WORKPLACE ETHICS AND VALUE SYSTEMS

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Preface

Workplace Ethics and Value Systems is a relatively new area which is attracting attention of HR professionals. Workplace ethics leads to happy and satisfied employees who enjoy coming to work rather than treating work as a mere source of burden. There is lot of research being conducted in the area of workplace ethics. Various multinational and national companies are organizing a number of training programs on Workplace Ethics.

Although this course is very important and vast there are not many books on Workplace Ethics. Keeping the learning needs of MBA students, a modest attempt has been made to bring out this volume titled ‘Workplace Ethics and Value Systems’.

This volume has twelve chapters and covered several topics - Definition and Characteristics of Workplace Ethics, Ethics and HRM, Importance of Ethics in Workplaces, Ethical Dilemmas, Myths about Ethics, Benefits of Ethics in Workplace, Code of Ethics have been covered in Chapter1. Creating and Sustaining an Ethical Workplace, Measures to encourage ethical behaviour in organizations, Behavioural standards and Ethical Codes of Conduct have been discussed in Chapter 2. A Proactive Approach in Addressing Unethical Behaviour at workplace is covered in Chapter 3. Reinforcing Ethical Behaviour at Work, Speaking about Ethical Violations - Whistle Blowing have been highlighted in Chapter4. Business Ethics and Corporate Governance has been discussed with an Indian Perspective along with Business Ethics in Global Economies in Chapter5.

Chapter 6 has been devoted to Ethics in HR Decisions in which several ethical issues have been discussed covering key HR functions like hiring process- recruitment and selection, Ethical issues in terminating employees has also been discussed in this chapter.

Chapter 7 has been devoted to Employee Privacy rights, importance of workplace privacy, Employee rights at workplace have also been discussed in the same chapter. Chapter 8 has covered Ethics of Team work and Making Team Meetings more effective. ASME code of Ethics has also been included in this chapter. Managing Change in Workplaces through ethics is introduced in Chapter 9 of this volume. Ethics in Change Management have been discussed by portraying Association of Change Management Code of Conduct which has narrated the ethical principles to be followed by Change Management Professionals.
Chapter 10 outlined Ethics, Discrimination and Harassment issues with a special reference to Visakadutta Vs State of Rajasthan case which has led to passing of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Chapter 11 discussed the National Policy on Safety, Health and Environment at Workplace. This has been included as there is no comprehensive national policy on workplace ethics as on today and the guidelines on health and safety help in providing a framework for understanding the need importance of a national policy on workplace ethics. Chapter 12 contains Five Case Studies on Workplace Ethics.

I hope this small initiative as a teacher of Workplace Ethics would help the students in understanding the concepts better. I sincerely acknowledge the contributions of various academicians, researchers and corporate trainers whose works have provided inspirational and content support throughout this volume.

Dr. SK Prasad
Chapter 1

Definition and Characteristics of Workplace Ethics

Business ethics is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire organizations. (Business Ethics- Stanford Encyclopædia of Philosophy)

Business ethics has normative and descriptive dimensions. As a corporate practice and a career specialization, the field is primarily normative. Academics attempting to understand business behaviour employ descriptive methods. The range and quantity of business ethical issues reflects the interaction of profit-maximizing behaviour with non-economic concerns. Interest in business ethics accelerated dramatically during the 1980s and 1990s, both within major corporations and within academia. For example, most major corporations today promote their commitment to non-economic values under headings such as ethics codes and social responsibility charters. Adam Smith said, "People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices. Governments use laws and regulations to point business behaviour in what they perceive to be beneficial directions. Ethics implicitly regulates areas and details of behaviour that lie beyond governmental control. The emergence of large corporations with limited relationships and sensitivity to the communities in which they operate accelerated the development of formal ethics regimes."
Did You Bring Your Ethics to Work Today?
Find Examples of Failure to Practice Fundamental Workplace Ethics

Think you are a person of integrity and that you bring your highest standards of ethics to your workplace each day? You may reassess your thinking as you explore the topic of workplace ethics in this article.

Despite hundreds of pages of policies, codes of ethics, codes of conduct, organizational values, and carefully defined work environments, company cultures, lapses in workplace ethics occur every day.

Lapses in workplace ethics result from inappropriate officer behaviour such as insider stock trading, expense account fraud, sexual harassment, and involvement in conflicts of interest.

Lapses in workplace ethics do not need to rise to that level to impact the workplace environment you provide for employees though. Lapses in workplace ethics can occur because of simple issues such as toilet paper, copy machines, and lunch signup lists.

In a nationally important workplace ethics case, Hewlett-Packard company's, successful CEO, Mark Hurd, (now former H-P CEO), became embroiled in workplace ethics issues.

There is no insider knowledge, but the public statement from the company indicated that Mr. Hurd left because he violated the company’s expected standards of conduct.

Cathie Lesjak, H-P's chief financial officer, who was appointed interim CEO until the company found a permanent replacement for Mr. Hurd, asked employees “to remain ‘focused’ and said ‘Mark had failed to disclose a close personal relationship he had with the contractor that constituted a conflict of interest, failed to maintain accurate expense reports, and misused company assets.’”

While most of us don’t have as far to fall as Mr. Hurd, and unfortunately, he is not the first or only high-profile executive to bite the dust over personal conduct in recent years, lapses in ethics occur in workplaces every day.

You can violate the spoken and unspoken, published and unpublished, code of conduct in your organization without a CEO title. You can also violate these rules without your actions rising to the level of conflict of interests and questionable expense accounting.
Lapses in Workplace Ethics Drive Policy Development

Policies most frequently exist because some employees are untrustworthy. For example, many in HR debate the effectiveness of a paid time off (PTO) policy versus time off policies that divide available days between personal, sick days, and vacation time off. The only reason these policies exist at all, to define the relationship between employer and employees, is because a few employees took advantage of the employer’s attempts to offer sympathetic time off for legitimate life reasons.

Consequently, employers limited management discretion and decision making about individual employee situations and instituted policies to govern the many. You can build a similar case for most organizational policies. The failure of some employees to practice principled workplace ethical decision making results in policies that cover all employees.

Codes of conduct or business ethics exist to guide the expected behaviour of honourable employees. But, much of their origination occurred for the same reason as policies. Some employees conducted themselves in ways that were unacceptable to the business.

In today’s workplace, potential charges of unfair treatment, discrimination, favouritism, and hostile work environment replace much management discretion. The many suffer for the few and sometimes, your best employees get caught in the equal treatment trap. At best, time off policies, to use just one example, require organization time and energy – hundreds of hours of tracking and accounting.

Everyday Workplace Ethics

Few employees will undergo the challenges experienced by Mr. Hurd and other senior company executives in their practice of workplace ethics. But, all employees have the opportunity daily to demonstrate the core and fibre of who they are as people.

Their values, integrity, beliefs, and character speak loudly through the behaviour that they engage in at work. Lapses in the practice of workplace ethics come in all sizes, large and small, far reaching and close to home. Some ethical lapses affect individual employees. Other ethical lapses affect whole work teams, and in particularly egregious instances, such as Mr. Hurd’s, whole companies and all of the stakeholders in the company suffer as a result.

Some failures to practice everyday workplace ethics are invisible. No one but you will ever know about the decision that you made, but each lapse in ethics affects your essence as an
individual, as an employee, and as a human being. Even the smallest lapse in workplace ethics diminishes the quality of the workplace for all employees.

Examples of Lapses in Workplace Ethics

Each failure to practice value-based workplace ethics affects one’s self image and what you stand for far more than it affects your co-workers. But, the effect of your behaviour on your fellow employees is real, tangible, and unpredictable, too.

Following are examples of employees failing to practice fundamental workplace ethics. The solution ? Change the behaviour, of course. You may never have thought of these actions as problems with ethical behaviour - but they are. And, all of them affect your co-workers in negative ways.

Signs that you know that your actions are substandard? You make up excuses, give yourself reasons, and that little voice of your conscience, that chatters away in your head, tries to convince your ethical self that your lapse in workplace ethics is okay.

Right. Perhaps a slightly different view will help you see the world with new eyes?

Here are some examples of employees failing to practice fundamental workplace ethics.

- You are using the company restroom and use up the last roll of toilet paper, or the last piece of paper towel. Without thought for the needs of the next employee, you go back to work rather than addressing the issue.
- You call in sick to your supervisor because it’s a beautiful day and you decide to go to the beach, or shopping, or…
- You engage in an affair with a co-worker while married because no one at work will ever know, you think you’re in love, you think you can get away with it, your personal matters are your own business, the affair will not impact other employees or the workplace,... Right?
- You place your dirty cup in the lunchroom sink. With a guilty glance around the room, you find no one watching and quickly leave the lunchroom.
- Your company sponsors events, activities, or lunches and you sign up to attend and fail to show. Conversely, you fail to sign up and show up anyway. You make the behaviour worse when you say that you took the appropriate action so someone else must have screwed up.
- You tell potential customers that you are the vice president in charge of something. When they seek out the company VP at a trade show, you tell your boss that the customers must have made a mistake.
You work in a restaurant in which wait staff tips are shared equally and you withhold a portion of your tips from the common pot before the tips are divided.

You take office supplies from work to use at home because you justify, you often engage in company work at home, or you worked extra hours this week, and so on.

You spend several hours a day using your work computer to shop, check out sports scores, pay bills, do online banking, and surf the news headlines for the latest celebrity news and political opinions.

You use up the last paper in the communal printer and you fail to replace paper leaving the task to the next employee who uses the printer.

You hoard supplies in your desk drawer so you won’t run out while other employees go without supplies they need to do their work.

You overhear a piece of juicy gossip about another employee and then repeat it to other co-workers. Whether the gossip is true or false is not the issue. Trust me.

You tell a customer or potential customer that your product will perform a particular action when you don’t know if it will and you didn’t check with an employee who does.

You allow a part that you know does not meet quality standards leave your work station and hope your supervisor or the quality inspector won’t notice.

You claim credit for the work of another employee, or you fail to give public credit to a co-worker’s contribution, when you share results, make a presentation, turn in a report or in any other way appear to be the sole owner of a work product or results.

This list provides examples of ways in which employees fail to practice workplace ethics. It is not comprehensive as hundreds of additional examples are encountered by employees in workplaces daily.
Ethics and Human resource management

Human resource management occupies the sphere of activity of recruitment selection, orientation, performance appraisal, training and development, industrial relations and health and safety issues. Business Ethicists differ in their orientation towards labour ethics. Some assess human resource policies according to whether they support an egalitarian workplace and the dignity of labour.

Issues including employment itself, privacy, compensation in accord with comparable worth, collective bargaining (and/or its opposite) can be seen either as inalienable rights or as negotiable. Discrimination by age (preferring the young or the old), gender/sexual harassment, race, religion, disability, weight and attractiveness. A common approach to remedying discrimination is affirmative action.

Once hired, employees have the right to occasional cost of living increases, as well as raises based on merit. Promotions, however, are not a right, and there are often fewer openings than qualified applicants. It may seem unfair if an employee who has been with a company longer is passed over for a promotion, but it is not unethical. It is only unethical if the employer did not give the employee proper consideration or used improper criteria for the promotion.

Potential employees have ethical obligations to employers, involving intellectual property protection and whistle-blowing.

Employers must consider workplace safety, which may involve modifying the workplace, or providing appropriate training or hazard disclosure.

Larger economic issues such as immigration, trade policy, globalization and trade unionism affect workplaces and have an ethical dimension, but are often beyond the purview of individual companies.

Trade unions:

Unions for example, may push employers to establish due process for workers, but may also cost jobs by demanding unsustainable compensation and work rules.

Unionized workplaces may confront union busting and strike breaking and face the ethical implications of work rules that advantage some workers over others.
The Importance of Ethics in the Workplace:

Our actions affect not only ourselves, but also those around us. Many of our professional decisions involve ethics. If we tell a lie, we can lose someone’s trust and undermine our own integrity. If we use shoddy materials or workmanship on the job, we can jeopardize the safety of others.

Questions of morality and ethics can be found at all levels of society. Ethical behaviour is equally important in the workplace as it is in our personal lives. Everywhere business is conducted, ethics matters.

Foundations of Ethics in Workplace:

A successful business depends on the trust of various parties—employees, managers, executives, customers, suppliers, and even competitors. Six ethical terms form the foundation of business in general and ethics in workplace in particular:

- Ethics
- Values
- Morals
- Integrity
- Character
- Laws

Ethics

Ethics refers to a set of rules that describes acceptable conduct in society. Ethics serve as a guide to moral daily living and helps us judge whether our behaviour can be justified.

Ethics refers to society’s sense of the right way of living our daily lives. It does this by establishing rules, principles, and values on which we can base our conduct. The concepts most directly associated with ethics are truth, honesty, fairness, and equity.

While ethics is a societal concern, it is of critical importance to the professions that serve society. Because professionals such as physicians, attorneys, engineers, and property and facility managers provide services that affect our welfare, they develop professional codes of ethics that establish professional standards for behaviour.

Examples of the types of standards found in professional codes of ethics include:

- An attorney or physician maintaining client-patient confidentiality
- An accountant not using client information for personal gain
Values

Values are defined as the acts, customs, and institutions that a team of people regard in a favourable way. Statements of value typically contain words of approval, disapproval, and obligation. Some of these words might be good, bad, should, and should not. However, value judgments do not have to contain specific value words. “That is a lie” does not contain a particular word of disapproval, but the implication that a lie is wrong is understood.

Values are what really matter to us most—what we care about. For instance, family devotion, respect for the environment, and working hard for a day’s pay are three values that can evoke a response in many people.

Morals

Morals are a set of rules or mode of conduct on which society is based. Certain moral elements are universal, such as the laws forbidding homicide and the basic duties of doing good and furthering the well-being of others. With morals serving as the underpinning of society, there are four points we should remember, says philosopher Robert C. Solomon.

- **Moral rules are important**: In general, moral rules are rules that help society function in a civilized way.
- **Morality consists of universal rules**: They apply to everyone, everywhere, and are recognized by everyone as being necessary.
- **Morals are objective**: They do not consider personal preferences. Right is right and wrong is wrong.
- **Morality affects other people**: Morality involves considering the well-being of others as reflected by the Golden Rule: *Do unto others as you would have them do unto you* (Treat others as you like to be treated by others- Bible)

Integrity

To have integrity is to be honest and sincere. Integrity is defined as adhering to a moral code in daily decision making. When people and businesses possess integrity, it means they can be trusted. On the other hand, companies that lack this quality and mislead customers with inferior products or false advertising will suffer the consequences.

Character

Ethics is not just how we think and act. It is also about character. Character drives what we do when no one is looking. Each person has the ability to build, change, or even destroy his or her own character. We can build our character through the way we live—by thinking good thoughts and performing good acts. Similarly, bad thoughts and behaviour can destroy our character.
A person with character has high morals and will act morally in all situations by choice, not force. A person with character will honour his or her commitments. Character pertains to organizations, as well. A company with high character is worthy of trust and respect, acts honestly, and stands by its promises.

Laws

The law is a series of rules and regulations designed to express the needs of the people. Laws protect people from the most blatant and despicable affront to morality, such as murder, rape, and theft.

Laws frequently provide us with a sense of right and wrong and guide our behaviour, but not always. While murder is against the law, the law does not always stop someone from killing another out of hatred, anger, or in defence of a personal philosophy.

Laws are instituted as notions of justice and tend to be specific, yet diverse within different societies. Laws have always had a strong connection to morality, ethics, and values. But, not all laws are ethical.

Laws have legalized slavery, segregation, sexism, and apartheid. Although these laws might have reflected society’s values at the time they were enacted, they could not nor will they ever justify immoral behaviour. Likewise in business, it is not unlawful to lie to a co-worker or on a job application, but both are ethically wrong.

These six concepts—ethics, values, morals, integrity, character, and laws—form the foundation of trust upon which ethical business practice is built.

Professional Codes of Ethics

Many professions and corporations have developed codes of ethics to address their unique business situations. In fact, 90 percent of Fortune 500 companies and nearly half of all corporations have codes of ethics that can be applied to all employees. By developing a code of ethics, an organization makes it clear that employees and members cannot claim ignorance as a defence for unethical conduct.

Benefits of a Corporate Code of Ethics

Codes of ethics help employees strike a balance between the ends and the means used to obtain them. This balance may be one of the most challenging aspects of being an ethical organization.

The Federal Sentencing Guidelines for Organizations provide an additional incentive for having corporate codes of ethics and ethics training. Companies that have made a bona fide effort to prevent unethical and illegal behaviour are likely to receive less severe punishment
should an employee be found guilty of breaking the law. The unethical conduct of just a few employees can affect an entire corporation.

**Benefits of a Professional Code of Ethics**

A professional code of ethics sets a standard for which each member of the profession can be expected to meet. It is a promise to act in a manner that protects the public’s well-being. A professional code of ethics informs the public what to expect of one’s doctor, lawyer, accountant, or property manager. As long as professionals adhere to these standards, the public is willing to have their professional associations create and enforce their ethical codes.

In cases where these codes are repeatedly and grossly violated, the public’s likely response is to demand protective legislation. The Sarbanes-Oxley Act of 2002 was enacted in response to such violations and the ensuing public outcry.

**Sarbanes-Oxley Act of 2002**

The Sarbanes-Oxley Act of 2002 came into force in 2002 in the USA and introduced major changes to the regulation of financial practice and corporate governance. Named after Senator Paul Sarbanes and Representative Michael Oxley, who were its main architects, it also set a number of deadlines for compliance. The Sarbanes-Oxley Act is arranged into eleven titles. An over-arching public company accounting board was also established by the act, which was introduced amidst a host of publicity.

Most professionals would prefer to police themselves, rather than have an externally imposed set of regulations. That is a major reason why they create codes of ethics in the first place.

**Successful Implementation of a Code of Ethics**

Within a corporation, top-down support is critical. If senior management does not act ethically and support others who do, an organization’s ethical code will have little meaning. It is critical for managers and executives to:

- act consistently with the company’s ethical standards
- apply those standards in dealing with employees

Acknowledging and rewarding those whose behaviours are consistent with a company’s code of ethics proclaims to all that ethical behaviour is truly valued. On the other hand, promoting and providing bonuses to employees whose successes are due in part to unethical behaviour sends an unwanted message.

Remaining ethical is not a static issue. It requires review and evaluation. Companies need to periodically review their priorities and make necessary adjustments. Otherwise, their standards and training become outdated.
Workplace Ethics- Characteristics and Components:

Workplace ethics are codes of conduct that influence the development of an ethical culture within the workplace. Going beyond what is considered legal in the area where the business operates, they inspire communication between employees, allow for respect to be extended to each person within the organization, and promote customer relationships that are based on honesty and integrity. While there are core elements that tend to define a work-based code of ethics, the specific expressions of these central values vary from one corporate setting to the next.

It is important to remember that workplace ethics are shaped by two important factors: Workplace policy and workplace ethics and behaviour.

**Workplace policy** must be in harmony with all laws and regulations that are currently in force in the jurisdiction where the business operates. This helps to ensure that basic ethics preclude any pressure or coercion to engage in actions that are considered to be illegal, promote discrimination in the workplace, support unfair hiring and firing practices, or allow wages to be set that are below the minimum legal standards for the area.

**Workplace ethics and behaviour** are a crucial part of employment, as both are aspects that can assist a company in its efforts to be profitable. In fact, ethics and behaviour are just as important to most companies as performance as high morale and teamwork are two ingredients for success. Every business in every industry has certain guidelines to which its employees must adhere, and frequently outline such aspects in employee handbooks.

**Behaviour**

All companies specify what is acceptable behaviour, and what is not, when hiring an employee. Many even summarize expected conduct in job descriptions or during the interview process. Behaviour guidelines typically address topics, such as harassment, work attire and language. Workers who don’t follow codes of conduct may receive written and verbal warnings, and ultimately be fired.

**Integrity**

A key component to workplace ethics and behaviour is integrity, or being honest and doing the right thing at all times. For example, health care employees who work with mentally or physically challenged patients must possess a high degree of integrity, as those who manage and work primarily with money. Workers with integrity also avoid gossip and sneakiness while on the job.
**Accountability**
Taking responsibility for your actions is another major factor when it comes to workplace ethics and behaviour. That means showing up on scheduled workdays, as well as arriving on time and putting in an honest effort while on the job. Workers who exhibit accountability are honest when things go wrong, then work toward a resolution while remaining professional all the while.

**Teamwork**
A vital aspect of the workplace is working well with others. That includes everyone from peers to supervisors to customers. While not all employees will always like each other, they do need to set aside their personal or even work-related differences to reach a larger goal. In many instances, those who are not considered “team players” can face demotion or even termination. On the other hand, those who work well with others often can advance on that aspect alone, with teamwork sometimes even outweighing performance.

**Commitment**
Ethical and behavioural guidelines in the workplace often place a high amount of importance on dedication. Although possessing the necessary skills is essential, a strong work ethic and positive attitude toward the job can carry you a long way. Plus, dedication is often viewed in the business world as “contagious,” meaning employees who give a strong effort can often inspire their co-workers to do the same.
How we avoid Ethical Dilemmas?

We often are able to see ethical issues and we understand what ethics is about and why it is important. But, we are often reluctant to raise ethical issues, or, in many cases, we use certain strategies to avoid facing ethical issues. The below mentioned are the rationalizations and avoidance techniques people use so that they can avoid ethical issues confronted with.

Call It by a Different Name

If we can attach a convenient label to what we are doing, we won’t have to face the ethical issue. For example, some people, including U.S. Justice Department Lawyers, refer to the downloading of music from the Internet as “copyright infringement.” However, many who download music assure us that it is really just the lovely practice of “peer-to-peer file sharing.” How can something that sounds so generous be an ethical issue? Yet, there is an ethical issue because copying copyrighted music without permission is taking something that does not belong to you or taking unfair advantage.

Yet another example is the financial practice of juggling numbers in financial statements, sometimes referred as “smoothing earnings,” but less eloquently known as “cooking the books.” That description helps us to see that we have an ethical issue in the category of telling the truth or not leaving a false impression. But if we call what we are doing “smoothing our earnings” or earnings management,” then we never have to face the ethical issue because we are doing something that is finance strategy, not an ethics issue.

Rationalizing Dilemmas Away:” Everybody Else Does It”

We can feel very comfortable and not have to face an ethical issue if we simply assure ourselves that “Everybody else does it.” We use faulty ethical reasoning to conclude that it must be right because so many people are doing it. A good day-to-day example is, “Everybody speeds, and so I speed.” There remains the problem that speeding is still a breach of one of the ethical categories: following the rules. While you may feel the speed limit is too low or unnecessarily, your ethical obligation is to follow those speed limits unless you successfully persuade others to change the laws because of your valid points about speed limits.

