

## ETHICS IN THE HUMAN RESOURCES MANAGEMENT PROCESS AS A WAY TO THE SUSTAINABLE DEVELOPMENT OF THE ORGANIZATION

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### Abstract

Organisation with a *human face*, organisation socially responsible, ethical organisation ... these are the terms, which more and more often accompany considerations about contemporary business. Increasing lack of acceptance for negative effects of activity led by enterprises of 21<sup>st</sup> century (contamination of environment, pathologies in the areas of HRM, corruption and unethical behaviours towards market partners and customers), gave rise to necessity of deeper analysis of the ethics' essence, especially in the context of treating it as a tool of creating contemporary organisation image. An interesting research problem is still a matter of knowledge and evaluation of ethical behaviours by employees themselves. This issue was undertaken in the hereby article trying to find the answer for the following questions– is ethics a term strictly virtual, experienced by people by instinct, is ethics one of the leading determiners of balanced development in organisation and building its positive image among competition, or maybe ethics is another fashion in management, adapted by some enterprises to hide their true colours.

**Key words:** Ethics, Management , Organization, Development.

### Introduction

A matter of ethics has gained special meaning nowadays. Many people do not realise alarming increase of unethical behaviours, present in contemporary organisations. Working beyond power, work standards on inaccessible level, imbalance between professional work and family life, demand of incessant availability of an employee often during his/her holiday, mobbing, age-related problems, gender, education, religion, disability level discrimination, unfair evaluating and rewarding employee, partiality and nepotism are just few examples of lack of ethics in organisations of 21<sup>st</sup> century. Employees' reactions to the above mentioned organisational pathologies are diverse. Some people who notice unethical behaviours often do not react same time accepting them. Often the reason of such behavior is simply fear for exposing oneself to disfavor in assessment by boss or coworkers, or even losing a job. There are also people, who simply are ashamed to admit that not always they can follow the values, considered as correct by the society. Sometimes it requires taking unpopular steps, sometimes resigning from one's own weaknesses. Finally there are also those, who do not notice at all the fact of no ethics in somebody's behaviour. Term 'ethics' is however one of those perceived with a great amount of subjectivism.

Object of research – ethics in the HRM process.

Purpose of research – analysis and evaluation of ethical behaviours in the process of HRM in theoretical and empirical depiction.

The tasks of the article:

1. Explaining the term 'ethics'.
2. Explaining what ethics in business is and how employees of contemporary organisations perceive it.
3. Analysis of the meaning of ethics in the process of HRM.
4. Analysis of the meaning of ethics as a factor determining balanced development of an organisation.

The method – the analysis of scientific articles, statistical materials and own research.

### 1. The term 'ethics' in literature

„Concepts of good and evil have been infiltrating human mentality and feelings for thousands years. Even though nature of these terms is hardly perceptible, they pay enormous role in our lives. There is nothing strange about willing to know their essence, their 'magical power'. It is obvious we want to know how to make life good, worthy, noble, beautiful; how to achieve real happiness; how to become better and better and spiritually richer; how to define correctly hierarchy of duties, avoid evil, achieve peace of conscious? For such and alike questions ethics has tried to answer for ages" [1]. Ethics is than a science dealing with examining what is good and evil, defining what is good and bad, just and

unjust, as understanding good and bad behaviour [2]. Rules of ethics constitute the clues of moral behaviour. For example in most societies a lie, robbery, fraud or harming others are perceived as unethical and immoral. Honesty, keeping promises, helping others and respecting other peoples' rights are considered as an ethical and morally desired behaviour. Ethics helps people to define moral patterns of behaviours in situations where the best way of acting is not obvious [3]. Ethics is a kind of verifier of human actions. It is a term of interdisciplinary character.

## 2. Ethics and business

Business ethics is one of many, but probably most common name, disciplines dealing with formulating and analyzing ethical rules in economical world. Ethics in business as well as ethics in general, concentrates on human behaviour. Ethical issues are actually questions whether we should take certain actions or not; are these actions good or bad, right or wrong, virtuous or sinful, laudable or censurable, do they deserve a reward or punishment, etc. Well then in the business ethics as in any other research of moral scope, it is about solving problems about how to behave.

Even though business ethics is universal, if it comes to its range and use there are particular political, social and demographic reasons for which the world of business must pay special attention now to ethics. Enterprises are not only under economical factors' influence but also social, political and technological; also changing attitudes and points of view of involved parties.

Many among most visible trends in the past decade concentrate on business ethics. Business ethics has become fashionable. Pressure of increasing consumption, 'obligations towards society', demographic changes, privatization, sensational journalism, global markets, environment protection movements, management theories – all these pay attention of the society to the behaviour in business and to the need of respecting business ethics by the world [4].

Contemporarily more and more enterprises see the need of considering ethical standards in formalized way. They can be found in documented form in codes of ethics or codes of good practice, charters, regulations and other documents. Ethical standards in enterprises are customary norms, respected by most employees. It is obvious that codes of ethics do not exclude conflict situations; however they constitute a

barrier against unwelcome behaviors and apply sanctions and establish directives protecting personal properties of an employee. The research confirms positive influence of codes of ethics on employees' ethical motivation, their decisions and actions.

