

Ethical Issues in HR – Frank Ingraham, SPHR

By Rich Burton, MBA, PHR

In the words of the great Shirley Chisholm “when morality comes up against profit, it is seldom that profit loses”. We are in a business climate today where rapid results and the bottom line mean everything. Thus, it’s no surprise that people don’t have a positive perception when it comes to the ethical conduct of businesses. The economy in general creates an ongoing skepticism around a simple question; do people in power really do the right thing? Do organizations really exist to take care of their customers and stakeholders or do they have another mission? These are loaded questions that if ignored can destroy engaged cultures and sour key business relationships. Companies will never reach their full potential if stakeholders are constantly wondering about these things.

The volatility of business today puts ethics in the spotlight more and more as we are faced with tough decisions. In HR we find ourselves in the midst of ethical dilemmas as we tackle issues of equal employment opportunity, employee safety and health, employee pay and benefits, employee privacy, and job security. In order to be strategic partners we have to sustain a heightened awareness around age, race, religious discrimination, and discrimination against physically challenged employees. As we modify our hiring practices to remain in line with strategic goals we need to make sure we are not creating glass ceilings, driving disparate impact, or forgetting to “manage up” to executives. This is a lot to balance as companies are forced to close plants, restructure their workforce, change their technology, or simply survive a financial crisis. In the future more decisions are likely to be questioned around the illegal discharge of employees, and laws will continue to evolve to ensure that whistleblowers are protected against retaliation.

So, what can we do as HR professionals to help our organizations weather this storm? We should be that third party that encourages people to think about the consequences of their actions in advance. When people are looking to take the path of least resistance or minimize collateral damage, HR should focus attention on how decisions can impact customer, vendor, and/or client relationships. In the heat of the moment when emotions are high, we need to help key parties understand the long-term ramifications of their decisions as they strive to address short-term problems. By doing this we are encouraging a pro-active mindset that can help pre-empt future unethical decisions.

This mindset should exist at all levels in the organization and HR has a role. Is HR making it safe for employees to report unethical behavior? Are we getting people over their fear of retaliation? Are we approachable and accessible to people when they are

faced with the temptation to take an unethical short cut? Are we getting others to treat corporate resources like their own? Are we protecting our customers, vendors, and clients? Do all employees understand how their roles impact corporate ethics? Do HR practices really result in the greatest good for the largest number of people? Have we positioned ourselves as reliable resources around relevant laws? Do people realize that not paying attention to ethics creates risk for the company? As HR Managers the more we can say “yes” to these questions, the better job we are doing to promote corporate ethics.

Denis Diderot, a famous French philosopher, art-critic, and writer once said “there is no moral precept that does not have something inconvenient about it”. Judgments around doing the right thing will certainly be accompanied by emotions. As HR professionals we have an opportunity to protect our “human capital”, arguably the most important asset in any business. It’s not easy, it’s not fun, and it’s certainly not a popularity contest. But, it’s definitely a good investment.