Rationalizing Dilemmas Away: If we don’t do It, Someone else will”

This rationalization is one used frequently by business people as they face though competition. They seize this rationalization because they can ignore the ethical issue in the name of business survival. They are saying that someone will do it anyway and make money, so why shouldn’t it be us?
Rationalizing Dilemmas Away: “That’s the Way It Has Always Been Done”

When we hear, “that’s the way it’s always been done,” our innovation feelers as well as our ethical radar should be up. We should be asking, “Is there a better way to do this?” Just as “everybody does it” is not ethical analysis, neither is relying on the past and its standards a process of ethical reasoning. Business practices are not always sound. For example, the field of business ethics has taught for years that a good board for a company has independent directors; that is, directors who are not employed by the company or under consulting contracts with the company or related to offers of the company. Independent boards were good ethical practice, but many companies resisted because their boards had always been structured a certain way and they would stick so that saying, “This is the way our board has always looked.” With the collapses of Enron, Adelphia, and WorldCom and the substantial officer loans at Tyco, both Congress through the Sarbanes-Oxley legislation and the Securities and Exchange Commission in follow-up regulations now mandate an independent corporate board. A conflict of interest existed when board members were employees or under contract with the corporation for consulting or legal services; but everybody was doing it, and it was the way corporations had always been governed. But the typical and prevailing practice resulted in lax corporate boards and company collapses. Unquestioning adherence to a pattern of practice or behavior often indicates an underlying ethical dilemma.

Rationalizing Dilemmas Away: “We’ll wait until the Lawyers Tell us it's Wrong”

Many people rely only on the law as their ethical standard, but that reliance means that they have resolved only the legal issue, not the ethical one. Lawyers are trained to provide only the parameters of the law. In many situations, they offer an opinion that is correct in that a company’s conduct does not violate the law. Whether the conduct they have passed judgment on as legal is ethical is a different question. For example, a team of White House lawyers conclude in a memo in March 2003 that international law did not ban torture of prisoners in Iraq because they were technically not prisoners of war. However, when pictures of prisoner abuse at the Abu Ghrib prison in Iraq emerged, the reaction of the public and the world was very different. The non legal and ethical analysis was that the torture and abuse wrong, regardless of the legality under treaty law. Following the abuse scandal, new standards for interrogation of prisoners, well above legal standards, were imposed on the U.S. military. While the lawyers were perfectly correct in their legal analysis, that legal analysis did not cover the ethical breaches of interpersonal and organizational abuse.

Rationalizing Dilemmas Away:”It Doesn’t Really Hurt Anyone”

We often think that our ethical missteps are just small ones that don’t really affect anyone else. We are not thinking through the consequences of our actions when we rationalize rather than analyze ethical issues in this manner. For example, it is probably true that one fraudulent insurance claim is not going to bankrupt an insurance company. However, if everyone who
believes his or her fraud is singular and isolated submitted a false insurance claim, we could create what happened in California when fraud overtook its workers’ compensation system. Employers’ insurance rates for workers’ compensation claimed as much as 700% in a 2 year period. All of us making poor ethical choices insurance cause significant harm. A man interviewed after he was arrested for defrauding insurance companies through staged auto accidents remarked. It didn’t really hurt anyone. Insurance companies can afford it- but not without cost to someone else. Such fraud harms all of us because we must pay higher premium to allow insurers to absorb the costs of investigating and paying for fraudulent claims.

**Rationalizing Dilemmas Away:”the System Is Unfair”**

Somehow an ethical breach doesn’t seem as bad if we are doing it because we have been given an unfair hand. The professor is unreasonable and demanding, so why not buy a term paper from the Internet? Often touted by students as a justification for cheating on exams, this rationalization eases our consciences by telling us we are cheating only to make up for deficiencies in the system. Yet just one person cheating can send ripples through an entire system. The credibility of grades and the institutions come into question as students obtain grades through means beyond the system’s standards. As we see events unfold in China, Italy and Brazil with government employees awarding contracts and rights to do business on the basis of payments rather than on results in greater unfairness within and greater costs to those countries. A country’s businesses and economy will not progress without some fundamental assurance of trust.

**Rationalizing Dilemmas Away; “I was just Following Orders”**

In many criminal trials and disputes over responsibility and liability many managers will disclaim their responsibility by starting, “I was just following orders.” In fact, when World Com collapsed because it had capitalized $9 billion on ordinary expenses and, as a result, over reported its earnings, one of the accountants involved in making the entries indicated that show was just following orders from the controller and chief financial officer. However, she did not deny that she knew such capitalization of ordinary expenses was wrong. She has responsibility, both legally and ethically, for the financial misstatements.

There are times when individuals cannot follow the directions of supervisors, for they have been asked to do something illegal or immoral. Judges who preside over the criminal trials of war criminals often remind defendants that an order is not necessarily legal or moral. Good ethical analysis requires us to question or depart from orders when others will be harmed or wronged.
Myths about Business Ethics

Business ethics in the workplace is about prioritizing moral values for the workplace and ensuring behaviours are aligned with those values – it’s values management. Yet, myths abound about business ethics. Some of these myths arise from general confusion about the notion of ethics. Other myths arise from narrow or simplistic views of ethical dilemmas.

1. Myth: Business ethics is more a matter of deep rooted religious belief like and can’t be altered.
There is always a misconception that there is less scope for altering ethics in organizations as they form to be a part of the DNA of the organization. This is far from reality where systematic training and development interventions could bring in a desirable change.

2. Myth: Our employees are ethical so we don’t need attention to business ethics.
Most of the ethical dilemmas faced by managers in the workplace are highly complex in the presence of a) significant value conflicts among differing interests, b) real alternatives that are equality justifiable, and c) significant consequences on "stakeholders" in the situation.

When the topic of business ethics comes up, people are quick to speak of the Golden Rule, honesty and courtesy. But when presented with complex ethical dilemmas, most people realize there’s a wide "gray area" when trying to apply ethical principles.

3. Myth: Business ethics is a discipline best led by philosophers, academics and theologians.
Lack of involvement of leaders and managers in business ethics literature and discussions has led many to believe that business ethics is a fad or movement, having little to do with the day-to-day realities of running an organization. They believe business ethics is primarily a complex philosophical debate or a religion. However, business ethics is a management discipline with a programmatic approach that includes several practical tools.

4. Myth: Business ethics is superfluous -- it only asserts the obvious: "do good!"

Many people react that codes of ethics, or lists of ethical values to which the organization aspires, are rather superfluous because they represent values to which everyone should naturally aspire. However, the value of a codes of ethics to an organization is its priority and focus regarding certain ethical values in that workplace. For example, it’s obvious that all people should be honest. However, if an organization is struggling around continuing
occasions of deceit in the workplace, a priority on honesty is very timely -- and honesty should be listed in that organization’s code of ethics. Note that a code of ethics is an organic instrument that changes with the needs of society and the organization.

5. **Myth: Business ethics is a matter of the good guys preaching to the bad guys.**

Some writers do seem to claim a moral high ground while lamenting the poor condition of business and its leaders. However, those people well versed in managing organizations realize that good people can take bad actions, particularly when stressed or confused. (Stress or confusion are not excuses for unethical actions -- they are reasons.) Managing ethics in the workplace includes working together to help each other remain ethical and to work through confusing and stressful ethical dilemmas.

6. **Myth: Business ethics is a new phenomenon:**

Many believe business ethics is a recent phenomenon because of increased attention to the topic in popular and management literature. The management history review reveals that there has been focus on business ethics in classical business writings. In Indian literature also Kautilay’s Artha Sashtra also discusses about business ethics and values. Sages and seers in ancient India specified dharma, artha, kama and moksha as the four ends of a moral and productive life and emphasised the attainment of a proper balance between the spiritual health and the material health.

Kautilya, on the other hand considered poverty as a living death and concentrated on devising economic policies to achieve salvation from poverty but without compromising with ethical values unless survival of the state was threatened. Kautilya's *Arthashastra* is unique in emphasising the imperative of economic growth and welfare of all. According to him, if there is no dharma, there is no society. He believed that ethical values pave the way to heaven as well as to prosperity on the earth, that is, have an intrinsic value as well as an instrumental value. He referred the reader to the Vedas and Philosophy for learning moral theory, which sheds light on the distinction between good and bad and moral and immoral actions. He extended the conceptual framework to deal with conflict of interest situations arising from the emerging capitalism. It is argued that the level of integration between economics and ethics is significantly higher in Kautilya's *Arthashastra* than that in Adam Smith's *Wealth of Nations*.

Similarly, ethics and values have been often referred in epics like Ramayana and Mahabharata. Some ethical dilemmas were justified by giving examples of killing the evil or bad to protect the good and ethical, and moral fabric of the society.
7. Myth: Ethics can't be managed.

Actually, ethics is always "managed" -- but, too often, indirectly. For example, the behaviour of the organization's founder or current leader is a strong moral influence. Strategic priorities (profit maximization, expanding markets are, cutting costs, etc.) can be very strong influences on morality. Laws, regulations and rules directly influence behaviours to be more ethical, usually in a manner that improves the general good and/or minimizes harm to the community. Some are still skeptical about business ethics, believing you can't manage values in an organization.

8. Myth: Business ethics and social responsibility are the same thing while they are not. The social responsibility movement is one aspect of the overall discipline of business ethics. *Madsen and Shafritz refine the definition of business ethics to be: 1) an application of ethics to the corporate community, 2) a way to determine responsibility in business dealings, 3) the identification of important business and social issues, and 4) a critique of business.*

9. Myth: Our organization is not in trouble with the law, so we're ethical. One can often be unethical, yet operate within the limits of the law, e.g., withhold information from superiors, fudge on budgets, constantly complain about others, etc. However, breaking the law often starts with unethical behaviour that has gone unnoticed. The "boil the frog" phenomena is a useful parable here: If you put a frog in hot water, it immediately jumps out. If you put a frog in cool water and slowly heat up the water, you can eventually boil the frog. The frog doesn't seem to notice the adverse change in its environment.

10. Myth: Managing ethics in the workplace has little practical relevance. Managing ethics in the workplace involves identifying and prioritizing values to guide behaviours in the organization, and establishing associated policies and procedures to ensure those behaviours are conducted. One might call this "values management." Values management is also highly important in other management practices, e.g., managing diversity, Total Quality Management and strategic planning.
Development of Personal Ethics - Principles

Ethical values, translated into active language establishing standards or rules describing the kind of behaviour an ethical person should and should not engage in, are ethical principles. The following list of principles incorporate the characteristics and values that most people associate with ethical behaviour.

Ethical decision making systematically considers these principles.

1. **HONESTY.** Ethical executives are honest and truthful in all their dealings and they do not deliberately mislead or deceive others by misrepresentations, overstatements, partial truths, selective omissions, or any other means.

2. **INTEGRITY.** Ethical executives demonstrate personal integrity and the courage of their convictions by doing what they think is right even when there is great pressure to do otherwise; they are principled, honorable and upright; they will fight for their beliefs. They will not sacrifice principle for expediency, be hypocritical, or unscrupulous.

3. **PROMISE-KEEPING & TRUSTWORTHINESS.** Ethical executives are worthy of trust. They are candid and forthcoming in supplying relevant information and correcting misapprehensions of fact, and they make every reasonable effort to fulfill the letter and spirit of their promises and commitments. They do not interpret agreements in an unreasonably technical or legalistic manner in order to rationalize non-compliance or create justifications for escaping their commitments.

4. **LOYALTY.** Ethical executives are worthy of trust, demonstrate fidelity and loyalty to persons and institutions by friendship in adversity, support and devotion to duty; they do not use or disclose information learned in confidence for personal advantage. They safeguard the ability to make independent professional judgments by scrupulously avoiding undue influences and conflicts of interest. They are loyal to their companies and colleagues and if they decide to accept other employment, they provide reasonable notice, respect the proprietary information of their former employer, and refuse to engage in any activities that take undue advantage of their previous positions.

5. **FAIRNESS.** Ethical executives and fair and just in all dealings; they do not exercise power arbitrarily, and do not use overreaching nor indecent means to gain or maintain any advantage nor take undue advantage of another’s mistakes or difficulties. Fair persons manifest a commitment to justice, the equal treatment of individuals, tolerance for and acceptance of diversity, the they are open-minded; they are willing to admit they are wrong and, where appropriate, change their positions and beliefs.
6. CONCERN FOR OTHERS. Ethical executives are caring, compassionate, benevolent and kind; they like the Golden Rule, help those in need, and seek to accomplish their business objectives in a manner that causes the least harm and the greatest positive good.

7. RESPECT FOR OTHERS. Ethical executives demonstrate respect for the human dignity, autonomy, privacy, rights, and interests of all those who have a stake in their decisions; they are courteous and treat all people with equal respect and dignity regardless of sex, race or national origin.

8. LAW ABIDING. Ethical executives abide by laws, rules and regulations relating to their business activities.

9. COMMITMENT TO EXCELLENCE. Ethical executives pursue excellence in performing their duties, are well informed and prepared, and constantly endeavor to increase their proficiency in all areas of responsibility.

10. LEADERSHIP. Ethical executives are conscious of the responsibilities and opportunities of their position of leadership and seek to be positive ethical role models by their own conduct and by helping to create an environment in which principled reasoning and ethical decision making are highly prized.

11. REPUTATION AND MORALE. Ethical executives seek to protect and build the company’s good reputation and the morale of its employees by engaging in no conduct that might undermine respect and by taking whatever actions are necessary to correct or prevent inappropriate conduct of others.

12. ACCOUNTABILITY. Ethical executives acknowledge and accept personal accountability for the ethical quality of their decisions and omissions to themselves, their colleagues, their companies, and their communities.

Importance of Workplace Ethics:

Workplace ethics ensures positive ambience at the workplace. Workplace ethics leads to happy and satisfied employees who enjoy coming to work rather than treating it as a mere source of burden. Employees also develop a feeling of loyalty and attachment towards the organization.

Organizations need to have fool-proof systems to measure the performances of individuals. Appraisal system needs to be designed keeping in mind employee’s performance throughout the year and his/her career growth. Periodic reviews are essential. It is mandatory for superiors to know what their subordinates are up to. Managers need to know who all are going on the right track and who all need that extra push. Workplace ethics ensures
management guides and mentors their employees well. Appraisal and salary hikes should not happen just for the name sake. Workplace ethics is important as it enables management to treat all employees as equal and think from their perspective as well. Employees must have a say in their appraisal system. Transparency is essential.

An employee is bound to move on after a year or so if he/she is not appreciated and rewarded suitably. It is indeed the organization’s loss when employees after being trained quit and move on. Employees change primarily because of two reasons - Career growth and monetary benefits. Management needs to make employees feel secure about their job and career. Unnecessary favouritism is against workplace ethics. If you favour anyone just because he is your relative, the other team members are bound to feel de-motivated and thus start looking for new opportunities. An individual’s output throughout the year should decide his/her increment.

Organizations need to stand by their employees even at the times of crisis. You cannot ask your employees to go just because you don’t need them anymore or your work is over. Such a practice is unethical. How can you play with someone’s career? If an individual has performed well all through but fails to deliver once or twice, you just can’t kick him out of the system. Workplace ethics says that organizations need to retain and nurture talents. If you have hired someone, it becomes your responsibility to train the individual, make him/her aware of the key responsibility areas, policies, rules and regulations and code of conduct of the organization. Employees need to be inducted well into the system. They must be aware of the organization’s policies from the very first day itself.

Workplace ethics also go a long way in strengthening the bond among employees and most importantly their superiors. Employees tend to lie if you do not allow them to take leaves. If you do not allow an employee to take leave on an important festival, what do you expect the employee to do? What is the alternative left with him? He would definitely lie. Do not exploit your employees and don’t treat them as machines. No employee can work at a stretch without taking a break. It is okay if they talk to their fellow workers once in a while or go out for a smoke break. Understand their problems as well. If you feel the problem is genuine, do not create an issue. It is but natural that once or twice they would definitely call their family members and enquire about their well-being. Superiors should not have a problem with that.

It has been observed that organizations which are impartial to employees, lend a sympathetic ear to their grievances and are employee friendly seldom face the problems of unsatisfied employees and high attrition rate.
Benefits of Managing Ethics in the Workplace

Many people are used to reading or hearing of the moral benefits of attention to business ethics. However, there are other types of benefits, as well. The following list describes various types of benefits from managing ethics in the workplace.

1. **Attention to business ethics has substantially improved society.**
   A matter of decades ago, children in our country worked 16-hour days. Workers’ limbs were torn off and disabled workers were condemned to poverty and often to starvation. Trusts controlled some markets to the extent that prices were fixed and small businesses choked out. Price fixing crippled normal market forces. Employees were terminated based on personalities. Influence was applied through intimidation and harassment. Then society reacted and demanded that businesses place high value on fairness and equal rights. Anti-trust laws were instituted. Government agencies were established. Unions were organized. Laws and regulations were established.

2. **Ethics programs help maintain a moral course in turbulent times.**
   As noted earlier in this document, Wallace and Pekel explain that attention to business ethics is critical during times of fundamental change -- times much like those faced now by businesses, both non-profit or for-profit. During times of change, there is often no clear moral compass to guide leaders through complex conflicts about what is right or wrong. Continuing attention to ethics in the workplace sensitizes leaders and staff to how they want to act -- consistently.

3. **Ethics programs cultivate strong teamwork and productivity.**
   Ethics programs align employee behaviours with those top priority ethical values preferred by leaders of the organization. Usually, an organization finds surprising disparity between its preferred values and the values actually reflected by behaviours in the workplace. Ongoing attention and dialogue regarding values in the workplace builds openness, integrity and community -- critical ingredients of strong teams in the workplace. Employees feel strong alignment between their values and those of the organization. They react with strong motivation and performance.
4. Ethics programs support employee growth and meaning.
Attention to ethics in the workplace helps employees face reality, both good and bad -- in the organization and themselves. Employees feel full confidence they can admit and deal with whatever comes their way. Bennett, in his article "Unethical Behaviour, Stress Appear Linked" (Wall Street Journal, April 11, 1991, p. B1), explained that a consulting company tested a range of executives and managers. Their most striking finding: the more emotionally healthy executives, as measured on a battery of tests, the more likely they were to score high on ethics tests.

5. Ethics programs are an insurance policy -- they help ensure that policies are legal.
There is an increasing number of lawsuits in regard to personnel matters and to effects of an organization’s services or products on stakeholders. As mentioned earlier in this document, ethical principles are often state-of-the-art legal matters. These principles are often applied to current, major ethical issues to become legislation. Attention to ethics ensures highly ethical policies and procedures in the workplace. It’s far better to incur the cost of mechanisms to ensure ethical practices now than to incur costs of litigation later. A major intent of well-designed personnel policies is to ensure ethical treatment of employees, e.g., in matters of hiring, evaluating, disciplining, firing, etc. Drake and Drake (California Management Review, V16, pp. 107-123) note that “an employer can be subject to suit for breach of contract for failure to comply with any promise it made, so the gap between stated corporate culture and actual practice has significant legal, as well as ethical implications.”

6. Ethics programs help avoid criminal acts “of omission” and can lower fines.
Ethics programs tend to detect ethical issues and violations early on so they can be reported or addressed. In some cases, when an organization is aware of an actual or potential violation and does not report it to the appropriate authorities, this can be considered a criminal act, e.g., in business dealings with certain government agencies, such as the Defence Department. The recent Federal Sentencing Guidelines specify major penalties for various types of major ethics violations. However, the guidelines potentially lowers fines if an organization has clearly made an effort to operate ethically.

7. Ethics programs help manage values associated with quality management, strategic planning and diversity management -- this benefit needs far more attention.
Ethics programs identify preferred values and ensuring organizational behaviours are aligned with those values. This effort includes recording the values, developing policies and procedures to align behaviours with preferred values, and then training all personnel about the policies and procedures. This overall effort is very useful for several other programs in the workplace that require behaviours to be aligned with values, including quality management, strategic planning and diversity management. Total Quality Management
includes high priority on certain operating values, e.g., trust among stakeholders, performance, reliability, measurement, and feedback. Eastman and Polaroid use ethics tools in their quality programs to ensure integrity in their relationships with stakeholders. Ethics management techniques are highly useful for managing strategic values, e.g., expand market share, reduce costs, etc. McDonnell Douglas integrates their ethics programs into their strategic planning process. Ethics management programs are also useful in managing diversity. Diversity is much more than the color of people’s skin -- it’s acknowledging different values and perspectives. Diversity programs require recognizing and applying diverse values and perspectives -- these activities are the basis of a sound ethics management program.

8. **Ethics programs promote a strong public image.**
Attention to ethics is also strong public relations -- admittedly, managing ethics should not be done primarily for reasons of public relations. But, frankly, the fact that an organization regularly gives attention to its ethics can portray a strong positive to the public. People see those organizations as valuing people more than profit, as striving to operate with the utmost of integrity and honor. Aligning behavior with values is critical to effective marketing and public relations programs. Consider how Johnson and Johnson handled the Tylenol crisis versus how Exxon handled the oil spill in Alaska. Bob Dunn, President and CEO of San Francisco-based Business for Social Responsibility, puts it best: “Ethical values, consistently applied, are the cornerstones in building a commercially successful and socially responsible business.”

9. **Overall benefits of ethics programs:**
Donaldson and Davis, in “Business Ethics? Yes, But What Can it Do for the Bottom Line?” (Management Decision, V28, N6, 1990) explain that managing ethical values in the workplace legitimizes managerial actions, strengthens the coherence and balance of the organization’s culture, improves trust in relationships between individuals and teams, supports greater consistency in standards and qualities of products, and cultivates greater sensitivity to the impact of the enterprise’s values and messages.

10. **Last - and most -- formal attention to ethics in the workplace is the right thing to do.**
OTHER BENEFITS OF WORKPLACE ETHICS

Research on ethics reports that non-unionized employees perceive stronger ethical cultures within their organizations than their unionized counterparts. The non-profit organization also reports that young workers are more likely to perceive weak ethical cultures within their companies than older ones. Managers also tend to value stronger ethical cultures than employees in non-management positions. It is the duty of manager to incorporate and manage a strong ethical culture within your business. Workplace ethics are significant to one’s business and provide numerous benefits.

Asset Protection
A strong ethical culture within a business is important in safeguarding the assets. Employees who abide by workplace ethics would be able to protect and respect company’s assets. For example, they would avoid making personal long distance calls using the business’s lines. Workers can only respect company property when management treat them with respect and dignity, which makes them feel proud to be working for the company. Ensure that workers perform in an environment with integrity and strong ethics. It increases employee pride and discourages them from stealing supplies or equipment.

