

# Organizational Blunders – Role of HR in Promoting Ethical Values

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## Abstract

Corporate ethics is a hotly debated issue nationally and internationally. In the race to get bigger, and richer, we have left ethical values behind. As Human resource managers, we could help turn the tide by ensuring HR leaders play a pivotal role in promoting corporate ethics, identifying and counteracting the challenges HR will face in enforcing the ethical values. However 'trouble' in corporate ethics is just the tip of the iceberg. There are a number of parties with vested political interests ready to claim their share in the business booty. Every now and then we read about corporate scams and crooked politicians trying to cover up for their corporate buddies. These merchants of unethical values reap billions of rupees while the people in general and bright young corporate staff in particular suffer. The objective of the paper is to explore the role of HR in promoting ethical value. Furthermore, the paper also examines how HR ethical values in corporations will reduce government complicity. Our methods, assumptions and conceptual tools will emphasize the fact that HR Professionals can make a difference by enforcing strong ethical values in Corporations. The recommendations suggested by the researcher, if implemented, we hope will make people more aware of ethical values leading to a win-win situation for organizations and the public at large.

**Keywords:** Business, Challenges, Ethics, Government

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## 1. Introduction

Today business organizations are synonymous with scandals. Market rigging scandals around the globe have exposed the inadequacy of HR practices in corporations. The human resource seems to avoid the Implementation of basic ethical values on which the crucial decisions are based. Corporation top brass design parameters under which HR experts need to set and enforce norms and standards of ethical values. Corporations have to decide on the ethical stance it's going to take – a compliance, a fair-dealing or/and a good citizen orientation? Fundamentally, it has to enforce ethics as about acting fair and responsible in everything it does. Many companies are taking a piecemeal approach. They have a program – on

compliance, diversity, stakeholder engagement and involvement in different areas, safety in every area, privacy, and so on. Essentially, human resource professionals have to graft the ethics onto the organization which is most important through these stand-alone programs. A different and easy approach is to unite ethics into the organization's usual activities – its decision-making, its performance management systems, and above all its management processes<sup>3</sup>.

## 2. Literature Review

The moral infringement happens when people, associations, expert and social orders neglect to manage esteems like genuineness, equity and an unmistakable meaning of what is good and bad<sup>6</sup>.

As a few creators state in late productions, morals additionally turn out to be increasingly an inward worry of associations. Though once the interests of workers were disregarded or just viewed as one of a few partners' interests, the "moral administration of representatives"<sup>36</sup> picks up in centrality. Johns (1995:32) states that "the ideal opportunity for the moral initiative has come". Particularly human asset administration (HRM) assumes a definitive part in presenting and actualizing morals. The work diagrams a few parts of morals in HRM. It portrays moral worries that developed in late HRM faces off regarding the perspective that morals ought to be a vital issue for HR experts. Various moral structures and their application in HRM arrangements and practices are checked on. Here, the attention is predominantly on obstructions and impediments to presenting moral gauges in HRM exercises<sup>31</sup>.

The National Business Ethics Survey (NBES) (2000) discovers much that is empowering for associations that are putting their endeavors into working environment morals. For instance, workers have elevated standards for morals inside their associations. More than nine out of 10 respondents say that they "anticipate that their associations will make the wisest decision, not exactly what is beneficial." This finding proposes that most representatives are not all that sceptical about morals at work\*.

Dark colored (2003) brought up a great part of the current concentrate on business morals has been coordinated against budgetary defilement, particularly a worry with bookkeeping principles. However, concern has been raised over an extremely wide scope of issues.

The deceptive routine with regards to HRM itself has additionally hit open consideration:

1. Off-shoring and misusing "shabby" work markets;
2. Using youngster work;
3. Reneging on organization annuity assertions;
4. Longer working hours;
5. Increasing work push; and
6. The utilization of questioned and questionable practices in contracting and terminating of workforce.