## 3. Ethics in the process of human resources management

Considerations concerning ethics in relation to human resources management should be analyzed in different levels. First of all through the prism of management function, this is planning, organising, motivating and controlling. Second of all through the prism of variability of instruments of management, in the context of which we should relate to analysis of ethics issue. Third of all through the prism of different levels of relations among people, which are: subordinate-superior, superior-subordinate, and employee-employee.

Ethics in the process of human resources management is an ethics on the level of recruitment and selection of employees (real information about requirements and profits connected with work, uniform criteria for all candidates, personal culture in the contact with each candidate, elimination of corruption and nepotism, creating unequal chances), ethics on the level of modeling employees' paths of career, their training (equal chances in access to higher qualifications) and evaluating (clear criteria, feedback), also or maybe especially during dismissing people.

Ethics has its special place in relation to motivating function [5]. Treating own employees in ethical way, treating business partners and customers in ethical way, are efficient, nonmaterial tools of motivating people to work. People managed by clear criteria, treated justly and respectably, who perceive similarly relations between organisation and surrounding, certainly will make effort to repay with the same. Employee's honesty towards employer, loyalty towards coworkers, legibility and maximum objectivity in evaluating employee, in the process of bonificating him/her, also punishing if needed, are the leading attributes of *ethical organisation*. Via taking social responsibility challenges company improves its standards of behaviour towards stakeholders (employees, contactors, and customers), same time avoiding costs of 'bad partnership'. These changes influence shaping the organisational culture of the company based

on trust, responsibility and clearness for all interested parties.

There are four basic ways of thinking about ethical behaviours in an organisation.

- First of all, ethical behaviours are supposed to be beneficiary for possibly largest number of employees (utilitarian approach).
- Secondly, ethical behaviours in a long time perspective are supposed to be favoring for a single person (individual approach).
- Thirdly, ethical behaviours must reflect fundamental rules and values (moral approach).
- Fourth, ethical behaviours must be visible in impartial and just treating of employees (procedure-like, distributive justice approach).

Ethical behaviours have great meaning for widely understood quality, both for products and quality of life in the work place. Quality management specialists know that more and more ethical value of the product is considered in evaluation than its price or quality.

The most important factors which may cause unethical behaviours in organisation are as follow:

- Culture in the organisation surrounding,
- Lack of trust culture in an organisation,
- Lack of respect for the existing values and targets of the activity (lack of their acceptance),
- Process of human resources management (pitfalls inside them),
- Legal, normative and organizational conditions,
- Improper and untypical behaviour of superiors,
- Bad system of communication and motivation,
- Emotional conditions.

Great influence on ethical behaviour has the culture of trust especially its lack. If there is no culture of trust there are 'sick' relations among people, there is atmosphere of suspicion, invigilation, gossiping, denouncing, etc. lack of trust may be the reason of complete disintegration and disorganization at work.

Analysis of the term 'ethics' in relation to organizations requires noticing wider context of the researched problem. So that company will be perceived as the company 'with human face' ethics must be included in its mission, must be

the part of organisational culture, must be understood, accepted and followed by all employees, also lack of ethics must be branded by all employees.

Extremely important issue is a practice of informing proper persons about noticed unethical behaviours. Not always it is so that 'reporting' persons are well evaluated. The content of report is often attributed to the communicating person. That is why some people avoid situations, where they would have to make any evaluations.

During so far considerations it has not been mentioned yet about one important issue which is managers' role in the process of creating *ethical organisation*. Managers are responsible for the whole effort of modeling management system based on ethical values. Starting form formulating mission of an organisation, through the prism of realizing particular functions of management, including human resources management, to being first and best example – exemplar of ethical behaviours [6].

#### 4. Ethics and personal process- based on empirical research results

Empirical research was based on using a survey. The purpose of research was to collect respondents' opinion on:

1. Understanding the essence of ethics,
2. Functioning of ethics in business,
3. Functioning of code of ethics in an enterprise,
4. Influence of ethics on relations between employer-employee.

The research was participated by 60 employees from two companies. Due to narrow scale of research we should treat it as a poll research, constituting introduction to further analyses.

Researched respondents were the persons in different age, numerously represented in the age group between 32-43 years old. The arrangement of research was regular in scope of education. The least percentage of people was respondents with primary education.

First question asked to participants concerned their opinion about how they generally understood the term 'ETHICS'. 58% of them said it was '*acting according to own conscious*', 42% pointed to '*acting according to commonly established values*'. According to 83% of researched there was certainly place for ethics in organisation, remaining 17% did not support this thesis.

Respondents as most unethical behaviour considered: *'balance disturbance between equality of chances between men and women'* (30% of researched), secondly - *'employing employees by pulling strings'* (28,3%) , then - *'using blackmail as a tool of getting promoted'* (25%) and *'corruptive proposals among employees'* (16,7%).