Productivity and Teamwork
Workplace ethics is integral in fostering increased productivity and teamwork among the employees. It helps in aligning the values of business with those of workers. Achieving this alignment requires that managers in general and HR managers in particular encourage consistent dialogue regarding the values of business, which enhances community, integrity and openness among employees. Ethics enable workers to feel a strong alignment between their values and those of business. They show such feelings through increased productivity and motivation.

Public Image
One can earn a lot of respect and cultivate a strong image in the public domain when ethical choices are made. For instance, the company can fulfill corporate social responsibility by reducing waste discharge from your business. The public would consider your business to be operating with honor and integrity while valuing people over profits. Building a strong public image through ethical conduct also earns you more clients. Customers would develop trust in you and do business with your organization.

Decision-Making
Ethical conduct in the workplace encourages a culture of making decisions based on ethics. It also enhances accountability and transparency when undertaking any business decisions. During turbulent times, a strong ethical culture guides you in managing such conflicts by making the right moves. It can help you to introduce change successfully in your organization, which can be a challenge. Ethical conduct within the business sensitizes you and your staff on how to act consistently even in difficult times.
Importance of Creating a Code of Ethics for a Business

A code of ethics is a vital document for any business, as breaches of ethics can land companies in serious trouble with consumers, other organizations or government authorities. Creating a code of ethics makes decision-making easier at all levels of an organization by reducing ambiguity and considerations of individual perspectives in ethical standards.

Purpose
A code of ethics guides all managerial decisions, creating a common framework upon which all decisions are founded. This can help to create a cohesive understanding of the boundaries within an organization and the standards set for interacting with external stakeholders. A formal, well-communicated code of ethics can also help to protect a company's reputation and legal standing in the event of a breach of ethics by an individual employee.

Scope
Codes of ethics can cover any scope, from the corporate level to the workgroup level. Corporate level ethics standards speak in grand, idealistic terms, communicating the entire ethical vision of the organization in a single document. Ethical standards for business units or geographical divisions can be a bit more specific, applying to the particular industry or region in question. Codes of ethics at the departmental level often deal with highly specific issues, which are often related to experiences and trends within the department.

Process
Codes of ethics are simple for an executive to create in the privacy of his own office, but an individually dictated set of standards can often fail to achieve its purpose. Involving a wide range of employees from all levels of an organization in the process of drafting and formalizing a code of ethics can help to ensure that all employees are on board with and committed to the standards. Revising your code of ethics from time to time in response to changes in the industry or legal environment can help to ensure that your company's ethical reputation remains impeccable.

Training and Incentives
Ethical considerations are vital in today's business environment, and smart companies do all they can to make their code of ethics relevant and important to their workers. Implement ethics training programs for new hires and existing employees to increase the effectiveness of your code. Tie compensation incentives to ethical behaviour to further increase the code's relevance to individual employees.

Considerations
Codes of ethics take on additional importance and complexity in the international arena. Ethical standards differ between countries and regions; international businesspeople must
have an understanding of each culture's ethical standards to be most effective, and the company's code of ethics either be written to compromise with foreign ethical standards or to uphold a single code in all countries.
Chapter 2

Creating and Sustaining an Ethical Workplace Culture

Values drive behaviour and therefore need to be consciously stated, but they also need to be affirmed by actions.

Ethics is about behaviour. In the face of dilemma, it is about doing the right thing. Ethical managerial leaders and their people take the “right” and “good” path when they come to the ethical choice points.

The purpose of this article is to steer your thinking and action toward creating and sustaining an ethical workplace culture. Managerial leaders and their people are invited to explore how values, actions, and behavioural standards can help steer organizational behaviour.

Values Drive Behaviour

A well-used axiom in organizational behaviour thought asserts that values ultimately drive our behaviour. In a nutshell, values exert influence over our attitudes, and attitudes influence our behaviour. Values are integral to attitude formation and to how we respond to people and situations. Extensive literature exists dealing with how values relate to effective managerial leadership. A review of this body of work leaves us with the clear picture that values are a key component of effective managerial leadership.

There seems to be a subset of virtuous values that align with ethical behaviour. In his book, Authentic Happiness, Martin Seligman has reviewed these core virtuous values that influence ethical behaviour and appear to have universal appeal. My adaptation of these values as they apply to ethics follows:

- **Wisdom and Knowledge**: The capacity to take information and convert it to something useful. Wisdom comes from capitalizing on one’s experience to interpret information in a knowledgeable manner to produce wise decisions. A prerequisite to doing the right thing when facing an ethical dilemma is knowing what to do, knowing the difference between right and wrong.
- **Self Control**: The ability to avoid unethical temptations. The capacity to take the ethical path requires a commitment to the value of acting with temperance. Ethical people say “no” to individual gain if it is inconsistent with institutional benefit and goodwill.

- **Justice and Fair Guidance**: The fair treatment of people. Justice is served when individuals perceive that they receive a fair return for the energy and effort expended. For example, a leader’s commitment to justice is tested continually with the allocation of organizational resources. Are certain individuals and teams given special treatment without regard to objective criteria by which to judge fairness? Ethical leaders value and embrace fair advice and guidance.

- **Transcendence**: The recognition that there is something beyond oneself more permanent and powerful than the individual. Without this value, one may tend toward self-absorption. Leaders who are motivated predominately by self-interest and the exercise of personal power have restricted effectiveness and authenticity.

- **Love and Kindness**: The expression through words and deeds of love and kindness. Researchers have documented that there appear to be different types of “love.” In an organizational context, love refers to an intense positive reaction to another co-worker, team and/or situation. An organization “with heart” allows for the expression of love, compassion and kindness among and between people, the goodwill which can be drawn upon when one faces ethical challenges.

- **Courage and Integrity**: The courage to act ethically and with integrity. These values involve discerning right from wrong and acting accordingly. They impel one to consistently do what is right without concern for personal consequences, even when it is not easy.

In practice, these six categories of virtuous values are intertwined. For example, the capacity to administer resources fairly and offer fair guidance to stakeholders along the way is supported by courage and integrity. Difficult decisions surrounding the allocation of limited resources leave some individuals and teams with less than they would prefer. The redeeming grace is the perception that such decisions are made with fairness and integrity. Unpopular decisions are easier to accept when they are perceived to be derived fairly and with integrity.

Driving ethical behaviour with values and attitudes requires that there be alignment among values, attitudes, and behaviour. Examples of this alignment between each of the virtuous values, associated attitudes, and behaviour are offered in Table 1.
## Table 1: Values —› Attitude —› Ethical Behaviour Chain

<table>
<thead>
<tr>
<th>Value</th>
<th>Attitude</th>
<th>Ethical Behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wisdom and Knowledge</td>
<td>Experience promotes wisdom that helps convert information to knowledge.</td>
<td>Using knowledge to solve problems ethically and to do what is right.</td>
</tr>
<tr>
<td>Self-Control</td>
<td>Self-control means effectively managing reactions to challenging situations and temptations.</td>
<td>Putting personal motivations aside and acting with objectivity by doing what is right.</td>
</tr>
<tr>
<td>Justice</td>
<td>Acting justly and fairly is a long-term driver of ethical behaviour; remember the “Golden Rule.”</td>
<td>Establishing just and mutually agreed upon criteria and administering them fairly to all people.</td>
</tr>
<tr>
<td>Transcendence</td>
<td>The belief in a power and source outside oneself reduces self-serving actions and increases humility.</td>
<td>Putting institutional and/or stakeholder interests above self interests. Identifying a personal purpose that is aligned with organizational mission.</td>
</tr>
<tr>
<td>Love and Kindness</td>
<td>Treating people with kindness helps increase the reservoir of positive affection contributions. and love.</td>
<td>Recognizing and encouraging others for their contributions.</td>
</tr>
<tr>
<td>Courage and Integrity</td>
<td>Ethics requires the courage to do the right things consistently without regard to personal consequences.</td>
<td>Making unpopular decisions based on fair consideration of the facts.</td>
</tr>
</tbody>
</table>
Measures to encourage ethical behaviour in organizations:

“What can managers do on a proactive basis to encourage ethical behaviour? At least five practices help leaders steer their organizations toward ethical conduct.

**First, any gap between knowledge about what to do and actual actions needs to be closed.**
If you know what is the right thing to do, just do it. Unfortunately, too often “white collar” criminals will tell us that they knew what was right, yet they failed to do it. John Maxwell, in his book “There’s No Such Thing as Business Ethics”, explains various reasons for ethical transgressions, including that people just rationalize their choices with relativism. While the reasons for the transgressor’s actions are varied and complex, the simple truth is that they failed to “do the right thing” in spite of their knowledge. They did not act with wisdom.

**Second, managerial leaders must be very deliberate about who joins their organization.**
Many organizational leaders believe that selecting people for their values is as important as selecting for skill sets. Jim Collins, in his compelling book Good to Great: Why Some Companies Make the Leap . . . and Others Don’t, emphasizes how long-term success depends on putting the right people in place. Larry Bossidy, as CEO of Allied Signal, made people selection a top priority and considered it a key task of top management. Selecting people who share your virtuous values is critical to building an ethical culture and long-term business success.

**Third, new personnel need to be socialized into the organization so as to advance virtuous values.** As an executive, I regularly attended new employee orientations to espouse the organization’s values. As a way of promoting and influencing ethical behaviour, it is very powerful for new employees to hear managerial leaders espouse core virtuous values and to see those values affirmed through the actions of others in the organization.

**Fourth, accountability and follow-up are critical in putting virtuous values into practice.**
Systems and procedures can remind people of commitments and help connect words or promises with deeds. In organizations with behavioural integrity, words and deeds count. When virtuous values are driving behaviour, the alignment of words and deeds serves to advance the creation of an ethical work culture.

**Finally, managers can positively impact the practice of ethical behaviour by fairly allocating organizational resources and linking them appropriately.** All managers have five key resources to manage: people, money, capital assets, information, and time. Allocation of these resources and the process managers use to accomplish such distribution can create perceptions of equity and fairness, or inequity and unfairness. Managers who value justice and
fairness are more likely to deal the cards fairly — thereby modelling ethical behaviour — than are those who do not.

**Behavioural Standards and Codes of Conduct:**

Ideally, managerial leaders and their people will act ethically as a result of their internalized virtuous core values. I like to think of this as ethics from the “inside out.” Relying solely on this “inside out” approach, however, is simply naïve in many circumstances.

Established behavioural standards and written codes of ethical conduct can help bolster virtuous values and promote ethical organizational behaviour. Behavioural standards usually incorporate specific guidelines for acting within specific functional workplace areas. For example, a sales department may clearly outline criteria for expense reimbursements.

Codes of ethical conduct have received varying degrees of attention over the past three decades. They can be categorized into three types:

Type 1: **Inspirational-Idealistic** codes of conduct specify global themes such as “Be honest,” “Show integrity in all matters,” “Practice wise decision making,” etc. Such themes are not anchored to specific behaviour or situations.

Type 2: **Regulatory** codes of conduct proscribe clearly delineated conduct. This type of code is designed to help as a jurisprudential tool when disputes occur. It is more of a “do and don’t” approach.

Type 3: **Educational/Learning-Oriented** codes of conduct offer principles to guide decision making and behavioural reactions into likely situations. This approach is compatible with building a learning organizational culture. For example, the principle and value of fairness might be applied to allocating a bonus pool. Managerial leaders responsible for this process could be engaged in scenarios wherein they would be asked to take “fair action” in making these allocations. Such learning experiences can serve to enlighten and inform so as to foster ethical decision making.

Behavioural standards and codes of ethical conduct can help steer ethical behaviour by offering a cue or written rule to remind personnel of the right thing to do—an “outside in” process for ethical behaviour management. These standards and codes trigger peoples’ internalized values, thus gaining strength through firm yet fairly administered consequences.
The Ethical Behaviour Formula

Taken together, virtuous values, actions, and behavioural standards/codes can produce a “formula,” such as that illustrated below, that may increase the likelihood of ethical organizational behaviour:

**Virtuous Values + Aligned Action + Behavioural Standards /Codes → Increased Ethical Behaviour**

Consider adapting the six virtuous values and aligning them with key managerial leadership actions such as selection, employee orientation/socialization, and allocation of resources. Behavioural standards and/or codes of ethical conduct can be added as appropriate. Acting on these three formula components may serve to increase the display of ethical organizational behaviour.

**Three Good Reasons to Apply the Formula**

There are at least three good reasons to practice ethical behaviour in your organization. These reasons may motivate you to adapt the “formula” into your managerial leadership practice repertoire.

- First, it is the right thing to do. Employees and external stakeholders alike want and deserve to be treated ethically. Taken to the extreme, a culture allowing unethical behaviour can breed all manner of damaging and even criminal activity.

- Second, it makes economic sense. A mounting body of evidence shows that an emphasis on the softer sides of business, including ethics, positively influences the harder traditional bottom line. By listening to employees, effectively recognizing their work, and practicing good ethical behaviour, managers have given a boost to such hard measures as operating earnings, ROI, and stock price.

- Third, in line with a growing trend to look beyond shareholder value to a broader stakeholder perspective, organizational ethical behaviour becomes the socially responsible thing to do. Just think for a moment about the impact of Enron’s, Tyco’s and World Com’s unethical behaviour on their respective communities, workforces, and other stakeholders.
A Way to Apply the Formula

To pull the virtuous values, proactive actions, and behavioural standards and ideas together, I offer you a checklist. *The Ethical Behaviour Enhancement Checklist* is intended to help you promote and practice ethical organizational behaviour.

**The Ethical Behaviour Enhancement Checklist**

Instructions: For each statement below, on a scale of 1 to 10 (0 being lowest, 10 being highest) *rate to what extent the statement is true and/or to what extent you currently practice this behaviour*. Please be candid since this checklist is self-directed and is intended to help you increase the presence of proactive ethical organizational behaviour in your enterprise.

1. A set of virtuous values is clearly espoused. (0 – 10)
2. Espoused values are routinely affirmed by my actions. (0 – 10)
3. People in my organization would say that I talk and act in an ethical manner. (0 – 10)
4. People are selected based upon their alignment with our virtuous values. (0 – 10)
5. New organizational members are oriented to our virtuous values. (0 – 10)
6. Systems and processes that hold people accountable for their words and actions are in place. (0 – 10)
7. Decisions regarding resource allocation are made fairly. (0 – 10)
8. People perceive resources to be distributed fairly. (0 – 10)
9. As appropriate, behavioural standards and/or codes of conduct are specified. (0 – 10)
10. The economic and people impacts of ethical behaviour are measured. (0 – 10)

In reviewing your responses to the checklist, you are encouraged to identify the areas of greatest opportunity for improvement and begin a program of change in these areas. Ideally, responses in the range of 8 – 10 would be most desirable. Additional targets for continual growth and improvement can be identified as circumstances warrant.

Remember, at the most basic level, ethics is about behaviour. Doing the right thing is enhanced by espousing a set of virtuous values, aligning your actions with those values, and specifying in key areas those behavioural standards that will encourage others to steer their behaviour in an ethical direction.
Chapter 3

A Proactive Approach in Addressing Unethical Behaviour at Workplace

While it may not rise to the level of being illegal, unethical behaviour in the workplace can have serious consequences if unaddressed. And it can create a toxic work environment in which your employees and business ultimately suffer.

When the authors of Crucial Accountability gave an online survey to more than 900 working people in 2013, the three most common unethical workplace behaviours cited were taking credit for someone else’s work, indulging in extra long breaks and calling in sick when actually well. One-third of the respondents reported having witnessed at least one of these violations the week prior to participating the survey.

Moreover, with the 63 percent of the survey respondents who witnessed unethical behaviour, only half of the time was the misdeed reported. When asked why this was the case, four main reasons were cited by survey participants: It might have damaged their career. It would have made the offender harder to work with. They didn’t think they would be taken seriously. Or they weren’t sure how to bring up their concerns.

At large businesses, a human resources department or manager can provide a way for employees to voice their concerns about unethical behaviour of colleagues and provide policies, procedures and training. At smaller businesses with few resources and little or no HR support, creating an avenue for reporting or disclosing unethical behaviour is challenging, as is putting in place the proper guidance for addressing such behaviour.

If your business lacks robust HR support, it’s critical for employees to have an easy way to report their concerns and for your company to put in place policies, protocol and training related to unethical behaviour. Entrepreneurs can take the following steps to proactively address unethical behaviour at work:

1 Create a code of ethics.
Set the tone for behaviour in your workplace by creating a code of ethics. A code of ethics establishes the values that are important to a business and creates a common framework for understanding the boundaries within the organization.
Codes of ethics should be written in broad, idealistic terms to communicate the company’s ethical vision, yet be succinct enough to be contained in a values statement. If it makes sense, include ethical expectations in the company's mission statement and employee handbooks.
Be sure to involve key employees in the process of drafting and formalizing the code of ethics. This will ensure that leaders are on board with and committed to the values.
2. Establish a protocol.
Include in your code of ethics instructions about how to report unethical behaviour. For example, set up an anonymous ethics hotline as well as a clear protocol for reporting, such as requesting a private meeting with the appropriate manager or supervisor.
Additionally, if a concern or violation is reported and the company lacks internal HR resources, ensure that the person tasked with responding is the furthest removed from the concern.
Delegating someone as far removed as possible sets a tone that the concern will be taken seriously and creates trust in your company's ability to address the matter fairly. If retaining an appropriate internal person isn’t an option, consider investing in an external HR partner who can bring impartiality to the process.
3. Empower employees.
Grant staff the know-how to appropriately identify and handle ethics violations. Accomplish this by implementing ethics-training programs for all new and existing employees to increase the effectiveness of the code.
Ethics courses are available through books and other written materials as well as through online, private or live instruction trainings. You might even choose to tie to ethical behaviour some compensation incentives, such as an end-of-the-year bonus or additional paid time off, to further increase the code's relevance to employees.
4. Continuously review the code.
Keeping the code updated is an important step in keeping a company’s ethics top of mind. Each year, share copies of the code of ethics with every employee or communicate it through a brown bag lunch and learn or workshop.
Ensure that your employees confirm their understanding of the code by requiring them to sign a form of acknowledgement afterward. In doing so, you’ll proactively set up an atmosphere, reinforced by both formal and informal measures, that promotes the values you’ve set forth.
If you disregard the importance of developing an ethical culture, lawsuits, high turnover, low morale and even the demise of your business could result. A smart business leader should champion a written code of ethics from the outset, establish protocol and continuously review and promote these guidelines.
This will show staff that you're serious about creating a positive and ethical workplace. At the same time, you’ll also set clear, specific expectations that everyone can understand. Ultimately, the outcome will result in better business processes, as well as happier and more secure employees and therefore a more successful business.

The 10 most common examples of unethical behaviour

More than 70 percent of managers think that the most common example of unethical behaviour is when employees lie to cover up a mistake they've done, or take shortcuts in work tasks.

Researchers at the Institute of Leadership and Management in the UK asked 1600 managers what they think is unethical behaviour in a workplace.
The key findings:

1. Taking shortcuts / shoddy work: 72%
2. Lying to hide mistakes: 72%
3. Badmouthing colleagues: 68%
4. Passing the buck (when you don't get your work done): 67%
5. Slacking off when no one is watching: 64%
6. Lying to hide your colleagues’ mistakes: 63%
7. Taking credit for other colleagues’ work: 57%
8. Pulling a sickie (Taking excuse under sickness cover): 56%
9. Lying about skills and experience: 54%
10. Taking low value items: 52%

Clear values

The survey shows that management and employees are more honest with each other in companies that are characterized by tolerance.

– Make sure your staff knows that if they / or a member of their team make a mistake it won’t be the end of the world, if they own up then you can resolve it together before it becomes a bigger problem, concludes the researchers behind the survey.

Respondents that work in organizations with clearly defined values were 11 percent less likely to see unethical behaviour at the workplace.

– Make sure your employees know what is expected of them, is the researcher's advice.

Affected by work environment

One of the conclusions of the survey is that employees' behaviour is affected by the work environment. Therefore, it is important to look for the real reason for employees to behave unethically.

– For example, if someone is phoning in sick frequently, are they overworked? Maybe work can be reallocated or a ‘duvet day’ system can be put into place.

– If they are cutting corners and making mistakes is it because their workload is too heavy? Could it be redistributed? Are there better ways of doing things to reduce workload?

Happier than in Harvard

Coach Ann Elin Schüssel says that managers should put more effort in creating a good work environment. This would help to avoid people behaving unethically in their workplace.
“Research shows that people are clearly more productive when they’re happy. The online store Zappos is a good example. There are more applicants for jobs there than in Harvard because of the great work environment,” says Schüssel.

She is also one of the founders of MyPocket Academy, that help people cope with the working day.

Schüssel explains that to enjoy work people need to feel appreciated and involved in creating a good working environment.

“A leader that is open and curious will have less trouble with getting people involved. Unfortunately there are too many “half leaders” that easily skip the human part. Almost to the extent that they think of people as machines and not human beings,” says Schüssel.

**Become a better manager**

Schüssel suggests three measures to become a better manager:

- Ensure meetings that celebrate small milestones
- Appreciate peoples efforts, not only results
- Give people the opportunity of breaks between intense work tasks, and enjoy time together

The latter she says is important because humour and a relaxed atmosphere helps people lower their shoulders, handle each others differences better, be more daring, and more innovative.

More innovation and consideration of how to work smarter is very important in times of change like these.

**Copying managers behaviour**

Sverre Simen Hov in Lederne, the Norwegian Organization of Managers and Executives, says that they haven’t conducted similar research, but that they get a lot of feedback from their members.

“A clear set of ethical guidelines that provides some boundaries to what is ethically justifiable practice amongst colleagues has to be in place. Probably the most important thing is that these guidelines are prepared in collaboration with the ones it includes, so that the ownership and knowledge is the best possible.

He agrees that bad management could be the reason for employees behaving unethically.

Employees are likely to copy what they see as unethical management from their managers. Good communication, and awareness of the role model you are as a manager is important.
Chapter 4
Reinforcing Ethical Behaviour at Work

Human beings, even those who tend to be very good, are nonetheless morally imperfect. Some moral imperfections are cancerous and can destroy organizations. Designing organizations that reinforce ethics improves organizational performance because they can attract high quality loyal employees and satisfied customers.

Tips to Reinforce Ethical Behaviour at Work

1. **Use an ethics screen for job candidates.** Behavioural information can be obtained from resumes, reference checks, background checks, and integrity tests. Behaviour is also a function of attitudes. The most reliable attitudinal survey scales for predicting ethical behaviour measure conscientiousness, organizational citizenship behaviour, social dominance, and bullying. Job candidates also should be interviewed about how they managed ethical dilemmas at their previous workplace, and given an opportunity to comment on any issues revealed from the behavioural information or attitudinal surveys.