Cambridge Advanced Learner's Dictionary characterizes Ethos as "the arrangement of convictions, thoughts, and so forth about social conduct and relationship of a man or gathering" while Oxford Advanced Learner's Dictionary characterizes it as "the ethical thoughts and demeanours that have a place with a specific gathering or society". Indian Ethos is about what can be named as "national ethos".

Satyendra Dubey (Indian Express, 2003), an eminent fellow who was working for National Highway Authority of India who was punished for basically making the best decision. He was gunned

around by mafia in Gaya in the year, 2003 morning, almost a year after he had griped of defilement on the Golden Quadrilateral task to the Prime Minister's office. Knowing the perils that encompass genuine individuals kicking the entire degenerate framework<sup>24</sup>.

The demonstration of passing up an individual is now and again considered as being unfaithful to the association or organization that he or she is joined with. The by and large winning perspective of the shriek blower inside the business, with respect to the administration and partners, is that this individual is a trickster to the association<sup>11</sup>.

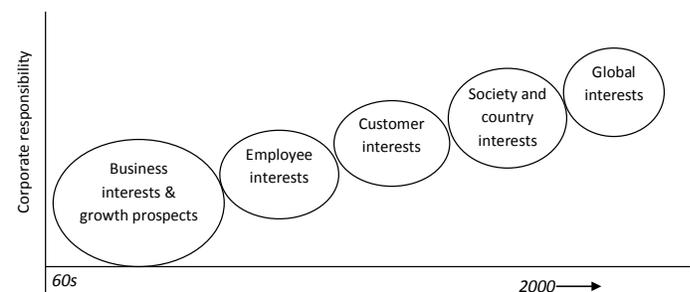
Marshal et.al. (1979) opined that in the discerning perspective of the firm, the representative's fundamental good obligation is to move in the direction of the objectives of the firm and keep away from any exercises that may hurt those objectives. To be exploitative, fundamentally, is to go astray from these objectives to serve one's own particular advantages in ways that, if unlawful, are considered a type of "office wrongdoing\*\*".

### 3. Research Methodology

This research paper endeavors to toss light on the applied issues related with Role of HR in advancing Ethics. It is engaging examination where the attention is on a reality discovering examination with sufficient elucidation. For this reason, secondary information was gathered. The secondary information was gathered from daily papers, magazines, books, diaries, meeting procedures, Government reports, and sites.

#### 3.1 Changing Face of Ethical Values

Through the times we have seen the importance and role of ethics in many kinds of corporations undergoing massive changes. Not only in the corporate have ethical values undergone a paradigm change, the change is visible in each and every field of human endeavor. Let us try and plot the 'progress' of the corporate through its changing areas of interest (Figure 1).



Source: AT Lawrence, J Weber (2014)\*\*\*

Figure 1. Changing face of ethical values.

\* National Business Ethics Survey (NBES) - "How employees view ethics in their organization", Ethics Resource Centre, 2003.

\*\* Marshal B. Clinard, corporate corruption: The Abuse of power (Praeger, 1990).

\*\*\*Business and Society: Stakeholders, Ethics Public Policy/AT. Lawrence, J. Weber (2014).

So with corporations now ready to conquer the globe, what is it that will make them stand apart from the hoard that is ready to crush them under the hoofs of competitive pricing and promotions. We intend to make ethics that bane which will take our national talent forward onto the world scene and the government will help us, albeit ethically.

### 3.1.1 Ethics in Business

But before we move forward, let us take a look at the world's richest corporations, the 'government empires' that have been 'contributing' a lot to our changing ethical values. One fears the law more than one respects it, and one respects ethics more than one fears it. That significantly brings out the spirit of a code of ethics both by connotation and obligation. Mores embark on where the laws end. Thus the doctrines of ethics are much more venerated than the philosophy of law, and rest above and ahead of their functions and scope. Punishment in the episode of disregard for ethics is more self-inflicted. Unethical behavior of a single person working a particular profession injures and belittles the entire profession together with those who practice it. Such is the case of the infamous lawmakers of our country – the political bodies. A few glaring examples where the government forgot to clean up its act and the corporations made the most of the lack of values are as follows. In all the cases under mentioned, the common man paid the price:

1. Political nexus in stamp paper scam under scrutiny ([www.frontline.in/static/html/fl2023/stories/20031121002204700.htm](http://www.frontline.in/static/html/fl2023/stories/20031121002204700.htm)),
2. Piper Alpha disaster: how 167 oil rig workers died (<https://www.theguardian.com>),
3. Karen Silkwood: Plutonium Whistleblower ([time.com/3574931/karen-silkwood](http://time.com/3574931/karen-silkwood)),
4. Space Shuttle *Challenger* disaster ([www.history.com/topics/challenger-disaster](http://www.history.com/topics/challenger-disaster)), and
5. DC10 and the Famous Cargo Doors ([www.airliners.net](http://www.airliners.net) › Technical/Operations)

In all the mentioned cases, warnings with an alertness of the hazards and risks went unheeded, and the whistleblowers suffered harsh penalties for their public-spiritedness. And the government did nothing, but tries and covers – up their abysmal performances and failures.

- 300 feared drowned in Kenyan ferry sinking (From Herald Scotland) and that warning had gone unheeded,
- The emission of Union Carbide popularly known as Bhopal gas disaster, India, 3,000 killed and 2,00,000 injured but were ignored by the local authority, and
- Nuclear tragedy, Chernobyl enclosed similar ingredients.

## 3.2 Corporate and Political Nexus

Corporation's investment in political parties to an amount that could be seen as a corporate capture of the foundation. Critics spot this as a fair and ethical setback, because of the level of business control over government policies and decisions which accompanies the funding. Critics do not suggest that the company should give up, returned, or even limited. The protest is regarding the corporate control, which they see as threatening 'government autonomy', and as inimical to the public good.

Such is the case even with the highly 'advanced' and 'democratic' societies of the world. A few examples are:

- The pharmaceutical companies of the United States,
- The nuclear power corporations of Japan, and
- Meatpacking industries of Europe.

The scams involving politicians of cabinet ministerial levels and companies with 'goody' reputations have been a severe rage to public poise previously falling in the shadow of financial inequality. The companies socially unconscious appeared to justify their irresponsible behavior with the mentality "everyone is doing it".

## 3.3 An Analysis with Respect to Role of Ethics in Combating Corruption in Business

Following areas are to be considered while making a plan for combating corruption and increased role of ethics in performing business activities:

1. Ethical attribute; which inculcates wisdom/self-control/moral values/courage/justice/social responsibilities in our activities
  - If he exhibits some or even one of them then it is highly possible that the person will tend towards ethical or 'morally correct' decision-making.
2. Policy aspect; by deciding the plan of action to be taken in respect of a certain situation
3. Study the consequences; social benefits and/or personal benefit
4. Evaluate the outcome on the TRUST scale:
  - T = Transparency; truly open, which an individual could feel free in expression to all- (Employers, peers, subordinate and even to family and friends)
  - R = Responsibility; feel committed to the interests of all to the maximum as far as possible.
  - U = Uncompromising; assuring activities towards higher moral values
  - S = Successful; producing results with strong values

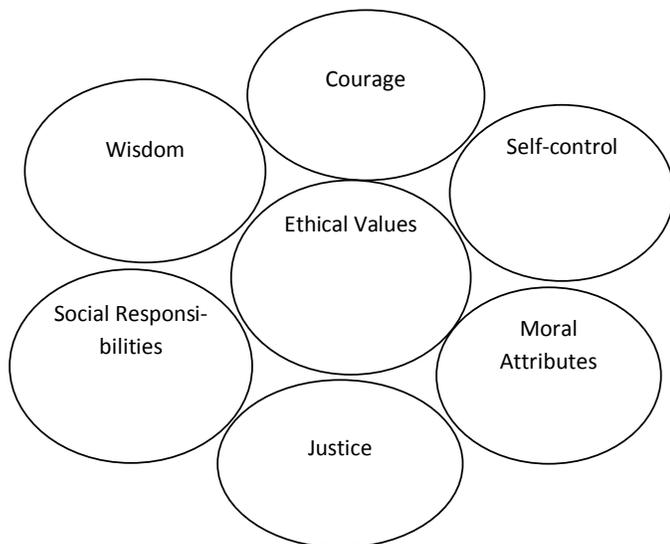
T = Temperate; taking care, avoiding risks, wild decisions, extravagancies in the form of bribes etc.