In researched organisations there were elaborated and introduced codes of ethics. It turned out it was not done properly, because some employees were not aware of this fact. 88,3% confirmed existence of code at their work place, the remaining ones did not know about it. As it was noticed earlier the condition of becoming successful in the process of building 'ethical organisation' is among others informing all employees of the company of such an aspiration.

80% of researched knew about the existence of the code of ethics in the company but only 21, 7% declared knowing its assumptions. 55% stated that 'sort of knew those', the rest did not know. Quite big discrepancy was noticed in replies to question what the content of the mentioned codes of ethics was. Part of them noticed that they could find there guidelines about *'rewarding and punishing rules'* – about 27%, some noticed rules concerning *'procedures for persons acting against company's wealth'*, others noticed rules about *'safety at work'*. However most of respondents chose option *'other'*, when answering the question (35%).

Much divergent were answers to the question *'Has introducing the code of ethics contributed to optimising relations between employer and employees?'* 41,7% stated 'yes' or 'rather yes'. 25% of people said 'no', 18,2% did not have any opinion about it; the remaining persons certified nothing had changed. Such a scheme of given answers signalizes the fact that introducing rules of ethics in researched transactors is a process requiring further improvements.

The above mentioned necessity is indicated also by the successive answers of researched persons, who stated that unfortunately not always their superiors acted accordingly to resolutions of the code of ethics. Only 28,2% admitted they 'always' did, 43,2% said 'sometimes'. The rest admitted 'rarely' or 'never'.

One of very important but same time probably most difficult factors determining efficiency of adapting theoretical assumptions of ethics to practical conditionings of running a business activity is reaction of people in the

moment of noticing unethical behaviour in his/her work place. 36,7% of people admitted that 'always' reacted in case of witnessing unethical behaviour, 43,2% did that 'sometimes'. Only 2 persons among interviewees confirmed that they 'never' reacted in controversial situations from ethical point of view.

Fortunately in interviewed organisations ethically negative phenomena are not usual, common. 56,7% of people noticed them as 'once per month'. 33,2% pointed 'very rarely'.

Interesting seem the reasons which according to respondents force people to unethical behaviours. These are:

- *'aiming at professional promotion'* - 30%
- *'lack of respect for employees of lower level'* - 20%
- *'desire to make quick profit' and 'lack of objection by society to negative actions'* - 16,7%
- *'competition on the market'* – 6,7%

Replying to the above mentioned question respondents could choose more than one answer. As it results from above presented data the vision of promotion often deprives people of 'humanity'.

Lack of ethics accompanies however not only agreed procedure of climbing career ladder. Particularly severe is its absence in relation to other instruments of HRM. According to 26,7% of people unethical behaviours accompany dismissing employees, 23,2% think they are present during recruitment and selection processes, 21,7% said during granting promotion to men and women, according to 13,2% we can notice them while distributing obligations to employees. Rarely lack of ethics can be found in researched organisations when realizing function of motivating and implementing periodical evaluations of employees.

Worth noticing are also employees' answers to the question: *'What result brings unethical behaviour of the superior?'* Well then it causes ... *'lack of respect for the superior!'* - 36,7% of indications. Moreover - *'conflicts at work'* - 28,2%, *'aversion to work'* – 25%, sometimes even *'leaving work'* – 8,2% of indications.

Ethical behaving has many followers among researched persons. 60% said that behaving ethically 'always' met acceptance from other employees. There were also such respondents, who did not have 100% certainty regarding

above issue, 10% stated that it was never like that.

Most of interviewed considered that ethical behaviours could not be learned, but that ethical behaviour was the most important value in the process of managing human resources in an organisation.

### Conclusion

This article raised very important contemporary problem concerning the place and role of ethics in the process of HRM. Superiors who take care of their subordinates treat them with interest and respect in most cases they can count on mutuality. Building atmosphere of trust is a key tool of improving organisation and its whole development. Many times in searching for ways of optimising effectiveness of organisation management process the cheapest and simplest solutions are forgotten. People spend at work most part of their life. Is it then worth to waste that time for different kinds of 'unhealthy' behaviours, which were mentioned at the beginning? Isn't it better to act in 'human' way, not expose each other (both superiors and employees) to emotional exploitation? It is worth to ask yourself a question with a principal meaning- whom and what unethical behaviours favour?! We cannot expect that in 'pathological' organisation employees will be happy, so fully committed to its needs! We are expecting from employees maximum devotion to the company, maximum effectiveness at work, loyalty and on the other hand paradoxically we resort to behaviours ethically blameworthy. What we are counting on then? The way to satisfaction by different stakeholders is nobody else than EMPLOYEES, as creators and subjects of all actions. Why then we often come across activities against logic?! Summarizing, we should add that ethical behav-

iours cannot be taught. Being ethical is often connected with many choices not always easy to fulfill. Still we should remember that the way we are to other people we shall be remembered and evaluated. That is why acting according to obliging moral rules and norms influences our relations and contacts in private and professional life. Thanks to acting in ethical way our life becomes better and above all more simple.

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