2. **During orientation, expose new employees to the organization's Code of Ethics, Code of Conduct, and ethical decision making process.** An organization's codes serve as its conscience and provide employees with a common ethical reference point. Reviewing a list of ethical questions helps to unveil the ethics of any work situation that arises.

3. **In the spirit of continuous improvement, require annual ethics and diversity training workshops for all employees.** Document and praise ethical strengths and accomplishments, unveil weaknesses, and develop strategies for addressing those weaknesses. Diversity success stories should be praised, shortcomings discussed, and continuous improvement strategies developed. Commonalities among all diverse teams must be highlighted to help all employees feel part of a cohesive team experience. Ethics and diversity training help to further develop, and reinforce, a culture of trust.

4. **Establish an ethics reporting system, such as an ethics hotline, in which employees can confidentially raise ethical issues and receive ethical guidance.** A failure in these internal communication systems can result in external whistleblowing, which is damaging for both the organization and the whistleblower.

5. **The most important ethics reference point is an employee's direct supervisor or manager.** How a manager acts in response to an ethical issue has more influence on employee ethics than any stated policy or words of encouragement. The manager's
words and actions must be aligned with the organization's Code of Ethics and Code of Conduct.

6. The work unit's ethics should be reinforced through work goals and performance appraisals that reward ethical behaviours and punish unethical behaviors. Otherwise, hypocrisy and moral confusion develops. Work goals should be specific, measurable, aligned, time-bound, and challenging, yet attainable. Stretch goals can result in stretching the truth. Performance appraisals should document employee accomplishments and benchmark the distance an employee still needs to travel to become an ideal employee.

7. An ethical organization is a community of people where every employee is treated with dignity and has a sense of organizational ownership and accountability. Team-based participatory management, where employees provide meaningful input in the organization's decision-making process, and share the financial gains associated with improved performance, creates a sense of ownership, communal experience, and accountability among employees.

8. Ethical organizations place a high value on appropriately managing the earth's scarce resources and creating environmentally healthy workplaces for their employees. Managers can achieve superior environmental performance by creating an Environmental Management System (EMS) plan that documents relevant organizational procedures, conducting an environmental risk assessment, using the Natural Step (TNS) objectives to develop action plans, redesigning the product to achieve zero waste, operating in green buildings that have earned LEED certification, and developing performance indicators to measure continuous improvement, and reporting the results of these efforts.

9. An ethical organization aspires to be a model citizen, joining other stakeholders in creating vibrant communities for the well-being of its employees and other residents. Companies can give non-profit and community organizations money, products or services, and skills, and provide job opportunities for non-traditional employee populations. A systematic giving program would integrate all four areas. Employees should be involved in the company's outreach decision-making process.

10. All of these ethics mechanisms require assessment and modifications based on feedback from those they affect. Managers should benchmark their organization's management of ethics to the best practices discussed in this essay.
Speaking about Ethical Violations - Whistle Blowing

Whistle-blowing reveals not just acute misdeeds, but chronic and longstanding patterns of misconduct. For example, Edward Snowden’s bombshell release of more than 200,000 documents revealed questionable government surveillance programs that existed for years. Miami Dolphins player Jonathan Martin withdrew from play, alleging more than a year of emotional abuse from teammate Richie Incognito. These high-profile cases are just a few examples of what happens in organizations large and small every day.

And yet, many leaders wrongly believe the path to consistent, proper conduct is special methods to reward whistle-blowing — offering incentives to truth-tellers who report major lapses. The SEC, for example, offers up to 30 percent of recovered funds as payment to those whose testimony aids in prosecution of corporate wrongdoing. One payment recently topped $14 million. Is a multimillion-dollar payday the key to corporate ethics?

My experience and our latest research of 926 employees from around the world confirm it’s not. In fact, the primary predictor of corporate rectitude is creating a culture where employees regularly feel both motivated and able to hold people accountable for garden variety complaints — when they do, our study shows they are six times more likely to blow the whistle on major corporate ethics violations.

Other startling findings offer insight for leaders concerned with avoiding both corporate corruption and the devastating effects of its sudden public revelation.

**First, small ethical lapses are already happening in your company.** Two-thirds of respondents report regularly witnessing either minor or major ethical infractions. Your safest bet is to conclude you already have problems. The top three minor ethical violations include: taking credit for someone else’s work, taking extra long breaks, and calling in sick when actually well. A third of respondents reported seeing one of these minor infractions in the last week. But only half of those said they spoke up about the problem.

**The biggest problem isn’t the sin, it’s the silence.** Even more of us stay silent when the infraction is a major one: an alarming three out of four employees stay mum when they see gross violations. Taking unfair revenge, embezzling significant value, and coercing sexual favours are the most common major infractions observed. And yet organizations rarely go into moral freefall. More often, egregious offenses are the endpoint of a long, unplanned decline. Compromises become conspiracies and peccadilloes (small mistakes) become policies only when early transgressions are met with silence. Others witness the actions, feel distress, but say nothing. When we asked people why they don’t speak up, the common responses included:

1. It might damage my career.
2. It would have made the offender harder to work with.
3. I didn’t think I would be taken seriously.
4. I wasn’t sure how to bring up my concerns.
And yet our survey found that previous practice, not degree of fear, predicts who speaks up. Respondents who confronted big problems had just as many fears as those who did not. The difference between the silent and the vocal was whether they previously confronted minor infractions in an effective way.

For example, Carl, a survey respondent whose name has been changed for anonymity, previously addressed concerns about slacking colleagues. That experience likely increased his sense of efficacy in handling dicey conversations. Later, when he discovered that his CEO was guilty of falsifying sales records to make the organization appear more successful than it was, he approached both the CEO and the board. He was fearful of reprisal. He was not certain of his conclusions. And yet, he spoke up. His CEO went to jail, but the company, and Carl’s job, survived the resulting bankruptcy.

Our study showed that like Carl, those who learned to wag their finger promptly and politely are the same ones who will blow the whistle when needed. On the other hand, the more often people suffer in silence, the more likely it is that norms will shift, ethics will decline, and companies will suffer severe consequences.

Low-accountability cultures are fertile ground for major problems. Conversely, when leaders intentionally create a norm in which employees address daily accountability concerns with bosses, peers, direct reports and other departments, the organization wins twice. Not only is present performance dramatically improved, but the organization inoculates itself against creeping corruption. History reveals a long line of washed-up leaders and immoral companies that are eventually ousted for their crimes. This study indicates that their demise may have been more predictable than we suspect.

Past research reveals some best practices for dealing with day-to-day accountability concerns also known as blowing the whistle.

**First, tend to your safety.** If raising the issue to the offender directly will cause you harm, seek security, HR, or legal assistance. Then take the following steps:

**Gather data.** Given that you’re likely to encounter confusion and denial, gather all the data you can to help make your case. The clearer your data, the more likely you are to be persuasive.

**Avoid conspiracy.** If you have an obligation to report the offense, do so immediately. If the lapse is offensive but not reportable, confront the individual respectfully and directly.

**Start by sharing your good intentions.** Begin by letting the other person know you have his or her best interests in mind. This shows your purpose is not to question motives or authority, but to deal with a possible problem before it spins out of control.

**Share your facts.** Lay out the concern using data—strip your explanation of any judgment or accusation.
**Tentatively share your concerns.** As suspicious as the activity may seem or how clear your observations, there might be a reasonable explanation. Use tentative terms and expressions rather than starting with an accusation.

**Get the other person’s point of view.** Once you’ve described what you think you saw, ask the offender for his or her perspective. But be careful—you are not inviting his or her view in order to surrender yours—just to ensure you have all the facts. Listen for information, not excuses.

**Take it up a level.** Finally, if you can’t work it out to your satisfaction, either take it to your boss or to HR. You’ve shown your respect by talking directly to the offender and now you have to involve another party.
Chapter 5
Business Ethics and Corporate Governance

INTRODUCTION

Corporate governance is a multidisciplinary field of study it covers a wide range of disciplines – accounting, consulting, economics, ethics, finance, law, and management. The main function of corporate governance is to make agreements that describe the privileges and tasks of shareholders and the organization. In case of disagreements because of conflict of interest, it is the responsibility of corporate governance to bring everyone together. It also has the function of setting standards against which corporations work can be managed and administered.

The objective of this paper is to explain corporate governance from the point of view of India. Being an emerging economy, it has its own sets of challenges and weaknesses. The paper will look at how following good corporate governance practices is not only necessary for any firm but is essential for the benefit of the countries’ economy too. The scope of this paper covers four of the influencing factors of corporate governance practices namely ethics, internal governance, and selection of auditors and audit committee. In conclusion, it will discuss the present unique economic situation India.

Good corporate governance practices help corporations and its stakeholders; to do so various audit committee mechanisms are required. Research on corporate governance with respect to the emerging market in much needed. Various benefits of following better corporate governance practices are noticed. A corporate governance framework needs to be developed by providing a broad overview of recent corporate governance research. All aspects of corporate governance are important from board structure to ownership structure. In about 26 developing and developed countries major corporate governance reforms took place. These reforms affected investor protection as well as impacted corporate investments. The role of audit committee and its main function is to protect the auditor from dismissal in case of unfavourable report. Independent audit committee members experience a significant increase in turnover rate after auditor dismissals. Corporate governance has become an important issue for China and India as they regularly interact with investors from developed countries. Various aspects of business ethics and its relation to corporate governance can be discussed in detail by understanding various issues related to corporate board of directors and the basis on which they should be analyzed. Ethics in corporate governance also plays an important role; operational dynamics of corporate governance are a necessary part of modern industrialization. An outline for matching the rules and practices of US corporate governance to different cultural methods should be provided.
III. INDIA AND CORPORATE GOVERNANCE

Corporate governance has played a very important role in the present economic condition of India. India successfully started its move towards open and welcoming economy in 1991. From then onwards it has seen an amazing upward trend in the size of its stock market, that is, number of listed firms was increasing proportionately. If India wants to attract more countries for foreign direct investments, Indian companies have to be more focused on transparency and “Shareholders value maximization”. Even though corporate governance practices can be backdated to as early as 1961 around the world, India was lagging behind. It was not until 1991 when liberalization took place and corporate governance established an international context. The most important initiative of 1992 was the reform of Securities and Exchange Board of India (SEBI). The main objective of SEBI was to supervise and standardize stock trading, but it gradually formed many corporate governance rules and regulations. The next major change was formation of Confederation of Indian Industry (CII) in 1996, which developed the set of laws for Indian companies as to initiate the act towards corporate governance.

Then two committees Kumar Mangalam Birla and Narayan Murthy under Securities and Exchange Board of India started laying the groundwork for formalizing the best practices on corporate governance. Based on suggestions from these committees, Clause 49 was introduced as part of the listing contract for the companies listed on the Indian stock exchange. However, due to scandals like Enron, Satyam, WorldCom etc. forced the clause 49 to be reformed to incorporate and overcome the problems that caused these companies to collapse and shatter the economies of the respective countries. Clause 49 of the listing agreement of Indian stock exchange took effect from 2000 to 2003. It contained all the regulations and requirement of minimum number of independent directors, board members, different necessary committees, code of conduct, audit committee rules and limits, etc. Firms that were not following these principles were removed from the listing and were given financial penalties. We can compare the Sarbanes-Oxley Act of 2002 and Clause 49. Clause 49 was based on the principles of Sarbanes-Oxley Act of 2002. It was developed for the companies listed on the US stock exchanges. As far as the responsibilities of management and number of directors were concerned, they are both the same. They also have same rules regarding insider trading, refusal of loans to directors and so on. The important difference between the two is under Sarbanes-Oxley legislation if fraud or annihilation of reports takes place up to 20 years of imprisonment can be charged, but in case of Clause 49, there is no such condition. Being the controller of the market SEBI can commence a criminal proceeding. If in case SEBI decides to give a severe punishment then it can commence a criminal proceeding or raise the fine for not agreeing with Clause 49, which automatically delists the company. Corporate governance affects corporations as well as
countries in different ways such as firm’s access to outside financing increases, which leads to more investment, better growth opportunities and that causes the job market to flourish. Capital cost is decreased and so the firms are valued at higher cost. Firms can be attracted by this, which directs it to growth and again to reduced unemployment. Wealth is generated by better distribution of resources and good management practices, which is because of better operational performance. Better corporate governance can be associated to reduce financial crises. As these crises, have devastating effects of any countries economy. If corporate governance practices are followed properly this creates better rapport with the stakeholders. We can further see what significant role does corporate governance plays in the investment process. As corporate governance provides property protection and safe modes of ownership registration, it automatically affects the firm’s capital mobilization. For any firm to receive funds from the market effectively it has to be consistent and transparent in disclosing its details. Finally, to effectively handle the capital received, any company should have proper resource allocation, authority distribution, and well-planned incentive schemes as some of the necessary steps. Fraudulent behaviour of companies has caused countries to go through financial crisis. Corporate governance hence became a critical issue for all the countries around the world. From Satyam Computer Limited of India to Enron of the U.S., pattern is more or less same. Failure of companies of these massive sizes created havoc in the industry and had caused the economic meltdown. The immediate action that the Indian authority took in response to the scandals reveal how government in emerging economies also feel the need to promote good corporate governance practices. Furthermore, understanding corporate governance standards and issues is also important to executives of foreign multinationals planning to do business with India.

IV. ETHICS

Business ethics is based on the vast topics of reliability and justice. Business ethics means applying the general ethical principles to business problems and finding the solution that will be “right” in all aspects. Business problems arise when the decision made by the board is going to affect either profitability or its shareholders in the end. It gives us a brief overview of elements of corporate governance relating to ethical behaviour are defining the role of board of directors and finalizing the executive compensation.

Some basic functions that come under business ethics umbrella are outlining proper behaviour, set up firms values, defining responsibilities, present leadership and guidance, relate conclusions to stakeholders as well as shareholders, increasing liability, always keeping in mind the consequences, continues inspections and options for improvement etc. Corporate governance acts as a bridge between shareholders, stakeholders, and board of directors. It should be able to restore the trust and confidence of management and the company to the shareholders in the company.
It is needless to stress that it is immensely important for a company to follow good corporate governance practices which are ultimately ethical too. Companies need to do much more than just attaining the good corporate governance practices; it should constantly strive for fulfilling the best interest of all its members. It focuses on deciding the management structure in any organization such as board of directors, audit committee, shareholders committee, selection of independent auditors etc.

The basic issue with governance is that there is no objective measure against which it can be said if it is good or bad. Here the companies’ ethics come into play. Corporate Governance practices should be planned in such a way that it will encourage a suitable atmosphere for corporate social responsibility, reliability, and ethics. It is one of the ten core principles of corporate board of directors that was authored by the National Association of Corporate Directors, 2008. Business ethics mostly has to deal with choice of conflict of interest and value. Corporate directors have fiduciary duty towards the stockholders. Board members are the eyes and ears for the shareholders. To understand the role of board of directors and executive compensation we need to understand what internal governance is.

V. INTERNAL GOVERNANCE

Debt holders, shareholders, board of directors, all together contribute to decide internal governance for any organization. To understand external governance we need to understand how organizations adopt the governance code, the competition that company needs to face, and the regulatory environment.

Being the decision makers of the company the board of directors are the most crucial and inseparable part for any company. Board of Directors – The proprietor and shareholders are associated to each other through board of directors. They are the link between managers sitting in the corporate office and the huge team of controllers of a corporation that are all over the world. They have fiduciary duty towards its shareholders, as shareholders are the ones who have elected them as board of director. The board is made up of internal and external directors. The internal directors sometimes called as executive directors are usually senior position holder people from the firm; they usually know intimate details about the company and its performance. Whereas the external directors also known as non-executive directors are not the employees of the company, they are experts in their subject that is important as per the company.

Duty of care and duty of loyalty are the most important roles of any director. The American Law Institute lists one of the tasks as choosing, estimating, and fixing the benefits of the senior executives, another task is to look at the business and its future responsibilities towards the society, they also approve corporate plans for the future and the financial objective that the corporation has to achieve, finally they also look at if the corporation is making the required changes as per the need of the society.
The board of directors are also responsible for looking at the validity of the financial statements that are been audited. However, it is very questionable about how much authentic these reports are and in what depth the board analyzes them. Board members normally do not spend as much time as needed. The main reason for the board members in not devoting sufficient time are that they have full time jobs of their own as well as they are board members of various company boards. All this restricts them from managing their time to audit the financial statements of any company in-depth. Executive compensation is one of the ways in which the board members can be compensated for the extra time and effort they have to put in this work but recent scandals have given a negative spin on this topic. In developed countries like USA executive compensation is not decided by shareholders but the board and the compensation committee has full right to decide on this issue. However in developing countries like India, as insiders start abusing these kinds of policies rather than having agency problems through managerial compensation, other principal agency problem stem up. To find the solution for this kind of problem in India, Kumar Mangalam Birla Committee (2000) was appointed by the capital market regulator Securities and Exchange Board of India (SEBI) which noted that “the board of a company provides leadership and strategic guidance, objective judgment independent of management to the company and exercises control over the company, while remaining at all times accountable to the shareholders.” To match with the international standards SEBI code was changed many times to adopt and adapt the best practices around the world. The board of directors has very high overall burdensome responsibilities and those responsibilities are dependent on the relevant information, which is provided by the management of the company, considering the fact that this provided information is correct. The board needs sufficient, pertinent, and high-quality data to make the best decisions for the company’s shareholders and stakeholders. This is particularly important for developing countries like India as they have too much inside dominance. To resolve all the issues many factors should be taken into consideration. In this paper, we will discuss board size, composition, its profile, and diversity.

**Board Size and Composition** – There is no universally acceptable number for the most favourable size of board of directors. Even if the company has a small or a large board, they both have there pros and cons. There is a very complicated relationship between board size, board usefulness, and business performance. According to a study, the average board size is from 3 to 31 members. For India, there is no mandatory number for the board of directors except the rule of minimum of two members in private limited companies and three for public limited companies.

Some advantages and disadvantages of small and big board sizes are - if the board size is small, members feel more ownership and accountability for the decisions they make. The contact between members is easier. Board members know each other individually. The drawbacks are small size limits various opportunities due to fewer expertise and viewpoint. If the board size is big, members have expertise in different areas and so the opportunities grow
very high. Work is shared among teams. Fundraising events are easier. The drawbacks are big boards cannot engage all the members effectively and efficiently. Meetings are difficult to schedule etc. Some critics think that the optimum number of board members is seven. The two important committees are compensation committee and audit committee. Each committee should have minimum of three members. That makes six members so that none of the committee will have more power. The seventh member if chairperson of board. The role of the chairperson is to make sure the board is working properly and looking at if the CEO is fulfilling his/her responsibilities.

**Board Profile and Diversity** – Board profile refers to the area of expertise the board member brings to the table, whereas the board diversity refers to the socio-cultural aspect of the member. There are varieties of studies that prove the need of both versatile profile as well as diversity. The decisions made by the board affect the corporation in day-to-day business. People with same mindset tend to support each other. This can sometimes lead the company in wrong direction. For the sustainable growth of the corporation, it needs diversity in the board. As it is important to understand the internal governance factors, so is the process of selection of auditors and the audit committee.

**VI. ELECTION OF AUDITORS AND AUDIT COMMITTEE**

A company can choose to have internal or external auditor. Internal auditors are usually full time company employees whereas external auditors are hired on a contractual basis they are independent of the entity they are auditing. After the collapse of Enron, Sarbanes-Oxley act of 2002 issued several new rules regarding the auditors and their committee. First, the auditor of any company will be involved only in consulting activities. Second, auditing committee is selected by independent board of directors rather than by chief financial officer. Third, public chartered accountants oversight board regulates accountants; they monitor all the accounting firms too. Fourth, lead accounting partner should be rotated every five years just to avoid any clashes between auditor and the company. Finally, to avoid any other kind of fraudulent behaviour, SOX mandated all the off-balance sheet transactions to be declared in detail by the company. The Blue Ribbon Committee (BRC), which is sponsored by NYSE-NASDAQ, standardized the role of audit committee as the “ultimate authority and responsibility to select, evaluate, and where appropriate, dismiss the outside auditor.” In addition to that, Securities Exchange Commission (SEC) gave out the rule „that management cannot fire an auditor without permission from audit committee‟.

Over the years Confederation of Indian Industries (CII), Kumar Manglam Birla Committee, new rules of the Securities and Exchange Board of (SEBI) and Company Law has helped in evolution of audit committee in India too. Now- a- days, audit committee is viewed as “oversight function of corporate governance, financial reporting process, internal control structure, and audit functions”. From a range of research done on the topic of audit committee
it will be fair to conclude that an audit committee’s performance is better if its members are independent, they have governance and financial expertise, and they do not have any stake in the company at all. For example having a higher level of stock ownership in the company can impair the judgment of the member.

From a range of research done on the topic of audit committee it will be fair to conclude that an audit committees performance is better if its members are independent, they have governance and financial expertise, and they do not have any stake in the company at all. For example having a higher level of stock ownership in the company can impair the judgment of the member. Either the country is developed like the U.S. or a developing country like India, it is must that they provide measures that will make auditor independence stronger and improve the influence, purpose, and independence of audit committee. If the outside shareholders perceive that, audit committee has enough independence to make the “correct” decision; it can decrease the risk premium of raising capital and so provides another good incentive for the companies to invest time and energy on both auditor and audit committee independence.

One of the key roles of an audit committee is to hire and protect the autonomy of external auditor. To keep other factors from influencing an auditor’s judgment, auditors independence is must. The autonomy is also important for vital information about a client as it can lure the auditor to look at the issue from the clients’ point of view.

VIII. SUMMARY AND CONCLUSION:

India being an emerging economy needs to work more on regulating the corporate governance policies. Indian companies still have the scope to paint a brighter future for them. They need to acknowledge and continue with the corporate governance reform, and always keep in mind that this brighter future will have its own set of challenges. Independent directors will have more defined roles and responsibilities. And the incentives said to be given out to others will be distributed to the shareholders. In long run, a market-oriented and shareholder-centered system will develop into a new emerged system as stakeholder-oriented system making finance itself accountable to the public interest. In conclusion it may be stated that , “As legal rules are, to a significant degree, endogenous to the political economy context of the systems in which they operate and so are the corporate governance practices”.
Business Ethics in Global Economy

Business ethics can simply be defined in terms of social and ecological responsibility of business. According to this definition, business ethics requires that business decisions should not be made exclusively from the narrow, economical perspective, but also the social and ecological concerns should be taken into account.

