would be laid off.

As Frank was reviewing the evaluations, he was puzzled to find three departments in which the employee at the bottom of the list had “N/A” where the evaluation score should have been written. When he asked the managers to explain, they told him these employees had been with the company almost since the beginning. When performance appraisals had been instituted six years earlier, the CEO agreed to the longtime employees’ request that they keep receiving informal evaluations “as they always had.”

The managers told Frank they’d questioned this decision, and the CEO had told them it wasn’t their problem.

When Frank raised this issue with the CEO, he responded, “Oh, I know. I haven’t really evaluated them in a long time, but it’s time for them to retire anyway. They just aren’t performing the way they used to. The company’s been very good to them. They’ve got plenty of retirement stored away, not to mention the severance you’ve
convinced me to offer. They're making pretty good money, so cutting them should let us lower the line a little and save jobs for some of the younger people--you know, young kids with families just starting out. And don't worry about a lawsuit. No way they'd do that."

"Do they know they're not performing well?" Frank asked.

"I don't know," the CEO responded. "They should. Everybody else in the company does."

As they walked to the door, the CEO put his arm around Frank's shoulder. "By the way," he said, "you should know that you've won over the Executive Committee. They think you are a terrific fit with this company. I'm glad you talked with me today about these three employees. You got it right: This is a company that cares for its employees--as long as it can and as long as they're producing. Always has, always will."

Frank left the CEO's office with the vague feeling that he had some moral choices to make.

(Source: Thomas Shanks, 1997)

Activity: Analysis of case study 4

Use the following questions and one of the ethical decision-making tools presented earlier for reflection on the case study:

1. Does Frank have an ethical dilemma?

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(Source: Thomas Shanks, 1997)
2. What's the right thing to do?

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3. If Frank disagrees with the CEO, how does he protect his own career and the interests of his own family?

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4. What do you think should be done in this situation?

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Case 5: Why victims remain silent... and then find their voice

With “The Silence Breakers” named TIME Magazine’s 2017 “Person of the Year”, Dennis Gentilin uncovers why our social norms promote silence – and how we can change them.

TIME Magazine’s announcement comes amid a storm of reckoning with sexual harassment and abuse charges in power centres worldwide. The courageous victims who, over the past few months, surfaced and made public their experiences of sexual harassment have sparked a social movement - typified in the hashtag #MeToo.

One of the features of the numerous sexual harassment claims that have been made public is the number of victims that have come forward after the first allegations have surfaced. Women, many of whom have suffered in silence for a considerable period of time, all of a sudden have found their voice.

As an outsider not involved in these incidents, this pattern of behaviour might be difficult to comprehend. Surely victims would speak up and take their concerns to the appropriate authorities? Unfortunately, we are very poor at judging how we would behave when we are placed in difficult, stressful situations.

This has been demonstrated in research.

How we imagine we would respond in hypothetical situations as an outsider differs significantly to how we would respond in reality – we are very poor at appreciating how the situation can influence our conduct.

In 2001, Julie Woodzicka and Marianne LaFrance asked 197 women how they would respond in a job interview if a man aged in his thirties asked them the following questions:

“Do you have a boyfriend?”,

“Do people find you desirable?” and

“Do you think women should be required to wear bras at work?”

Over two-thirds said they would refuse to answer at least one of the questions whilst sixteen of the participants said they would get up and leave.
When Woodzicka and LaFrance placed 25 women in this situation (with an actor playing the role of the interviewer), the results were vastly different. None of the women refused to answer the questions or left the interview.

In all these incidents of sexual abuse we typically find that an older man, who is more senior in the organisation or has a higher social status, preys on a younger, innocent woman. And perhaps most importantly, the perpetrator tends to hold the keys to the victim’s future prospects.

How we imagine we would respond in hypothetical situations as an outsider differs significantly to how we would respond in reality – we are very poor at appreciating how the situation can influence our conduct.

There are many reasons why people remain silent. Three of the most common are fear, futility and loyalty – we fear consequences, we surmise that speaking up is futile because no action will be taken, or, as strange as it might sound, we feel a sense of loyalty to the perpetrator or our team.

There are a variety of dynamics that can cause people to reach these conclusions. The most common is power. In all these incidents of sexual abuse we typically find that an older man, who is more senior in the organisation or has a higher social status, preys on a younger, innocent woman. And perhaps most importantly, the perpetrator tends to hold the keys to the victim’s future prospects.

In these types of situations, it is easy to see how the victim can lose their sense of agency and feel disempowered. They might feel that even if they did speak up nobody would believe their story. The mere thought of challenging such a “highly respected” individual is too daunting. Worse still, their career would be irreparably damaged. Perhaps, by keeping quiet, they could get the break that they need and put the experience behind them.

A second dynamic at play is what psychologists refer to as pluralistic ignorance. First conceived in the 1930s, it proposes that the silence of people within a group promotes a misguided belief of what group members are really thinking and feeling.

In the case of sexual harassment, when victims remain silent they create the illusion that the abuse is not widespread. Each victim feels that they are isolated and suffering alone, further increasing the likelihood that they will repress their feelings.
By speaking out, women have shifted the norms surrounding sexual assault. Behaviour which may have been tolerated only a few years (perhaps months) ago is now out of bounds.

But as the events of the past few weeks have demonstrated, the norms promoting silence can crumble very quickly. People who suppressed their feelings can find their voice as others around them break their silence. As U.S. legal scholar Cass Sunstein recently wrote in the Harvard Law Review Blog, as norms are revised, “what was once unsayable is said, and what was once unthinkable is done.”

And this is exactly what has happened over the past few months. By speaking out, women have shifted the norms surrounding sexual assault. Behaviour which may have been tolerated only a few years (perhaps months) ago is now out of bounds. Both perpetrators and victims alike are now reflecting on past indiscretions and questioning whether boundaries were crossed.

Only time will tell whether the shift in norms is permanent or fleeting. As is always the case with changes in social attitudes this will be determined by a myriad of factors. The law plays a role but as the events of the past few months have demonstrated it is not as important as one might think.

Amongst other things, it will require the continued courage of victims. But perhaps more importantly it will require men, especially those who are in positions of power and respected members of our communities and institutions, to role model where the balance resides between extreme prudery at one end, and disgusting lechery on the other.

(Source: Gentilin, 2017)
Activity: Analysis of case study 5

Use the following questions to reflect on the case study:

1. What is HR’s role in the context described above?

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2. How can HR give voice to the silent?

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3. What if the problem is the CEO or the executive?

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4. What actions should be taken in organisations to help ensure that sexual harassment and abuse of power does not occur?

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