- Decision making; Compare the results: ethical vs. unethical.

### 3.4 A Proposed Solution to Unethical Activities

#### 3.4.1 Resolve the Ethical Dilemma Through the Personal Values of Ethicists

Based on the extensive literature review, the researcher has found that if following suggested ethical attributes are being implemented in any of the organizations will lead to overcoming the problem of organizations blunders which ultimately lead to the promotion of business ethics and develop prosperity and lead to the achievement of organization goals (Figure 2).



**Source:** Journal of Business Ethics 15: 827-838, 1996. © 1996 Kluwer Academic Publishers, Printed in the Netherlands

**Figure 2.** Resolve the ethical dilemma through the personal values of ethicists.

#### 3.5 Self-Control

- Deal with their impetuous thoughts and distressing emotions as well,
- Stay cool, calm and collected, affirmative, even in difficult moments, and
- Reflect visibly and stay focused under stress.

#### 3.6 Courage

- To present with self-assurance, self-confidence; having charisma, and
- Able to formulate decisions regardless of fears and pressures.

#### 3.7 Moral Attributes

- Act ethically and beyond reproof,
- Construct reliance all the way through their trustworthiness and authenticity,
- Confess their own mistakes and meet head-on with unethical actions in others, and
- Take strong ethical stands, even if they are unpopular.

#### 3.8 Social Responsibility

- Feel empathic and taking the active care of their concerns, and
- Exhibit compassion and value others perspective.

#### 3.9 Justice

- Find a sense of harmless purpose of doing something,
- Utilize the groups' core values in building decisions and illuminating choices, and
- Abide by human and legal laws in pursuing any kind of a goal or mission.

#### 3.10 Wisdom

- What should one do and what not to,
- Intuitive intelligence analyzing the consequences of one's actions, and
- Ability to differentiate between right and a wrong approach.

#### 3.11 Challenges

- The government will have a role to play. There may be more hardships and challenges to face given the active role of governments in the industry,
- Imposing a uniform code of ethics is an uphill task given the diversity of the workforce in Indian conditions,
- Even if such a uniform code is enforced, the fact that it will gain compliance from the workforce is questionable,
- Enforcing ethical practices is both time and money consuming, and
- Ethics is more than obeying the law.

#### 3.12 Suggestions

- Corporations must have the policies to promote, if not require, peers to bring dilemmas to one another's attention,
- Corporations should have set rules and policies to resolve dilemmas and conflicts of interests,
- HR professionals need to be equipped with methods, tools, and equipment to evaluate one's performance on ethical standards already communicated to employees, and
- HR professionals and initiators should set paradigms of attaining progress with ethical attributes.

## 4. Conclusions

Any organizations efforts to raise ethical standards are noteworthy. They aim at increasing the accountability of governments and businesses and curbing corruption. If one is always to the right and leaves no loopholes, the task may become uphill, but at least at the end of the day one can answer one's own conscience and meet the eyes of those who should always profit – the masses. Unethical practices undermine good governance, distort public policy and lead to the wrong allocation and misutilization of wealth and damage the private sector. Most of all, though, unethical practices hurt those who can afford it the least. Managing it is possible only with the HR implications of those entire stake-holders in the integrity and transparency of that system. HR professionals by unification can raise ethical standards in the industry and in turn the government. Enforcing ethical values is about stamping out scandals, scams, and corruption.

“Corporation's only social responsibility is to make the most of the return so long as it stays within the purview of the game; in open and free competition without deception or fraud”.

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## Annexure-I

### Organizational Blunders – Role of HR in Promoting Ethical Values

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1 [www.humanrightsinitiative.org](http://www.humanrightsinitiative.org) 18 words — 1%  
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