This means that people who work in the business life should consider how their economical decisions affect other people, environment or the society on the whole. In other words, it means that the interests of all the relevant parties, or "stakeholders" are acknowledged and weighed.

This view can be contrasted with the claim that the responsibility of business is limited to the interests of the shareholders. Thus, the managers of corporations should focus merely on the economical factors in their decision making. As Milton Friedman has famously argued "the social responsibility of business is to increase its profits".

The "stakeholder" approach to business is especially made known by Kenneth Goodpaster who defines the term as follows: "A stakeholder in an organization is (by definition) any group or individual who can affect or is affected by the achievement of the organization's objectives." As examples of such stakeholder groups Goodpaster mentions employees, suppliers, customers, competitors, governments and communities.

Many textbooks of business ethics seem to be primarily concerned with the responsibility of individual firms and their managers. Social and ecological responsibility of business, or the rights and duties of various stakeholder groups, are discussed from this point of view. These books deal with problems and practices such as employee rights, advertising or environmental issues that are in the interests of most companies. It seems, thus, that business ethics strongly concentrates on the question of how individual business executives and single firms can improve their performance in ethical matters in the context of business life.

This approach has, however, recently been criticised as inappropriate for the circumstances of global economical competition of today. David Korten, for instance, has argued that it is not realistic to expect that social and ecological problems could be resolved by increasing the social responsibility of managers. Korten believes that many managers acknowledge their responsibility. The problem is the global economical system that makes it impossible for them to act as they think they should. In Korten's view, the global economical systems works in a way that has been characterised as a "race to the bottom". This means that corporations, and societies that want to have corporations and employment, are forced to compete with lower salaries, taxation, safety regulations and standards for environmental protection. In this kind of system, it is very difficult or even impossible to act in a way that would benefit not only the shareholders but all the stakeholders and the society on the whole. As Korten argues:
"As local settings are opened to the global economy, it becomes possible, and highly profitable, for a firm to take advantage of the differences between localities with regard to wages, market potential, employment standards, taxes, environmental regulations, local facilities, and human resources. This means arranging its global operations to produce products where cost are lowest, sell them where markets are more lucrative, and shift the resulting profits to where the tax rates are least burdensome."

If this is the case, the alternatives of individual managers are indeed very limited. What is needed, is not the discussion of the responsibility of individual corporations or managers, but, rather, the discussion of the moral acceptability of the institutional frameworks within which the global economy works. It is not the moral responsibility of individual managers but the general rules of the global economy that we should be concerned of.

The situation is not so unequivocal even for individual corporations and their managers as Korten assumes. Corporations and entire sectors of industry have created various systems of their own which help including ethical questions in their decision making procedures. One of the best examples is the Responsible Care programme of the Chemical Industries Association. This initiative started in Canada on 1984 and spread steadily around the world.

The aim of the program is, as Erik Schokkaert and Johan Eyckmans define it, "to improve performance through a public commitment of its members to observe a set of guiding principles. These include operating to the best practice of the industry, concern for continuous improvement in health, safety and environmental policy, and releasing all relevant information about activities to employees, customers and the public in general. No formal sanctions are included in Responsible Care (RC) but it is obvious that members cannot afford violate one of the principles since comparisons between companies are published."

What is essential in this program, from the viewpoint of business ethics, is that it is not concerned with single questions or problems but the entire course of action. It regards all business activities from the perspective of health, safety and environmental issues. The effects of the business operations to these issues are examined in every level of the organization and the suppliers, subcontractors and other supporting organizations/persons are also expected to follow the principles of the program.

RC -programme provides a good example of the serious concern for environmental issues in today's business world. It seems, however, that the social responsibility is not as generally acknowledged. Yet the social issues could be dealt with much in the same way. Social questions could also be examined in every level of the organization and the responsibility of the social effects of business activities could be included in the normal decision making procedures of an organization..

One of such "programmes" is a well known management technique, called Total Quality Management (TQM). The principles of TQM can and do include many issues that have usually been seen as the concern of business ethics. TQM principles emphasize, for instance, long-term commitment to customers, employees, suppliers, cooperators and society on the whole. They also require to pay attention to the protection of environment and to the health
and safety of the citizens. These factors are examined when evaluating the performance of the organization. They form a part of the criterion that determines the quality of its business activities.

As in the RC-program also in the TQM-philosophy it is essential that the entire course of action is considered. Total quality management techniques are designed to improve performance, not only the external quality of the products. Thus, the "quality" is not related only to the completed products or services but to entire performance of a corporation: the organization and its strategies, policies and activities in general can be evaluated from this perspective. Moreover, the factors that form the quality are to be observed in every level of the organization and the suppliers, subcontractors and others can also be required to follow the given principles.

However, even if "quality" is in principle defined very widely in TQM, in practice it is still often understood in quite a narrow way, as an external characteristic of the products or services. The performance on the whole, during the entire process and through the entire organization including also suppliers and others, is not always examined from this perspective. Nevertheless, when properly understood, TQM can provide a useful means to include ethical issues in the everyday decision making procedures of corporations. As the RC-programme, it also offers a way to improve the performance in ethical matters and provides a criterion for evaluating the quality of the organization in its strategies, policies and operations on the whole.

Even though single firms and entire sectors of industry can do a lot in ethical matters, question of the broader frameworks for business activities is still important. Questions about the individual morality are beside the point if the moral acceptability and satisfactoriness of these frameworks is not considered. Therefore, it is necessary to ask about the conditions under which individual managers and corporations must operate. Are the institutional arrangements within which the global economy works morally acceptable and satisfactory? Do they encourage individual corporations and their managers to take the social and ecological responsibility seriously or do they rather encourage to make decisions from the narrow economical perspective? What kind of institutional arrangements would be required to make global economy work in a way that benefits all stakeholders and the society on the whole?

The formulation of ethically satisfactory frameworks is the task that requires international political cooperation. As Alistair Macleod has pointed out, the contribution of individual firms or individual business executives to improvement of the moral quality of business activities, is not always enough, but "the morally necessary change sometimes requires the concerted action over time of many different individuals and organizations, generally with the government playing the crucial role of facilitating or orchestrating such action." In the circumstances of global economy, such facilitating actions must also be made in the global political level.

It is not easy, of course, to create such general rules or arrangements neither ethically nor politically. Yet, the situation is not hopeless. In recent years there have been discussion and
even some agreement between different cultures and religions about the principles of global ethics. Moreover, there has also been discussions about the need of "global governance", that is about the common, political action aimed at the control of global ecological, economical and social problems. The developments in both directions are most welcome. Global business needs global ethics and global politics if it is supposed to benefit all stakeholders and the society on the whole.
Chapter 6
Ethics and HR Decisions

Ethical Decision-Making in Hiring Processes
Ethical decisions are "both morally and legally acceptable to the larger community," writes scholar T.M. Jones in the "Academy of Management Review." As employee advocates and guardians of corporate values and standards, human resource managers are ethically bound to oversee the recruitment process with honesty, consistency and objectivity. Human resources protects the ethical integrity of every step in the hiring process to help managers avoid actions that could put the organization at risk.

Job Advertising

"Truth in advertising" applies to ethical HR hiring. According to the Society for Human Resource Management, HR leaders may face an ethical dilemma when a hiring manager places a job advertisement that could be interpreted as having misleading copy. Job advertisements must accurately reflect the duties, responsibilities and competencies of the positions advertised. It also falls on HR shoulders to override hiring managers who sidestep existing "promote from within" policies by advertising externally first, timing announcements around vacations of employees they don't want to consider or expanding education requirements to disqualify internal candidates.

Transparency
Interviewers have an ethical responsibility to provide candidates with accurate information about the job and the company. As consultant Lincoln E. Bittner, of TML Business Services, notes, employers can be held liable for withholding information candidates need to evaluate possible employment such as work conditions, all elements of the compensation package, job title and the organization’s current and future business situation. Total disclosure should include company privacy protection policy regarding background and social media checks.

Selection Dilemmas
Several hiring situations can present ethical dilemmas for human resources. Senior management referrals, like all candidates considered for employment, should be judged by their ability to perform the job. Human resources managers must avoid over-promising employment opportunities to them, notes the Society for Human Resource Management. Informing candidates recruited from competitors, customers or suppliers of possible liability from non-compete contracts will help to protect both parties. Everyone involved in selection decisions should avoid unintended bias that can result from unauthorized Internet searches of a candidate's name. Merit-based hiring upholds the integrity of the hiring process.
Social Media
In a 2010 presentation, attorneys Peter G. Smith and Whitt L. Wyatt reported that online information led 70 percent of HR departments using social media to reject a candidate. They caution against introducing non-job-relevant behaviours, interests or character traits encountered on social websites, including blogs, in the hiring process -- especially those not covered by employment law. Evaluating a candidate's potential based on photos found on social media sites, for instance, violates an employer's ethical duty to avoid selection criteria unrelated to job performance. Often these sites present personal information such as religious affiliation, nationality and age that legislation protects from discriminatory hiring consideration. Employers have a legal obligation to disregard these findings in their hiring process.

Ethical Principles of Recruiting

Recruiting has a fairly bad reputation. It is often spoken of as a profession where people stretch the truth, promise what they cannot deliver, and act only in self-interest with candidates. Candidates tell stories about recruiters who were initially friendly and helpful, promising them assistance in negotiating for a position, and who then quickly ignored them when the client did not express interest. Some recruiters tell candidates the offer is “in the mail” or that the hiring manager has decided to make them an offer, only for the candidate to find out later that no offer is coming. Others badger candidates into revealing private information or ask candidates to give them the names and even email addresses of senior-level executives or other key persons in their organization. In most cases the behaviours are not illegal, but they cause candidates to look at an organization as an institution that cannot be trusted. The fact is, most recruiters are ethical. But we all must take care to ask ourselves what ethical recruiting looks like. We need to know what the proper ethics for recruiting are, how an organization or an individual establishes values around recruiting, and how to determine what ethical recruiting might look like.

Where Ethical Issues Occur

There are specific areas in recruiting where most ethical issues arise. These include how a position is represented to a candidate, how candidates are located, and how interviews are conducted. Unlike the medical or legal profession, there are no generally accepted values or ethical guidelines for recruiters. Some organizations have established their own guidelines and may even publish those on their websites. Written guidelines may help us do the right thing, but even without them there are some behaviors that we would call more ethical than others. Before we lay out some guidelines for ethical recruiting, let’s define more tightly what we mean by values and ethics.
What Are Values and Ethics? Dr. Tom Shanks, an ethicist at Santa Clara University in California, provides the following definitions. Values are the deeply held beliefs that guide attitudes, actions, and the practical choices we make. Ethics, while similar, are the specific standards and principles for how we ought to act. Ethics define our moral rights and duties, and involve a commitment to doing the right thing. Ethics are not religion or feelings. Neither are ethics laws or legal requirements. In all aspects of our lives, the ground floor is the legal one. First of all, we must follow the laws. By that measure, we need to recruit fairly and make sure that no one is adversely impacted by the practices we follow. We cannot discriminate, ask candidates personal information that has no bearing on the job, and so on. But following these laws is not enough.

Ethical Decisions We all find ourselves having to make decisions all the time. Should you tell a candidate that the organization is doing poorly financially? Should you disclose that the hiring manager has a very high turnover rate, and that you have helped her fill this position several times over the past few years? Should you call a company and misrepresent yourself to get the name or position of a key potential recruit? Should you use the proprietary email list you are offered by a candidate? Should you misrepresent the position in the discussion with a candidate by stretching the scope or authority that the position will have? The list of these situations or ethical dilemmas could go on and on. I am sure each of you could provide me with a dozen of these, but the real issue is how you go about deciding what to do. Tom Shanks has developed the following process, which you’ll find very helpful in guiding your own ethical decision-making.

1. Start by following the law. As mentioned above, at the base of any action there has to be a legal foundation. However, many recruiting issues are far removed from the law. Some issues are in the gray area of the law ñ actions that, while not absolutely illegal, are ambiguous. In those cases, the remaining steps in these guidelines can help you.

2. Learn all you can about the situation and put yourself in the shoes of all the stakeholders. What will your action do to each of them? Ask yourself what each person has at stake in the process.

3. List and then evaluate your most likely courses of action. There will most likely be two or more possible ways you could act, and choosing the right one is often not easy. The following questions can help guide your decision-making:
   - Which action will cause more good than harm to all the stakeholders?
• Which action treats everyone with dignity and respect and upholds the candidate’s rights?

• Which is fair and satisfies your duties?

• Which is best for the organization as a whole?

• Which decision will best advance the values of your organization?

Decide and test. Whose interests are you satisfying and why? Does your reasoning stand up? Always talk over an ethical decision with someone you trust and can confide in. Ask yourself what would happen if the decision became the universal one and everyone else were doing it. Would someone be hurt by your decision? Would someone who was hurt by the decision at least understand your reasoning? You can even think through how you would explain and justify your decision to someone close to you ó perhaps your spouse or mother or father. Would they understand and agree with your decision?

Finally, make your decision, act and then follow up on your decision. Ask yourself after the decision is made whether or not the result was what you expected. Ask yourself how others reacted to the decision and whether all the stakeholders felt the decision was good.

Ethical decision-making is not black and white. In many cases, we are deciding between two actions that are both almost equally “right.” The essential requirement is to talk about the issues you run into with others in our profession. Work through appropriate actions with your colleagues and be the one to start the dialogue. In the end, all of us in recruiting have to ask ourselves whether we are being true to our own core values and beliefs; whether we do more good to ourselves, our candidates, and our clients than harm; and whether we are acting fairly and treating others with respect. Acting and thinking ethically is not always easy or without ambiguity. But acting ethically is the only way to build and maintain your reputation and integrity ó which are the central ingredients to long-term success.
Ethics of Recruiting and Selecting

Executives are often surprised to discover how many ethical dimensions exist in recruiting, probably because selection is typically viewed as a practical, rather than philosophical, decision-support system. Personal and corporate ethics influence not only who is selected, but how jobs are defined and who becomes a candidate.

We will highlight our belief that there is a moral imperative attached to the recruitment and selection process which can be stated as arriving at a decision which -- within the constraints of time, economics and the law -- places the future of the candidate and that of the employer in the least possible jeopardy. It is epitomized by choosing a candidate who will be challenged while succeeding and who contributes to the organization's goal attainment by adding uniquely to its fabric of talents. Making an ethical personnel selection involves gathering and carefully analyzing all relevant data so that the decision is wisely drawn, balancing the short and long-term benefits -- as well as the liabilities -- which could accrue to the organization and the individual. To achieve such an optimal result requires thoughtful vigilance throughout the planning, sourcing, interviewing and referencing process.

INHERENT ETHICAL PROBLEMS

A variety of ethical dilemmas are inherent in every recruitment or selection decision. Some are unique to the relationship between an executive recruiter and his or her client. These issues are explored with the belief that striving to act in the most ethical manner will best serve the organization and the individual and will result in sound management decisions as a natural by-product.

The first part of this article discusses those ethical issues which affect all recruiting and selection situations -- without regard to whether candidates are internally or externally generated.

The second section will evaluate the ethics of recruiter/client relationships. The Starting Point Ethical behaviour begins with the definition of position requirements. If it is unethical to place someone in a role where they will fail, thereby harming their career or jeopardizing the results of the organization, failing to adequately define the job and its requirements can be a breach of ethical behaviour. If the requirements for success and the expectations for performance have been inadequately analyzed, the chances for an improper selection decision and moral injustice are heightened. This reinforces the practical concern recruiters have for thorough review of position requirements, credential parameters, organizational climate and its effect on the participants.
From a moral perspective, defining relevant experience is critical. Unnecessarily stringent requirements -- which exclude otherwise qualified individuals -- are clearly as defective on an ethical basis as those that are too broad or unspecific. Such unrealistic experience requirements were responsible for much of the federal legislation that now requires cumbersome statistical reporting of hiring practices.

**Candidate Generation:** Regardless of the method used to generate candidates -- through advertising, direct sourcing, or other means -- ethical boundaries clearly exist, particularly in how the organization and position are presented to the prospect. Any misrepresentation of the scope, difficulty, reward structure or other key elements is unfair and will tend to protract the recruiting process. Candidates will withdraw when they sense an untruth, or become turnover statistics if the misrepresentations become known after employment.

If an employer is using the direct sourcing process, there are additional ethical concerns involving misrepresentation. First among these is the potential for the individual making the sourcing call to misrepresent him or herself in an effort to gather data that would otherwise be withheld for competitive purposes. Posing as a member of the press, a directory publisher, or any comparable role is generally not necessary to gather needed data and, though perhaps a benign practice, certainly casts a cloud over the general ethical behaviour of a firm employing such methods. Another area of concern is the potential elimination of prospects due to age, sex, race or other prejudicial biases of the person doing the sourcing.

**Interviewing:** There are critical ethical considerations attached to the interviewing process as well. By far, the most significant breach of trust between the professional interviewer and the hiring official is not doing the interviewing job well. Failure to pursue all relevant aspects of interview investigation can result in placing a candidate in a role in which he or she will not succeed. This violates the primary ethical consideration of the employment process -- protecting the individual and the organization from predictable failure.

All dimensions of a candidate’s skills, abilities, credentials and experience need to be carefully explored through appropriate lines of questioning in a setting conducive to a free exchange of information. Failure to allow adequate time for an interview can do harm to both parties if an unqualified individual is placed in a role beyond his or her ability.

Another problem with an inappropriately structured or overly abbreviated interview is that it may not allow a candidate adequate opportunity to demonstrate his or her qualifications for the position and unfairly eliminate them from consideration.

Once a conclusive opinion has been formed about a candidate's capabilities, an ethical position will communicate both strengths and weaknesses to the hiring official. To recommend an apparently qualified candidate whom the interviewer believes incapable of performing in the role for whatever purposes -- be they political or formed from expediency -- is a gross a breach of ethical behaviour.
Another purpose of the interview (in addition to assessing the candidate's capabilities) is to share information regarding the position and its context with the candidate. In the same fashion that it is unethical to gloss over the shortcomings of the candidate in discussing a recommendation of that candidate, it is not right to disguise the shortcomings of a position or the department, division or company in which it is situated. An appropriate match of challenge and capability is achieved when the candidate and the employer are fully knowledgeable of each other's realities. Sharing of compensation information also contains an ethical dimension. Where a pay range exists, it is acceptable to state the range or that part of the range that is the target at the time of employment. Using only the top end of the range as a method of luring candidates (when the offer may be less than the top of the range) is a misleading and unethical practice. So, too, is exaggerating the top end earnings potential.

Finally, a word about stress interviews and related tactics: An interview -- particularly one which will determine whether an individual will be employed or promoted -- is perhaps one of the most inherently stressful situations people experience in their work-related lives. From this perspective, it might be said that there’s no such thing as a non-stress interview. The point, however, is that creating a situation which artificially heightens the tension level serves only to impede the flow of data and is probably unfair to a candidate. While it is true that some jobs require the ability to work under pressure, those abilities can be more accurately verified through referencing than they can be estimated from an unnecessarily stressful interview.

Referencing: The most frequently committed sin of omission in recruiting is the failure to do references. Given the vast amounts of first-hand data that can be gathered through referencing, it is unfair to both candidate and employer not to take full advantage of the information that exists.

In conducting references with the people for whom and with whom the candidate has worked, the veracity of interview data can be confirmed and professional credentials verified. Out of fairness to all parties, it is important that references be representative of all the candidate's relationships and should not be restricted only to those people suggested by the candidate, then a "halo effect" will in all probability occur.

In those situations where the candidate is currently employed, permission must be obtained in checking all references so that the candidate shares in the risk decision process. Where a candidate is not presently employed, specific permission need not be obtained for each person contacted. However, it is a professional courtesy to inform the candidate that a variety of people will be called.

Candidates whose educational, professional or experiential credentials are misrepresented should be withdrawn from consideration. The second significant abuse of the reference process relates to negative information uncovered and not communicated to the decision maker.

The temptation is great -- once a recruiting effort has gone through all the preliminary stages -- to rationalize "not complicating" the final decision by excluding negative reference data.
Shielding such data is a clear breach of ethical recruiting behaviour. Mature managers recognize that every candidate has relative strengths and weaknesses and that both will play a role in how the person performs and how they need to be managed. Having all the data available will yield superior decisions.

Perhaps the most difficult moral dilemma arising from the referencing process is hearsay regarding health limitations, alcoholism, drug use, romancing on the payroll, expense account padding, and so on.

Equally as difficult are those situations where extraordinary office politics have more to do with the perceptions of a candidate’s behaviour than actual skills and contributions. These are areas that will test the skill of the individual conducting the references and will require multiple conversations and in-depth questioning to get beyond generalizations and search for observations of actual data.

Seeing an otherwise good candidate damned by hearsay is a very unfortunate situation but, where the allusions are frequent and apparently supported with factual data, the information must be communicated. If the comments appear to be spurious, a judgment may be reached to withhold the information. Confronting a candidate may lead to a resolution of these issues, however, it may also precipitate a lawsuit if handled incorrectly. Nowhere in the employment process do ethics and financial liability become quite so intertwined.

CLIENT RELATIONS

There is a second set of ethical considerations that should regulate the relationship of third party recruiting firms and their clients. A strong case can be made that ethical recruiting means doing the job at the highest of professional standards. As a result, clients should ascertain the ethical position of their executive recruiting support organizations. Since the tone of a business relationship is normally set by the behaviours exhibited in the selling encounter, it would be highly appropriate to explore both the ethics of selling executive recruiting services and the ethics that should control the client relationship once a firm has been retained.

Ethics of Selling

The primary goal in evaluating an executive recruiter is determining the recruiter's ability to carry out the client assignment. A significant part of this decision is based upon the client’s perception of the recruiter's professionalism. A second major consideration relates to the nature of the other clients the recruiter's firm serves.

Recruiter Credentials- The actual experience of the firm and the individual recruiter should be fully disclosed so that the client can evaluate their competence to do the work. Any misrepresentation of recruiter credentials, market or industry experience or the technical background of the recruiter is a significant breach of ethics. Such a deceit may be an indication that engagement performance might be similarly flawed under ethical analysis. Another misrepresentation can occur at the point of sale when a senior member of the firm is
present at the sales encounter and, without the client's prior knowledge, delegates the work to a junior member of the staff. It is later learned that the senior practitioner never intended to dedicate personal time to the conduct of the search. This situation is clearly misleading, unethical to clients.

**Firm Off-Limits Constraints**- Hiding off-limits blockages is perhaps the most significant violation of ethics which exists in selling executive recruitment. This relates to a basic executive search tenet wherein each firm maintains an off-limits status for a specified period of time (normally two to three years) for the companies that retain the firm. Simply stated, this means the recruiting firm will not solicit candidates from client organizations for a period of years following the conclusion of the last engagement for that client.

This has dramatic impact in those recruitment situations where candidates can only be obtained from a limited number of competing organizations. When a recruiting firm has a significant number of those companies as its clients, it will be unable to generate a complete field of candidates because of its off-limits blockages. It is incumbent on recruiters to fully disclose their relevant client list to a potential client -- and it has become necessary for the client to demand such data so that they may make a sound decision to employ a recruiter.

A significant controversy has precipitated due to some executive search firms pushing for a re-definition of the off-limits rule. Traditional policy applies to the total client organization and its legally related operations. Therefore, if a recruiting firm were to work for a subsidiary of a company, the parent company would also be protected from use as a source of candidates for other clients.

Similarly, if the recruiter worked for the parent company, all of its divisions and subsidiaries would be held as off-limits. Several of the large recruiting firms are attempting to move the industry standard to a subcomponent level of definition such that -- if there is no business relationship between the parent company and the recruiter, but there is a business relationship within one of the subsidiaries -- the recruiting firm can feel justified in actively soliciting candidates from the parent company for its other clients. This has become an issue because larger recruiters are running low on target organizations as their client lists have grown. Some are also lowering the off-limits timetable to one year instead of two or three.

Clients tend to be resisting the new definition, believing it to be unethical -- while the recruiting firms point out that the client's other subsidiaries or divisions employ recruiters other than themselves. They feel no particular economic reason to hold an entire worldwide organization as off-limits if they deal with only one business unit. This may be an ethical dispute or it may simply be a matter of major clients trying to protect their executives from accessing the marketplace through some recruiters and the large recruiters trying to provide a reasonable level of service to their other clients. Whether the issue is moral or practical, it needs to be explored at the time a recruiter is selected.
Refusing Assignments- The recruiter also has ethical responsibilities when accepting a client assignment. Three situations exist in which an assignment should be refused. The first of these would be where the client is asking that the recruiter engage in illegal activity such as using the search process as a vehicle for conduct of industrial espionage into technical areas or government contracts. Other illegal requests would be to violate federal age discrimination or related employment legislation. Clearly, such an assignment must be refused.

A second circumstance where work should not be accepted occurs when the recruiter cannot allocate adequate staff time for assignment completion. Virtually every search has a critical time dimension. This occurs because the opening was created through an unexpected resignation, a reorganization, health or disability occurrence or other situation which mandates that action commence immediately. Accepting an assignment when appropriate turnaround cannot be reasonably attained is unethical on the recruiter’s part.

The third situation occurs when the recruiter is concerned that the credentials and experience being demanded by the client are not achievable in the marketplace or are not achievable at the intended compensation level. The ethical time to address that problem is at the time of sale. To accept the assignment and "educate the client later" is unfair to the client, who will endure a process which will be unduly long and frustrating -- and certainly unfair to the candidates who will invest time in a process which will be equally frustrating and without reward for them.

Fees- Finally, a word about fees and ethics. A debate is currently raging in the marketplace concerning "appropriate" fees for executive search services. This is partially caused by the realization that the fee structure does not necessarily parallel the difficulty level of an assignment. Since so many subjective variables are embedded in the process, there is no way to adequately reduce the fee calculation to a formula related to assignment difficulty. While a number of fee structures exist, most will continue to be pegged to the candidate's income as a percentage of first year cash compensation.

A second element in the current fee debate is the desire for administrative cost control on the part of client organizations. The third is, no doubt, significantly more emotional in content and attempts to rationalize the perceived pay equity of third party recruiters and corporate employees. In a free market economy, it is a vendor decision to determine what prices to charge and a buyer decision to determine what they are willing to pay. Ethics only come into play in the arena of fee discounting, where clients may be charged different rates for similar work. For example, to do a single assignment for one client at 33 1/3 percent and an identical assignment for another client for 25 percent seems clearly inequitable to the first client. An exception frequently made is the conduct of work for charitable organizations that cannot afford to buy recruiting services because of limited budgets. Performing this work at a deep discount or on a pro bono basis is perceived to be acceptable as long as it does not detract from the level of service being provided to retained clients. A more important distinction is the use of contingent fees. Contingent fees are a legitimate form of compensation for recruiting services that collect and disseminate resumes concerning interested job applicants. However, without professionally conducted interviews and
references, the representation of any qualitative data about those candidates may be highly suspect and, if so, considered unethical. Because the economics of the contingent fee business tend to minimize those very things, careful research, interviewing and referencing -- which build quality into the process, running a business which charges contingent fees to some clients and non-contingent, retainer fees to others could reduce quality levels and be a disservice to the retainers.

**Ethical Behaviour in On-Going Relationships** Living up to the agreement achieved prior to the onset of an assignment is a moral obligation for both parties. For the recruiter, this means generating candidates of stated credentials and experience levels on a timely basis and within the limits of a recruiter's ability, producing the most qualified candidates obtainable within the target income parameters. It also means giving the client high quality service until the position is filled -- not just a solid effort at the onset. In return, a client has an obligation to handle the financial aspects of the assignment in accordance with the agreement and to provide suitable, timely performance feedback to the recruiter concerning the assignment's progress.

**Candidate Relations** Both the recruiter and the client bear a moral responsibility to the individuals presented as candidates, most of whom will be gainfully employed and inactive in the job market at the time they become candidates. They deserve courteous, respectful treatment and fully protected confidential participation in the process until an employment offer is structured. This makes it a breach of ethical behaviour for clients to check informal references without prior approval because it jeopardizes the confidentiality of the candidate's involvement. It is clearly unfair -- and somewhat devious in any event -- to use "stalking horse" candidates, "comparison" candidates, or to otherwise mislead people into thinking they are serious contenders for a position in which they will never be employed. This is akin to the practice of "floating resumes," (introducing candidates when another firm has been retained) an unethical practice sometimes observed in the recruiting industry. Presenting the same individual simultaneously to more than one client is another practice that creates an ethical dilemma.

When two clients decide to employ the same candidate, it guarantees that one client will be disappointed and the recruiter becomes the culprit of the disappointment. Recruiters who use candidates in a "bait and switch" scenario are equally culpable.

**Sourcing Issues** Two aspects of the sourcing process deserve mention. First, there appears to be nothing unethical about conducting sourcing calls at client organizations. This is true as long as it is made abundantly clear to those being soured that they are not being solicited personally as candidates and are being asked only for their advice about others in their function or industry.

Another current ethical issue in the recruiting industry is who "owns" the research documentation developed during sourcing. Most recruiters and some clients contend that the recruiters who gather the data "own" it, while some company executives (who pay the recruiter to do the research) feel they should "own" the information accumulated during the search process. The critical ethical dimension is the implicit trust granted to a third party
recruiter that allows the source to share more information than they would with a direct competitor. Detailed information about the industry, the people for whom they work and the people who work for them is volunteered under the belief that information is going to be held as confidential from everyone save the recruiter.

To share this information is a breach of the trust established between the recruiter and his or her contact. Therefore, while there seems to be no other overwhelming reason not to pass detailed research information to the client, this ethical consideration mandates that the recruiter maintain control of the research documentation, sharing only those portions not granted in confidence.

SUMMARY

Honesty makes relationships strong. Most potential breaches of ethics are essentially shortcuts to bad decisions -- decisions which can be ill afforded when analyzing the impact a senior executive has within an organization. Dealing ethically with candidates and clients at each step of the recruiting process focuses the recruiter on highly professional conduct, which in turn, enhances the client’s selection decision as well as the future contributions of the person selected. The relation of ethics and recruiting performance has been recognized by each of the professional recruiting organizations that have set forth codes of ethics. These include the Association of Executive Search Consultants and the International Association of Corporate and Professional Recruiters.

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<thead>
<tr>
<th>Integré Partners, Ltd. Chicago – Code of Ethics</th>
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<tr>
<td>Integré’s code of ethics encompasses all of these ethical positions and extends beyond the organizations’ codes in many qualitative areas. The company believes that clients will be best served by the pursuit of the most stringent and professional ethical standards.</td>
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<tr>
<td>CODE OF PROFESSIONAL AND ETHICAL CONDUCT</td>
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<tr>
<td>• We will present our individual and firm qualifications openly, clearly and without embellishment, to all those with whom we intend to do business.</td>
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<td>• We will communicate to every client all recruiting blockages that bear any relevance to the work they intend to have us perform.</td>
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<td>• We will accept only work that can be undertaken immediately, or explain clearly when such new work can be moved into active fulfilment.</td>
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<td>• We will set clear definitions of exactly how our off-limits policy applies to the client organization, its affiliates, subsidiaries and parent structure.</td>
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• We will clearly designate which consultant will have primary responsibility for the conduct of the assignment. That person will be present at the meeting where the assignment is defined and commissioned and will attend every client meeting throughout the course of the assignment.

• We will undertake only assignments where, in our professional judgment, the recruitment can be concluded within the definitions and compensation range originally proposed by the client.

• We will undertake an assignment only after holding a personal meeting with the client and documenting in writing the engagement strategy and objectives for the client's review and modification.

• We will accept only retainer fee engagements and will charge all of our clients standard fees. An exception may be made for pro bono work conducted for a charitable cause and would be undertaken only in those circumstances where performing such services would not jeopardize the fulfillment of our retained work.

• We will research the client organization and the specific situation thoroughly and communicate the facts of the client situation accurately to the candidates.

• We will conduct thorough and vigorous telephone research campaigns and will never misrepresent ourselves in devious ways to obtain information, nor will we misrepresent a client situation or betray any trust or confidence granted during the research process.

• We will recommend any qualified individual as an active candidate regardless of their gender, age, ethnic heritage, religious or racial background.

• We will disclose any business or personal relationship with a candidate prior to their presentation so the client can review the objectivity of the referral.

• We will conduct thorough, face-to-face interviews with every candidate presented to a client in a carefully planned meeting where all relevant content and process variables known to be important to the client will be explored in detail.

• We will prepare a dossier for each candidate that outlines the stated achievements of the candidate; details his or her personal background; and assesses the candidacy by highlighting strengths and shortcomings. In no case will there be known overstatements or omissions, which might mislead the client in their subsequent employment decision.

• We will not allow a candidate to be presented if, in our professional view, that individual cannot be successful in the intended role.
• We will present a candidate to only one client for consideration and not refer that candidate's credentials to another client unless and until the first client removes the candidate from consideration.

• We will conduct thorough reference evaluations on every candidate who is to receive an offer of employment. They will be analyzed and presented to the client, focusing on all relevant aspects of the individual and his or her past performance as an indication of ability to succeed in the new role. All relevant data will be discussed with the client and if the data so suggests, a recommendation to withdraw the candidate from consideration will be made.

• We will resign from any account where we believe a breach of ethics has precipitated by the client in terms of their obligations to deal fairly with candidates and with us in both interactive and financial roles.

Ethical Issues while Terminating Employees

Terminating employees ranks high on the list of most-dreaded tasks for human resources managers. The decision to end the employment relationship is a tough one, unless there's a clear-cut reason to remove the employee from the company premises. Under normal circumstances, when a human resources manager terminates an employee, he is affecting the lives of not just the employee but the employee's family as well. Employee terminations also affect current employees. With so much at stake, it's no wonder that a human resources manager charged with terminating an employee will struggle with the ethical dilemmas that some terminations present.

Passing on the Task

Some human resources managers so dislike the task of terminating employees that they talk others into doing the deed, even when there is solid justification for the employee discharge. A human resources manager who isn't capable of enforcing workplace policies and realizing that violations lead to termination may need to consider another occupation that doesn't require handling difficult situations. On the other hand, many human resources managers refuse to terminate an employee based on their commitment to business ethics and principles.

HR Relationship with Executive Leadership

A constant struggle exists within some organizations where the human resources leader isn't a member of the executive leadership team. Human resources strategy doesn't appear to be of utmost concern for some executive leadership teams that are far more concerned about
profitability -- they don't understand how valuable human capital is for the company's revenue and success. When that happens, ethical differences can create division among human resources operations and the executive management. Human resources generally is concerned with the level of employee satisfaction as a predictor of corporate success. Companies that embrace this human resources concept are counted among the more progressive organizations.

**Performance**

Ethical differences also factor into whether an employee should rightfully be terminated for reasons related to employee performance. When an employee's performance is borderline, the directive given to human resources may be to fire the employee. The human resources manager, on the other hand, may believe borderline performance should be subject to a structured improvement program. The decision to invest in an employee's performance or simply terminate an employee poses a major ethical dilemma for many human resources professionals.

**Achieving Diversity**

A human resources manager typically is responsible for managing diversity, and diversity based on factors other than those contain in civil rights laws sometimes form the reason for terminating an employee who doesn't fit. These factors might include personality, work style and other attributes that have nothing to do with an employee's job qualifications, but nonetheless, are important to employers who want to create a homogeneous workforce. Federal and state laws prohibiting workplace discrimination and harassment clearly state that employment decisions based on factors such as race, sex, national origin or religion are illegal. Still, some companies are alleged to engage in practices that involve termination based on those factors. The ethical dilemma of terminating employees based on discrimination is one that many human resources managers face on a regular basis.

**Termination and Severance**

Offering a severance package is a process human resources managers use to soften the blow of termination and provide the discharged employee with the means to support himself during a period of unemployment. The ethical issue present here is the severance agreement itself. Many severance agreements contain a clause that requires the employee to agree that he will not raise any future claims of wrongful discharge. The typical severance agreement essentially asks the employee to waive his civil rights. It's a standard practice. However, human resources managers and anyone else who reads civil rights laws knows that it's inadvisable and unethical to have anyone sign away her civil rights. Human resources managers face an ethical dilemma in presenting a severance agreement that violates an individual's rights.
Guide to Approaching Passive Candidates

Let's say you've found a bunch of great potential candidates, now what do you do? Using passive candidate leads can be the most difficult and time-consuming aspect of recruiting today, but it is becoming increasingly necessary as fewer and fewer candidates are utilizing traditional means to connect with potential employers. With specialized passive candidate search tools, recruiters now can quickly access a few contacts and be back on the phone within minutes. This accelerates a recruiter’s ability to reach passive candidates, but it requires a different type of phone skill. While much advice exists on addressing candidates that have taken some initiative in their job search, not many experts talk about what happens once a passive candidate picks up the phone and says “Hello?” in response to your cold call.

Making that initial call to a truly passive lead can be a scary moment, so in this article we will review a handful of tips to help break the ice and overcome that awkwardness.

**Tip #1: Don't Sell!**

Most recruiters get an earful of “pitch the job” and “sell the opportunity,” but passive candidates are not in the market to buy anything so selling them something is absolutely the wrong approach. Instead of selling, try establishing your credentials and reputation. The best way to start talking with passive candidates is to engage them in conversation, not to sell them on an opportunity. Mention connections you may have inside your organization, sector or industry, and offer these connections as a resource to them when needed. Make a connection and listen to them.

Before you call someone, learn as much as you can about them by doing some research. The Internet offers you plenty of information about their company, their industry and very often even detailed information about their interest.

If you found them on a passive candidate sourcing site look at their web references and you will likely find a number of websites where they are mentioned. Identifying something you have in common with them will help you develop a genuine connection. For example, have you been to their city or town? Have you attended similar universities or conferences?

Beyond that personal connection it also helps if you know about what’s going on with their organization and even better if you utilize familiar language and jargon. For example, use “insider” lingo or nicknames for products, facilities and locations, projects, departments, and technologies. Additional deep web research can help you gather the information that can help you understand the candidate’s milieu.
Tip #2: Email First

When possible, start your conversation with an email. It may seem counter-intuitive to begin a “conversation” with an email, particularly in the context of this article, but great recruiters will use every tool at their disposal to connect with appropriate talent. E-mail is as powerful a communication tool as the phone. Email is the quickest, most unobtrusive and the most commonly accepted way to establish rapport today. Using both the phone and email strongly increases the likelihood you will make a connection.

The best Email method is a three-step approach where the first step is an unobtrusive, non-solicitous networking request email. Remember that you are reaching out to someone who is most likely not actively looking for new opportunities so they will not respond well to bait-and-switch messages or overt recruitment approaches. When reaching out to passive leads using e-mail does not directly solicit them for employment in any way.

Your first step is your initial contact email should include:

1. Asking them if they would be receptive to networking with you
2. Mention that you are initiating contact electronically out of respect for their time and privacy
3. A clear way to get in touch with you privately (i.e. your phone number)
4. Enough detail so they can decide if you are worthy of a reply

The second step is a quick and simple voicemail the day after your e-mail. Indicate your desire to speak with them for networking purposes. Keep it brief, inform them of your intent to network, and clearly state the best way to get in touch with you.

The third step is a follow up email sent immediately after you leave a voicemail, verifying they received your voicemail and re-stating your contact details. This greatly increases the chance of a return call because it bridges the gap between the “electronic” world where spammers exists, and the “live” world of phone calls and face-to-face meetings. The subject line on your follow-up email should reference the voicemail you just left by having a “date stamp” like this: "Follow-through on my voicemail from today mm/dd/yy.”

This begins to build recognition with your prospect and increases the chances of success when you attempt this three-step strategy in one week.

The best candidates are going to be aware of their value so they may not take much initiative in calling you back. Try the above steps three times and then use the “Last Ditch” approach. In your fourth call and email, state something to the effect of “I thought I’d give it one last shot” and explain how it is important that you connect with them but that you have reached out previously to no avail. In the message clearly state that this will be your last attempt to connect and you will be amazed at how many people respond to this last message.
Tip #3: No Isn’t Always No

The best passive candidates are successful and busy people so if you just accepted this initial “no” all the time then you will not likely speak to many good people. Once someone answers you may get some initial resistance to the conversation or even a very outspoken “no”, but you can often overcome this initial reaction.

Once you do, a great relationship may blossom with your new contact and you will find that the effort will be worthwhile. An initial “no” could mean many other things besides “I’m not interested in what you have to say” so it is important that you investigate a bit before giving up. For example, it could mean “I’m very busy right now,” in which case you should simply offer to call at a more convenient time and schedule a follow up. It could also mean they are having a bad day, or are very tired, and this is just not something they want to do right now. If their tone is abrupt, brusque or negative, let this initial negativity roll off your back without reacting to it and do not take it personally. Tell them you appreciate they may be very busy right now, but what you have to say is important and you would like to call them at another more convenient time.

As before, make an appointment and follow up. This initial “no” could also mean “I can’t talk right now because my boss is looking over my shoulder” or they are in the middle of a meeting or other call. Drop a few hints and if that is the case then see if there may be a better time when you can reach out.

It is important to keep in mind that recruiters are not sales people. We do not sell a “product” – we help companies find the right talent at the right time, and we help people move forward with their career goals. There are many reasons why someone may not yet be ready to move forward and thus they may not be interested in taking our call. Only by establishing a connection will we be in a position to help them once they are ready, or to obtain referrals to those who are.

In today’s a tight labour market, a successful passive candidate recruiting program can be an essential for companies’ success. Working with passive candidates requires a major change in methodology for companies that are accustomed to working with active candidates, and recruiters who master these changes are at great competitive advantage. By breaking the passive recruiting process into steps – source the appropriate potential candidates, engage them in conversation, use a combination of communication methods, and give the prospect every opportunity to respond positively – committed recruiters can readily adapt to the new recruiting landscape.
Chapter 7
Workplace Privacy and Ethics

Employee privacy rights encompass an employee’s personal information and activities at work. Companies do have some legal obligations to their employees, but often company policy will dictate many of an employee’s privacy rights.

Personal Information
The law only protects personal information held by government agencies, not private companies. It is up to private employers to act in good faith with an employee’s information. Only a court can require the release of personal information. To ensure sensitive information is safe, the following are a few rules. Regard all personal information about an employee’s personal characteristics, family and friends as private and confidential. Release information on employees only to those needing it for legitimate or legal reasons. Investigate all inquiries for information, keep records and use consent for release forms. Securely store sensitive documents and shred old documents.

Job References
The law does not protect a private company’s employee information from being disclosed to a prospective employer. It is, however, not good practice to hand out employee information, including their date of birth, pay level, work schedule or full name. It is good policy to research and document who is requesting information and why. Also have an employee in human resources handle the inquiry. It may also be advisable to get a written authorization from the employee before releasing any information.

Electronic Monitoring
A company is allowed to monitor the phone, computer and email use of its employees. It is advisable that all monitoring policies be well defined, documented and given written acknowledgement by employees. If computer and email monitoring policies exist, they should clearly state that employees have no expectation of privacy while on company property or when using company resources.

Camera Monitoring
Camera monitoring is the legal right of a company. A company should disclose its monitoring activities to employees and get written acknowledgement of the policy. Privacy laws forbid cameras in restrooms or locker rooms where employees change clothes.

Drug And Alcohol Testing
Drug and alcohol testing is permitted within private companies, although drug testing records cannot legally be released. The policies regarding how, why and when employees are tested are not enforced by law, but a company should have a clear and known drug policy to avoid legal action.
Personal Searches
A company can have a policy that allows it to search an employee, an employee’s workspace or an employee’s property, including a car, if it is on company property. A personal search may lead to a variety of legal actions against an employer. Bodily searches are especially risky legally and should never be conducted with force. Employers are advised to proceed with extreme caution when authorizing or conducting personal searches.

The Importance of Workplace Privacy

1. Introduction

Existing discussions of privacy, including discussions of workplace privacy, too often rely on a vague and broad notion of privacy that cannot properly informed detailed analyses of specific privacy issues. As a result, such analyses often rely heavily on ad hoc considerations and intuitions, and analyses of different privacy issues do not add up to a coherent view on privacy. What is still lacking in the privacy literature is an adequate operationalized notion of privacy that affords a distinction between different types of private affairs, privacy rights, and privacy intrusions.

Systematic study of the notion of privacy began with Warren and Brandeis’ famous essay titled “The Right to Privacy” (Warren and Brandeis, 1890), in which privacy is defined as “the right to be left alone”. Since then, countless other definitions of privacy have been presented, many in the context of elaborate theories of privacy, that try to get at the core of this abstract and slippery notion.

Theories of privacy generally allude to privacy as a right of a person, that is, to provide protection against interference by third parties into their private affairs. In many theories, this right to non-interference is defined in terms of access and control: privacy rights are to restrict access to private affairs and give those persons whose private affairs are at issue the exclusive right to control such access.

Some authors have introduced the notions of “information” or “knowledge” as a defining feature of privacy (Westin, 1967; Fried, 1986; Parent, 1983). In such information-based conceptions of privacy, privacy is defined in terms of restrictions on access to, or control over, personal information, and intrusions on privacy are defined as situations in which personal information is collected or disseminated without consent of the individual who is the topic of this information.

However, while it appears that many privacy issues revolve around the use of personal information, information-based conceptions of privacy are clearly flawed, as there is are a
number of privacy issues that cannot be fitted into an informational mould. That is, there are
types of actions that can be recognized as intrusions on privacy but that do not seem to
centrally revolve around the collection or dissemination of personal information.

Specifically, there are various sorts of intrusions into private affairs in which the violation of
privacy seems to consist on the fact that these affairs are disturbed or disrupted, rather than
that information is acquired about them. For instance, unlawful entry or trespassing, which is
sometimes described as the violation of the privacy of someone’s home, does not seem to
revolve around information collection. Such an event may perhaps result in the collection of
personal information by the intruder (if the intruder is not blind), but the violation of privacy
does not seem to centrally reside in this collection but rather in the disturbance of private
affairs.

Likewise, not keeping a certain distance when talking to someone or sitting or standing next
to them or touching their body may also be construed as violations of privacy even though
they do not centrally involve the acquisition of personal information. Therefore, if privacy is
defined in terms of (control over) access, then clearly it is not just informational or cognitive
access that is involved but also physical access, as when someone creates disturbances in
private affairs. This corresponds well with Warren and Brandeis’ description of the right to
privacy as the right to be left alone: it is not just the right to be left alone from the gaze or
opinions of others, but also the right to control physical interference by others into one’s
private affairs.

Adhering to the notions of access of control we may, with Ferdinand Schoeman, say that “A
person has privacy to the extent that others have limited access to information about him,
limited access to the intimacies of his life, or limited access to his thoughts or his body.”
(Schoeman, 1984, p. 3).

The right to privacy is then the right of persons to control such access to their personal
affairs—Cognitive access, physical access and informed control.

Cognitive access is access to information about private affairs of a person, either through
direct observation or through indirect means, and physical access, which involves direct
interventions into private affairs that create a disturbance in them. In discussing cognitive
access, such access may result in the collection or dissemination of information.

Privacy violations that involve the collection of information about private affairs may be
called snooping, and those that involve the dissemination of such information may be called
exposure. In snooping a third party makes personal information available and in exposure that
person makes it available to other parties.

Cognitive access may moreover take various forms, depending on how information is
collected. Cognitive access may involve live, unaided observation of private affairs, mediated
observation (observation mediated through a camera or telephone line), or access to separate bearers of personal information (e.g., electronic databases, paper documents, photographs).

Physical intrusions, in which privacy is violated through physical interventions, may also be called disturbances. The term “physical intrusion” is meant in a broad sense here, to include physical interruptions of events, disturbances that take place by talking or making noise and disturbances that occur in virtual environments; when someone breaks into a private chat room and starts insulting the participants, that would also be called as physical intrusion.

Obviously, there are many privacy violations in which cognitive and physical intrusions occur jointly. This is only logical, because while disturbing the intruder usually also perceives things that are private (unless the person that creates the disturbance is blind and deaf).

There are also privacy violations that do not just centre on cognitive access (snooping or exposure) or physical access (disturbance). Take, for example, a landlord who has installed cameras in the apartments of his tenants, and who does not just observe these tenants in their everyday affairs, but also makes systematic use of his observations to control the behaviour of his tenants. If, for instance, he sees a tenant breaking house rules in their apartments, he may coerce her into obeying them in the future, or punish her by temporarily cutting off her electricity or by evicting her. This landlord is not necessarily creating a disturbance (because he may never enter any of the apartments) nor is he just snooping. Rather, he is making systematic use of his cognitive access to his tenant’s apartments to control their behaviour and living circumstances.

This type of privacy intrusion is called “surveillance,” were it not that this term is ambiguous; in a broad sense, systematic observation of subjects that does not result in direct attempts to control the thoughts and behaviour of these subjects is sometimes also called surveillance.

This may also be called as informed control. What is essential about informed control is the ability of a third party to exercise control over a person through his knowledge of private affairs of that person. This control may either be confined to the private affair about which the third party knows, or it may (also) affect other aspects of the person’s life.

For instance, if the snooping landlord observes that a tenant uses illegal substances, he may coerce tenant into stopping this behaviour or doing it less frequently, but he may also use this information to blackmail the tenant, without necessarily interfering with the drug use itself. In the first instance, there is informed control over an observed private affair in that the conditions under which the private affair takes place are controlled. In the second instance, there is control over broader aspects of a person’s life based on knowledge of a private affair.
Notice, moreover, that informed control may include physical intrusions on privacy (when the landlord walks into an apartment every time he observes that rules are broken), but they are not required.

To summarize, privacy intrusions come in three kinds: (1) unauthorized cognitive access (snooping and exposure) (2) unauthorized physical access (disturbances) (3) informed control (control over a private affair or broader aspects of a person’s life).

There are five basic kinds of private affairs, with corresponding rights to privacy: (i) the human body; (ii) personal spaces and objects; (iii) bearers of personal information; (iv) individual conduct and (v) social conduct.

(i) The human body: Human body- the physical or biological body, with all its unique features as they apply to a specific person. Such unique features include physical and biochemical properties such as height, weight, facial characteristics, visual features of the nude body, fingerprints, medical conditions etc. Many such aspects of the body are privacy-sensitive, although there is often significant variation in the degree to which people hold certain aspects of their body to be private. This variation is strongly conditioned by culture, religion and gender.

For example, in traditional Islamic cultures the female face is considered to be a private affair and is hidden in public areas, while in many non-western cultures, the nude body is not very privacy-sensitive, and public displays of nudity may be acceptable. Unwanted physical access may include invasion of body space, unwanted touch, unwanted medical examinations and drug tests, unwanted registration of biometric properties like fingerprints, body searches, cavity searches, sexual assault and rape.

(ii) Personal spaces and objects: Personal spaces include the home, other personally owned and used spaces like the confines of one’s car, and rented or appropriated personal spaces like a private chat-room on the internet or a claimed picnic spot. Personal objects are objects owned, hired or appropriated by a person for his or her personal use, such as jewellery, vacuum cleaners, refrigerators, teddy bears, etc.

The privacy-sensitivity of personal objects or belongings may differ a great deal: mundane objects like pencils and vacuum cleaners will rarely be considered privacy-sensitive, whereas potentially revealing or embarrassing items like teddy bears, sexual apparel and antidepressants may be highly privacy-sensitive.

Personal spaces and objects may be the subject of unauthorized cognitive and physical access in various ways: through house searches, break-ins, seizures, camera surveillance, remote sensing and ordinary peeking and snooping by curious third parties like house guests and fellow employees who cannot keep themselves from going through someone’s personal belongings.
(iii) **Bearers of personal information**: Bearers of personal information are media that contain information about aspects of a person, for instance about a person’s individual conduct, thoughts and beliefs, personal relations, aspects of body or personal belongings.

Such bearers may include files, paper records, personal notes, pictures, diaries, electronic databases, video tapes, CD-Rs, personal digital assistants (PDIs), etc. They may encode information in various forms, including linguistic, numerical and pictorial, and may include video and audio recordings.

Bearers of personal information may be owned or used by the person in question. However, many bearers of personal information are not owned and used by the subject of the information but by third parties, including doctors, insurance companies, banks, employers, government institutions, media agencies, internet providers, supermarkets and so on.

Bearers of personal information may be the subject of unauthorized physical access, resulting in disturbances if they are mishandled, but it is their cognitive function that is most important here: cognitive access to them may also provide cognitive access to aspects of someone’s private life, and may offer concomitant possibilities for informed control.

(iv) **Individual conduct**: Individual conduct is defined in the context of this paper as non-social conduct, being individual behaviour that does not (centrally) include interactions with others. A particularly important type of individual conduct from a privacy point of view is solitary behaviour, being behaviour that one performs when one is alone or “by oneself,” without companions or observers that are believed to have access to one’s behaviour. Solitary behaviour is often very privacy-sensitive. It may include behaviours that are quite similar to ones performed in more social or public settings (e.g., reading, watching TV, working) but also involves all kinds of intimate behaviours (e.g., taking care of bodily functions, autoeroticism), behaviours that do not adhere to normal public standards (e.g. laziness, sloppiness, gluttony, wearing outrageous combinations of clothing), exercising private personal hobbies, self experimentation (e.g., making faces in front of a mirror), and generally, performing all kinds of actions that one would not normally perform in public, or even in a relatively intimate setting with family or friends. Individual conduct, including solitary behaviour, is increasingly subjected to monitoring (i.e., cognitive access), particularly through camera surveillance and increased electronic registration of behaviour (e.g., purchases, money withdrawals, vehicle use, computer use, internet use).

(v) **Social conduct**: Next to individual behaviour there is social behaviour: From a privacy point of view, social behaviour deserves to be treated separately from individual or non-social behaviour, One important form of social interaction that deserves special mention is verbal communication. Verbal communication, whether face-to-face, over the telephone, or via e-mail, SMS or internet chat, is often considered private, either because it contains privacy-sensitive information or because the conversationalists seek seclusion so as to create
imacy, trust or confidentiality between them. Like individual conduct, social conduct is increasingly subjected to monitoring, particularly through camera surveillance and increased electronic monitoring of (technologically mediated) social interactions, for instance through telephone and e-mail monitoring.

As stated in the introduction, workplace privacy is increasingly a contested issue in organizations. Many new methods of monitoring workers have been developed in recent decades, building particularly on new developments in information technology and medical technology.

(i) The human body in the workplace: Worker’s bodies are increasingly the subject of scrutiny by employers. From genetic dispositions to fingerprints, from the presence of scar tissue on the lower abdomen to the presence of alcohol traces in worker’s urine, employers increasingly know about, or are able to find out about, aspects of their worker’s bodies. In some professions, moreover, such monitoring is accompanied by routine physical interventions, like periodical medical and drug tests and body scans.

In an increasingly competitive business climate, employers are bent to know whether workers have medical conditions of genetic dispositions that may impact their work, or whether workers have a substance abuse problem. Also, organizations increasingly use biometric authentication and verification methods to provide security, which also touch on aspects of their worker’s bodies. A wide variety of new and improved technologies has been instrumental in allowing employers access to aspects of their employee’s bodies, and legislation has often not kept up with them.

Some of the main workplace privacy issues in relation to worker’s bodies are the following:

• Medical tests and medical background checks: Employers increasingly make use of medical tests and access to existing medical records to assess the health of their employees. Psychological assessments are also increasingly sought. Such medical information increasingly plays a role in hiring and firing decisions, work benefits and career development, and its use is therefore controversial (Simms, 1994; Humber and Almeder, 2001; Rosenberg, 1999).

• Drug testing Some employers routinely test their employees for substance abuse. Such tests are not normally defined as medical tests, and its use is more controversial that medical tests (Cranford, 1998; Gilliom, 1994; Rosenberg, 1999).

• Genetic testing Genetic testing is usually performed for medical reasons, to determine whether a (prospective) employee is genetically predisposed to develop certain medical conditions, like cancer and hepatitis. Genetic tests are hence not ordinary medical tests, because the subject may not have any medical conditions, and the conditions for which he or she is tested positively may never actually develop. Their use is controversial, because they
are not always reliable and the (prospective) employee may never actually develop a disease for which there is a genetic predisposition (Long, 1999; Chadwick et al., 1999).

- “Pat down” searches and X-ray body scans In professions with high security risks, employees may be routinely subjected to “pat down” searches, some of which may also require (partial) undressing or even cavity searches, and to X-ray body scans. In an X-ray body scan, a technology used mainly at airports, low-dose X-rays are used to see beneath a person’s clothing and undergarments. The result is an image of a nude body, with any devices or foreign objects that may be carried on the body. Major personal details of bodies, such as the size and shape of breasts and genitals, mastectomies, catheter tubes and penile implants, are revealed in such images (Murphy and Wilds, 2001). This technology is usually used with the consent of the person whose body is scanned but can also be used - and is being used - secretly.

- Biometric screening Biometrics methods are increasingly used in the workplace as authentication and verification devices, for instance to monitor access to a building or area, to keep time on workers, or to monitor access to computer systems. Common biometric methods include iris scans, face scans and thumbprints. Biometric screening involves the electronic storage of privacy-sensitive biometric information, as well as the scanning process itself, which is experienced by some as privacy-intrusive (see Hes, Hooghiemstra and Borking, 1999; Alterman, 2003; Van der Ploeg, 2003).

- Camera surveillance In most cases, camera surveillance in the workplace will not reveal private information about bodies or bodily conditions. Yet, it sometimes does so, for example if used in areas where employees (partially) undress or take care of their body. Camera surveillance in the workplace increasingly takes place in more (semi-) private environments, like offices, restrooms and leisure areas, and has been argued to invade privacy (McCahill and Norris, 1999; Dubbeld, 2003).

In most cases where bodily privacy is at issue in the workplace, it is cognitive access that is involved, which may in turn result in informed control (over the employee’s drug use, health care, career development, etc.). Physical access to worker’s bodies is not gained often, and is usually limited to medical or drug tests and body searches.

(ii) Personal spaces and objects in the workplace Workers frequently bring personal belongings with them to the workplace. These may include pens, wallets, handbags, personal digital assistants, laptops, plants, framed pictures of the family, and so on. Handbags and desk drawers may contain personal items like cosmetics, personal address books, medication and feminine hygiene products. Workers may also use the workplace as a temporary storage space, for example for groceries and other personal belongings. Workers also frequently have a workspace for their personal use (e.g. an office space) and personal equipment, furniture or
tools (e.g., a desk, a personal computer, a closet) that they come to use as they own, and that they come to control.

Workers often end up personalizing their workspace, not only by bringing in their own personal belongings, but also by modifying company property, for example by rearranging furniture or by choosing screensavers, backgrounds and settings on their PC. Workers tend to have privacy expectations concerning the access by others to personal belongings brought to work, and often also have an expectation of privacy regarding their workspace, e.g., the expectation that no one enters their office unannounced or goes through the contents of their filing cabinets or computer hard drive without their consent.

Naturally, going through personal items like a handbag will be considered a greater violation of privacy than scrutinizing someone’s tools or office furniture. Privacy issues that may come up in relation to personal spaces and objects in the workplace may include unauthorized access by employers and fellow-workers to someone’s personal workspace, camera surveillance of workplaces, workplace searches, and surveillance or searches of the contents of PCs. Workplace searches may include searches of employee offices, desks, lockers, personal items like purses and gym bags, files and mail.

Surveillance and searches of the contents of PCs may involve inspecting the software and files on the employers’ PC and taking random “snapshots” of the PC’s desktop. In many professions, the working environment is increasingly a PC environment. The virtual work environment of a PC is much easier to inspect than a physical work environment, because it is usually possible for employers and system operators to have remote access to it, and because it is possible to perform quick searches for specific items.

(iii) Bearers of personal information in the workplace A number of privacy issues in the workplace concern access to media that contain personal information about employees. Some such media may be in the possession of employees themselves, like personal belongings brought to work by workers that contain personal information (diaries, personal address books, photo albums) or items with personal information that were produced or received by the employee while at work (e.g., personal e-mail, paychecks, internet cookies). Searches of employee’s belongings and surveillance of workplaces and electronic work environments may result in employers learning about such private information. Other media may not be in possession of the employee herself but may be owned by (various departments in) the organization, or be found outside the organization but still be obtainable by its management.

Regarding the body, medical records have already been mentioned as one type of medium of this sort. Many more personal records and media may be found in organizations, including financial records, personnel files, minutes of meetings, video surveillance tapes, and so on. Such files are usually meant to be accessible to a limited number of people, and it would be considered a breach of privacy if other persons in the organization were granted access as
well. Organizations also often perform background checks on prospective employees, which are increasingly easy to perform through the rise of the internet and electronic databases.

Employees may, depending on legal limitations that may apply, check address history, criminal background, civil background, driving history, credit reports, and past employment. Obviously there are many employees who would consider at least some of these checks, when performed without their consent, a violation of their privacy.

(iv) **Individual conduct in the workplace**: Individual conduct in the workplace may either consist of working behaviour (e.g., typing, drawing, soldering) or behaviour for personal maintenance and leisure (e.g. snacking, reading internet newspapers, visiting the toilet, grooming, listening to music). Working behaviour and personal maintenance and leisure of course sometimes mix, as when someone is working while listening to music or eating. The expectations of privacy for these three types of behaviour will depend on the attitudes and beliefs of the worker, the setting in which work takes place, and previous agreements that have been made.

Obviously, surveillance cameras in a toilet will generally be considered unacceptable, whereas keystroke registration may be considered acceptable if it is part of an agreement between employer and employee. Privacy issues that may play in relation to individual conduct in the workplace include unauthorized access by employers and fellow-workers to a private or temporarily privatized space in which someone is engaging in private behaviour (e.g., a toilet or an office with a do-not-disturb sign), camera surveillance, computer keystroke monitoring, internet website monitoring, behaviour monitoring using smart badges and motion detectors (e.g. to check if an employee washes hands after using the bathroom), location tracking using electronic employee badges, and satellite tracking (Givens, 2001).

Camera surveillance and PC and internet monitoring are arguably the two most powerful techniques for monitoring individual conduct. Camera surveillance theoretically makes it possible to record and observe an employer’s each and every movement. The monitoring of PC and internet use by their employees can give employers detailed, complete information on what workers type, read, access or download when working on their PC.

(v) **Social conduct in the workplace**: Social conduct in the workplace may, like individual conduct, be either work-related (e.g., teamwork, staff meetings) or directed at personal maintenance or leisure (e.g., joint lunches, social chats). Mixes occur as well, as when a conversation combines personal and work-related elements. Obviously, social conduct directed at personal maintenance or leisure will generally be more privacy-sensitive than social interactions that are work-related. However, work-related social interactions may also have a private character, involving confidentiality and trust, as when problems at work are a topic of discussion, or more generally when those who are interacting have an expectation of privacy.
As noted earlier, social interactions between persons may occur in unmediated form ("face to face" or in person) or be technologically mediated (e.g., telephone, e-mail, internet chat, sms, voice mail, computer-supported collaborative work). Many privacy issues that apply to individual conduct in the workplace apply to social conduct as well. Other privacy issues are uniquely associated with social conduct. These include, amongst others, issues involving the monitoring of communications, as in telephone monitoring and e-mail monitoring. Another important privacy-related element in social interaction is, as previously mentioned, the potential importance of confidentiality, trust and intimacy between persons, for example between an employee and a fellow-worker or client, that may be violated by monitoring.

Workplace privacy and employer’s interests: In most discussions of workplace privacy, it is recognized that employees have legitimate claims to privacy rights at work. In most discussion, however, it is held that such rights are to be balanced against the rights or interests of employers and other parties, which may require limitations on these privacy rights.

Prima facie privacy rights in the workplace, it may be useful to distinguish between privacy rights that hold in principle and privacy rights that hold in practice, i.e. after calibration with circumstantial factors which may include other rights or interests. In general, rights of any kind may have to be weighed against other rights or they may be voluntarily forfeited, so that rights that are held in principle may not turn out to hold in practice. For instance, people may have a right to smoke, but it can be justifiably argued that this right may not be exercised in confined public areas because it collides with other people’s rights to clean air, or in clean rooms because it could damage private property.

Privacy rights apply to an entity (thing or activity) in the workplace if and only if entities of that type outside the workplace are generally considered to be private affairs. In some cases, this may involves entities that may also be contested outside the workplace as to whether they should be considered private. This may happen either because there are no shared social norms on whether or to what extent an entity should be considered private and therefore subject to privacy rights (e.g., some cultures or traditions consider the female face to be private, whereas most others do not), or because the private nature of a type of entity is heavily dependent on situational factors and subjective intentions (e.g., whether a conversation is private depends in part on the intentions of the talkers and on the setting in which they choose to have their conversation). For most of the privacy issues identified in the previous section, however, I believe that general agreement exists that the entities in question are private in ordinary circumstances. The disagreement about them concerns the extent to which the special circumstances of a workplace setting can void these ordinary privacy rights.
Employee Rights at Workplace

Employees have many rights and responsibilities that are enforceable by law. Employee rights protect workers from hazardous workplace conditions, employer discrimination and other circumstances that threaten an employee’s safety and well-being.

Rights to Workplace Safety

Employees have the right to do their jobs in a safe and healthy work environment. The Occupational Safety and Health Administration (OSHA) in the USA reduces workplace hazards by setting safety standards and investigating the violation of those standards. According to OSHA, an employee “has the right to refuse to perform unsafe work.” Unsafe work is considered a job assignment that might cause serious injury or death to the employee. If a worker feels that they are working in an unsafe environment, they may file a complaint with the appropriate regulating authority or request an investigation be conducted without the fear of retaliation from their employer. In addition, an employee has the right to request and review information about proper workplace regulations regarding office safety and health hazards.

Rights to Equal Employment Opportunity

Employees have the right to work in an environment free from discrimination and harassment. The Civil Rights Act of 1964, as well as other federal amendments to the act, protects against pregnancy, age and disability discrimination. It safeguards employees against prejudice and unfair treatment in the workplace. The Equal Employment Opportunity Commission enforces these laws and investigates allegations of harassment and discrimination. They also handle employee complaints. Employees have the right to request protection from their employer in the event they feel threatened by a superior, co-worker or client. They also have the right to equal opportunity of workplace benefits, promotions, fair wages and fair treatment without regard to race, gender, sexual orientation, disability or other characteristic protected by law.

Right to Access Information

Employees have the right to access and review records and other information. Employees can review their personal files. They may also obtain their medical records as well as have access to employer information with regards to events or changes that can affect the employee’s work environment. Employers must maintain copies of illness and injury records and are obligated to make the documents available to employees that request them at any time.
In India various employee rights are addressed in Industrial Disputes Act, 1947: The Industrial Disputes Act, 1947, is, therefore, the matrix, the charter, as it were, to the industrial law. The Act and other analogous State statutes provide the machinery for regulating the rights of the employers and employees for investigation and settlement of industrial disputes in peaceful and harmonious atmosphere by providing scope for collective bargaining by negotiations and mediation and, failing that, by voluntary arbitration or compulsory adjudication by the authorities created under these statutes with the active participation of the trade unions. With the aid of this machinery, industrial law covers a comprehensive canvas of state intervention of social control through law to protect directly the claims of workers to wages, bonus, retirement benefits such as gratuity, provident fund and pension, claims, social security measures such as workmen’s compensation, insurance, maternity benefits, safety welfare and protection of minimum of economic well-being. Job security has been particularly protected by providing industrial adjudication of unfair discharges and dismissals and ensuring reinstatement of illegally discharged or dismissed workmen. Protection has gone still further by laying down conditions of service in specified industries and establishments and limiting the hours of work. By and large, all these subjects are "connected with employment or non-employment or terms of employment or with the conditions of labour" of industrial employees. In other words, these matters are the subject matter of industrial disputes, which can be investigated and settled with the aid of the machinery provided under the Act or analogous State statutes.

In addition Maternity Benefit Act, almost all the major central labour laws are applicable to women workers. The Equal Remuneration Act was passed in 1976, providing for the payment of equal remuneration to men and women workers for same or similar nature of work. Under this law, no discrimination is permissible in recruitment and service conditions except where employment of women is prohibited or restricted by the law. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is the culmination of Visakadutta Vs. State of Rajasthan Case, provides protection to women against sexual harassment at workplace.
Chapter 8

Team work and Workplace Ethics

Introduction:

Much of your future work will be organized around team or team activities. This module is designed to prepare you for this by getting you to react on ethical and practical problems that arise in small teams like work teams. Four issues, based on well-known ethical values, are especially important.

How do teams achieve justice (in the distribution of work), responsibility (in specifying tasks, assigning blame, and awarding credit), reasonableness (ensuring participation, resolving conflict, and reaching consensus), and honesty (avoiding deception, corruption, and impropriety)?

Enablers for Teams to work effectively:

- Teams are provided to be with key ethical values that they describe and seek to realize through team activity.
- Teams also study various obstacles that arise in collective activity.
- Teams prepare initial reports consisting of plans for realizing key values in their collective activity. They also develop strategies for avoiding associated obstacles.
- At the end, teams prepare a self-evaluation that assesses success in realizing ethical values and avoiding obstacles.

Value Profiles for Professional Ethics in Teams:

- Definition - A value "refers to a claim about what is worthwhile, what is good.
- Reasonableness - Defusing disagreement and resolving conflicts through integration. Characteristics include seeking relevant information, listening and responding thoughtfully to others, being open to new ideas, giving reasons for views held, and acknowledging mistakes and misunderstandings. (From Michael Pritchard, Reasonable Children)
- Responsibility - The ability to develop moral responses appropriate to the moral issues and problems that arise in one's day-to-day experience. Characteristics include avoiding blame shifting, designing overlapping role responsibilities to fill responsibility "gaps", expanding the scope and depth of general and situation-specific knowledge, and working to expand control and power.
- Respect - Recognizing and working not to circumvent the capacity of autonomy in each individual. Characteristics include honouring rights such as privacy, property,
free speech, due process, and participatory rights such as informed consent. Disrespect circumvents autonomy by deception, force, or manipulation.

- Justice - Giving each his or her due. Justice breaks down into kinds such as distributive (dividing benefits and burdens fairly), retributive (fair and impartial administration of punishments), administrative (fair and impartial administration of rules), and compensatory (how to fairly recompense those who have been wrongfully harmed by others).
- Trust - According to Solomon, trust is the expectation of moral behaviour from others.
- Honesty - Truthfulness as a mean between too much honesty (bluntness which harms) and dishonesty (deceptiveness, misleading acts, and mendaciousness).
- Integrity - A meta-value that refers to the relation between particular values. These values are integrated with one another to form a coherent, cohesive and smoothly functioning whole. This resembles Solomon's account of the virtue of integrity.

**Checklist for ensuring ethics in team work:**

You should have answers for the following questions while making teams work with ethics:

- How does your team plan on realizing justice? For example, how will you assign tasks within the team that represent a fair distribution of the work load and, at the same time, recognize differences in individual strengths and weaknesses?
- How does your team plan on dealing with members who fail to do their fair share?
- How does your team plan on realizing responsibility? For example, what are the responsibilities that members will take on in the context of collective work?
- Who will be the leader? Who will play devil's advocate to avoid group think? (Group think is a psychological phenomenon that occurs within a team of people, in which the desire for harmony or conformity in the team results in an irrational or dysfunctional decision-making outcome) Who will be the spokesperson for the team?
- How does your team plan to make clear to each individual his or her task or role responsibilities?
- How does your team plan on implementing the value of reasonableness?
- How will you guarantee that each individual participates fully in team decisions and activities?
- How will you deal with the differences, non-agreements, and disagreements that arise within the team?
What process will your team use to reach agreement?

How will your team insure that every individual has input, that each opinion will be heard and considered, and that each individual will be respected?

How does your team plan on implementing the value of (academic) honesty? For example, how will you avoid cheating or plagiarism?

How will you detect plagiarism from team members, and how will you respond to it?

Note: Use your imagination here and be specific on how you plan to realize each value. Think preventively (how you plan on avoiding injustice, irresponsibility, injustice, and dishonesty) and proactively (how you can enhance these values).

Don't be afraid to outline specific commitments. Expect some of your commitments to need reformulation.

Obstacles to Team Work

1. The Abilene Paradox. The story involves a family who would all rather have been at home that ends up having a bad dinner in a lousy restaurant in Abilene, Texas. Each believes the others want to go to Abilene and never questions this by giving their own view that doing so is a bad idea. In the Abilene paradox, the team winds up doing something that no individual wants to do because of a breakdown of intra-team communication.

2. Groupthink. The tendency for very cohesive groups with strong leaders to disregard and defend against information that goes against their plans and beliefs. The group collectively and the members individually remain loyal to the party line while happily marching off the cliff, all the while blaming “them” (i.e., outsiders) for the height and situation of the cliff.

3. Group Polarization. Here, individuals within the group choose to frame their differences as disagreements. Framing a difference as non-agreement leaves open the possibility of working toward agreement by integrating the differences or by developing a more comprehensive standpoint that dialectally synthesizes the differences. Framing a difference as disagreement makes it a zero sum game; one's particular side is good, all the others bad, and the only resolution is for the good (one's own position) to win out over the bad (everything else).
Making Team Meetings More Effective

Informative, an effective and productive use of time, a positive way to share information and get instant feedback on relevant issues makes team meetings more effective. As a social gathering that does not accomplish much, a constant communication battle and waste of time. When was the last time you really thought about the purpose of why you meet? We have all experienced more than our share of both good and bad meetings. How can your team meeting be more effective?

How Meetings Can Affect Team Success

A lot can be said about a team simply from evaluating their weekly team meeting. After working with many teams, our experience is that most of the team challenges can be told from assessing the team meeting. The outlook everyone has when they arrive at, and leave a team meeting is a good indicator of how the team is functioning as a unit. If people feel that meetings are well run, productive, and a good use of their time, they are most likely operating well as a team. If people are attending meetings with dread, feel that their time is being wasted, most topics do not pertain to the whole team or that too much time is wasted trying discussing silly decisions, the team needs some help working to create a more cohesive unit. Properly conducted and engaging meetings make teams function more efficiently. If you feel that your team meetings have gotten too far off track to even know where to begin, it can help to have a third party vendor reset team norms to get you working more productively.

The Benefits of Team Meetings

Is it even important that teams meet on a regular basis? Yes, definitely. Meetings are important for more reasons than just getting the job done. They provide regular communication among team members to align everyone on a common understanding of team activities and needs. They provide an opportunity for group innovation and creative brainstorming. They also help develop work skills, deepen interpersonal relationships, and boost team morale.

When meetings are perceived as non-productive by the team, they have a negative impact which extends beyond the actual meeting into everyday work. When team meetings are lacking focus and perceived as a waste of time, this negative impression carries over into team dynamics and a loss of confidence in the team.
Tips for Making Team Meetings More Effective

Everyone has suffered through far too many meetings that have taken up far too much time and accomplished far too little. Unfortunately, this sad state of affairs has happened so often that you may find yourself becoming numb to the fact that your meetings aren’t what they should and could be; if you just had some way to fix them.

Other than the obvious points about starting on time, being prepared, and ensuring the whole team is involved, here is a list of other things to help you improve your regular team meetings.

Maintain focus. Why is the team meeting? Are you meeting only because you think that is what teams do? Or is there a clear focus as to why you are meeting? Is each person reporting on what they have done that week and is that important to the team? This format can be an easy target for getting meetings off track and interrupted. Often teams say that this style is a waste of their time. Team members are looking to these weekly team meetings for several reasons. Ask your team what they want to see in your weekly meeting. Ask the group, what the team needs to Start Doing, Stop doing, and Continue Doing in the weekly meetings. Empower the team to come up with what they think the weekly team meeting should look like.

Less is more. Often teams meet several times a week either as an entire group or as subgroups to discuss the same issues and concerns. Have fewer, but better meetings with your team. Can issues or goals be addressed by having one-on-one conversations, a telephone call, or an email exchange? Meet less often and improve the quality of your meetings.

The agenda. An agenda can play a critical role in the success of any meeting. Many meetings play multiple meeting functions. Agenda item #1 may simply be an informational briefing, while item #2 is a decision-making item, and item #3 is a problem-solving item. Your agenda needs to clearly specify what kind of item it is. This tells people; Here is what we expect from you during this agenda item. When this is not clear, people may engage in dysfunctional behaviour even when trying very hard to be a good team player because they do not understand what they are being asked to do. Be sure to distribute the agenda in advance to allow participants to prepare for the meeting ahead of time.

Facilitating versus Chairing. When hosting a team meeting, decide whether you are chairing or facilitating the meeting and discuss that distinction. A very common role
arrangement is to have the meeting leader use a chair approach to start the meeting, deal with the agenda, housekeeping and information sharing portion of the session then switch to facilitative approach to get feedback from the group, problem solve or make decisions.

**Be action oriented.** When action items arise from the team meeting discussion, assign them immediately. Select an individual, a priority level and a due date for the action item. Immediately after the meeting, summarize the outcome of the meeting in a quick email, as well as assignments and timelines, and send a copy of this summary to the team. Time requirement is only 10 minutes, but having a written confirmation of the verbal can make all the difference.

**Get feedback.** All team meetings have room for improvement. Check in with your team on a quarterly basis on the status of your meetings. You can use a simple evaluation email form to solicit feedback, have an open discussion as a team, or simply speak informally with your team after the meeting to get their input. Some suggested questions are:

- Do you feel that our weekly team meetings are productive?
- What would you like me to be doing that I am not?
- What has to happen for you to rate our team meetings a 10?
- What do you think we need to start, stop and continue doing?

If meetings are poorly run and do not produce results, team members may lose interest in their team and their work together. By making a concerted effort to make your team meetings more effective, not only will you get more done as a team, but you will also find that your team will operate better as a unit on a day-to-day basis as well.

**Best Practices for Avoiding Groupthink**

- "The leader of a policy-forming group should assign the role of critical evaluator to each member, encouraging the team to give high priority to airing objections and doubts."

- "The leaders in an organization's hierarchy, when assigning a policy-planning mission to a group, should be impartial instead of stating preferences and expectations at the outset."

- "Throughout the period when the feasibility and effectiveness of policy alternatives are being surveyed, the policy-making group should from time to time divide into two or more sub-teams to meet separately...."
• One or more outside experts or qualified colleagues within the organization who are not core members of the policy-making group should be invited to each meeting ...and should be encouraged to challenge the views of the core members."

• "At every meeting devoted to evaluating policy alternatives, at least one member should be assigned the role of devil's advocate."

**Best Practices for Avoiding Polarization**

• Set Quotas. When brainstorming, set a quota and postpone criticism until after quota has been met.

• Negotiate Interests, not Positions. Since it is usually easier to integrate basic interests than specific positions, try to frame the problem in terms of interests.

• Expanding the Pie. Conflicts that arise from situational constraints can be resolved by pushing back those constraints through negotiation or innovation.

• Nonspecific Compensation. One side makes a concession to the other but is compensated for that concession by some other coin.

• Logrolling. Each party lowers their aspirations on items that are of less interest to them, thus trading off a concession on a less important item for a concession from the other on a more important item.

• Cost-Cutting. One party makes an agreement to reduce its aspirations on a particular thing, and the other party agrees to compensate the party for the specific costs that reduction in aspirations involves.

• Bridging. Finding a higher order interest on which both parties agree, and then constructing a solution that serves that agreed-upon interest

**Avoiding the Pitfalls of Team Work**

• Design a plan for avoiding the pitfalls of team work enumerated in the textbox above.

• How does your team plan on avoiding the Abilene Paradox?

• How does your team plan on avoiding Group Polarization?

• How does your team plan on avoiding Groupthink?

• Note: Use imagination and creativity here. Think of specific scenarios where these obstacles may arise, and what your team can do to prevent them or minimize their impact.
ASME Code of Ethics:

SOCIETY POLICY ETHICS ASME requires ethical practice by each of its members and has adopted the following Code of Ethics of Engineers as referenced in the ASME Constitution,

CODE OF ETHICS OF ENGINEERS

The Fundamental Principles Engineers uphold and advance the integrity, honour and dignity of the engineering profession by:

I. using their knowledge and skill for the enhancement of human welfare;
II. being honest and impartial, and serving with fidelity their clients (including their employers) and the public; and
III. striving to increase the competence and prestige of the engineering profession.

The Fundamental Canons

1. Engineers shall hold paramount the safety, health and welfare of the public in the performance of their professional duties.

2. Engineers shall perform services only in the areas of their competence; they shall build their professional reputation on the merit of their services and shall not compete unfairly with others.

3. Engineers shall continue their professional development throughout their careers and shall provide opportunities for the professional and ethical development of those engineers under their supervision.

4. Engineers shall act in professional matters for each employer or client as faithful agents or trustees, and shall avoid conflicts of interest or the appearance of conflicts of interest.

5. Engineers shall respect the proprietary information and intellectual property rights of others, including charitable organizations and professional societies in the engineering field.

6. Engineers shall associate only with reputable persons or organizations.

7. Engineers shall issue public statements only in an objective and truthful manner and shall avoid any conduct which brings discredit upon the profession.
8. Engineers shall consider environmental impact and sustainable development in the performance of their professional duties.

9. Engineers shall not seek ethical sanction against another engineer unless there is good reason to do so under the relevant codes, policies and procedures governing that engineer’s ethical conduct.

10. Engineers who are members of the Society shall endeavour to abide by the Constitution, By-Laws and Policies of the Society, and they shall disclose knowledge of any matter involving another member’s alleged violation of this Code of Ethics or the Society’s Conflicts of Interest Policy in a prompt, complete and truthful manner to the chair of the Committee on Ethical Standards and Review. The Committee on Ethical Standards and Review maintains an archive of interpretations to the ASME Code of Ethics.

**SOCIETY POLICY CONFLICTS OF INTEREST**

I. PREAMBLE

Each individual acting for or in the name of ASME is in a position of trust. Particularly since ASME holds as paramount the safety, health, and welfare of the general public, each such individual has fundamental responsibility to exercise impartial professional judgment to enhance the practice of mechanical engineering in the public interest. This Society Policy is intended to further assure the objectivity and public confidence in the integrity of all Society deliberations and statements, by establishing guidelines and procedures concerning conflicts of interest. It is acknowledged and understood that competent and knowledgeable individuals of recognized abilities, qualifications and interest who participate in professional activities may have potential conflicts of interest. This Society Policy establishes guidelines and procedures to enable such individuals to act ethically and to uphold the integrity of the Society's policies, rules, codes and standards.

II. POLICY

A. The potential for a conflict of interest exists whenever a person owes a loyalty to multiple interests or organizations. Having different interests or loyalties does not constitute a conflict of interest when the action desired by each interest is the same. This situation may be described as a community of interest.

B. A conflict of interest occurs only when loyalty to one interest would impel a course of action different from that impelled by another interest. For example, while acting for or on behalf of the Society, a volunteer may consider a matter which directly affects the specific rather than the collective interests of the individual's employer or a competitor of the employer. In such instances, there could be a conflict of interest between exercise of the
volunteer's independent professional judgment on behalf of ASME and the public and the individual's loyalties and responsibilities to his or her employer or another entity.

C. In many ASME standards-writing committees and other committees, the procedures for appointment provide for a balanced or diversified representation among the various categories of interest within the scope of that committee's concern. This "balance of interest" minimizes the instances of appearance of conflict of interest by preventing situations in which a single interest team could control the action on an issue. Accordingly, where general categories of interest were considered in appointing a balanced committee or other team, an individual's identification with the particular interest shall not be grounds for raising an issue of the appearance of a conflict of interest. This is particularly so because the removal of one or more individuals representing a particular P-15.8 9/14/09 2 category of interest on conflict of interest grounds could upset the planned balance of economical and technical interests.

D. It is nevertheless the duty of volunteers acting for or on behalf of the Society to be aware of the possibility of a conflict of interest between their responsibilities to ASME and the public on the one hand and to their employer or another entity on the other. All volunteers have a fundamental responsibility to refrain from participating in Society decision-making when a competing interest precludes or inhibits the exercise of the volunteer's independent professional judgment on behalf of ASME, or when the nature of the competing interest is such that the volunteer's continued participation would unreasonably jeopardize the integrity of the decision-making process.

III. RESPONSIBILITIES

A. Individual Responsibilities In instances where it is clear to individual volunteers that their judgment with respect to a matter pending before ASME is controlled by their loyalty to a competing interest, they should disqualify themselves and refrain from participating in the deliberations and decision-making regarding the conflict affected matter.

B. This does not preclude their attendance and participation at any meeting of a committee or other body on the same basis as any non-member of the committee or other body.

C. In instances where individual volunteers believe that there may be the appearance of a conflict of interest, as in IIC above, although they believe that their independent judgment will not be affected by a competing interest, the volunteers should nevertheless avail themselves of at least one of the following consultative courses of action:

D. If an individual is serving on a sector, board, division, committee, section, subcommittee or other decision-making body, the individual should make certain that
all concerned with the projected deliberations or decision-making clearly understand the facts and circumstances involved in this possible conflict situation.

E. Then following due consideration of the circumstances involved, unless a three-fourths majority concur by secret ballot that the continued participation will not unreasonably jeopardize the integrity of the decision-making process, the individual shall refrain from participation in deliberations not open to non-members and decision-making regarding the conflict-affected matter. Such disqualification considerations may be either referred or appealed (in the first instance, to the appointing committee or supervisory body, if any, and then (if unresolved) to the conflict of interest oversight body designated by the Board of Governors by the chair of the committee, subcommittee or other body, the individual volunteer or any other participant in the potential conflict of interest consideration;

IV. If the individual is acting for or on behalf of ASME other than in a committee or team participation capacity, the individual should bring the potential conflict of interest matter directly to the attention, in the first instance, of the appointing committee or supervisory body, if any, and then (if unresolved) to the attention of the conflict of interest oversight body designated by the Board of Governors.

V. IMPLEMENTATION Individuals participating as volunteers in ASME activities have the primary responsibility for assuring their adherence to this Society Policy. Nonetheless, given the sensitive nature of these considerations and the interest of the Society in preserving the integrity of its reputation and processes, ASME retains responsibility for oversight in this area. Accordingly, the Board of Governors hereby assigns oversight responsibility for this Society Policy to the ASME Committee on Ethical Standards and Review. The Committee on Ethical Standards and Review shall have authority to review questions of conflicts of interest and to render opinions thereon. The Committee on Ethical Standards and Review may authorize the Chair of the Committee on Ethical Standards and Review to issue a letter of warning or admonishment to persons who violate this policy or request that the Chair to refer the matter to the Executive Director for processing as an ethics complaint under policy. A decision of the Committee on Ethical Standards and Review shall be binding and final if a letter of warning or admonishment is the course of action.

VI. ASME STAFF The provisions of this Society Policy are applicable to the ASME staff, as well as to the members of sectors, boards, divisions committees, sections, subcommittees, other decision-making bodies and individuals acting for or on behalf of ASME, as set forth above.

VII. USE OF ASME TITLES The use of Society titles for members holding elected and non-elected office shall follow the guidelines of Society Policy while using Name,
Seal, Emblem, Initials, Titles, Identification and Certificates. Violations of these guidelines shall be considered under violations of the Code of Ethics.

VIII. USE OF ASME STATIONERY: When an individual is elected or appointed to a position, or appointed to represent ASME in any capacity, including all members of ASME standards writing committees, the individual shall at the time of election or appointment be sent a copy of this Society Policy and Society Name, Seal, Emblem, etc., and should be advised to adhere to the provisions of these policies as a condition of acting for or representing the Society.

IX. ACCEPTANCE Before taking office, unless there is in ASME's files a prior signed acceptance of Society Policy, each member shall state in writing adherence to the conditions of this Society Policy. If this signed Statement is not on file, the member may not take office. Additionally, an Annual Disclosure regarding Conflicts of Interest shall be submitted by voting members of the Board of Governors, the Executive Director, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, and key employees (as defined by the Internal Revenue Service).

IX. OVERSIGHT At least twice a year, the Executive Director of ASME shall submit a report to the Committee on Ethical Standards and Review.

POLICY AGAINST DISCRIMINATION (INCLUDING DISCRIMINATORY HARASSMENT) – MEMBERS

I. PREFACE

A. Discrimination (including discriminatory harassment) by a member of ASME against any other member or ASME employee or job applicant on the basis of race, color, religion, sex, national origin, age, citizenship status, disability, covered veteran or military status, or any other characteristic protected by state or local equal employment opportunity laws, shall not be tolerated.

B. Discrimination (including discriminatory harassment) by a member of ASME against an individual who is neither a member nor an employee or job applicant of ASME on the basis of race, color, religion, sex, national origin, age, citizenship status, disability, covered veteran or military status, or any other characteristic protected by state or local equal employment opportunity laws, is also of concern to ASME when the conduct occurs on ASME premises or during an ASME activity.
C. Conduct in violation of this Policy is grounds for discipline by ASME, up to and including expulsion from membership.

II. PURPOSE
A. To state the ASME policy against discrimination (including discriminatory harassment) by members.
B. To describe the types of conduct prohibited by this Policy.
C. To establish a procedure for dealing with violations of this Policy.

ASME prohibits discrimination on the basis of race, color, religion, sex, national origin, age, citizenship status, disability, covered veteran or military status, or any other characteristic protected by state or local equal employment opportunity laws with respect to any decision or recommendation made by a member concerning (a) the participation of another member in an ASME activity or (b) the hiring, performance evaluation or a work assignment of an ASME employee.

Prohibited discriminatory conduct also includes conduct by a member that constitutes harassment based on race, colour, religion, sex, national origin, age, citizenship status, disability, covered veteran or military status, or any other characteristic protected by state or local equal employment opportunity laws.

1. Examples of such conduct are racial or ethnic slurs and threatening, intimidating or hostile acts directed at a particular sex or religion, or directed at a member or ASME employee because of his or her national origin or colour.

2. Harassment does not require an intent to offend. Thus, when unwelcome by the recipient, certain conduct meant as a joke, a prank, or even a compliment can lead or contribute to harassment.

C. Sexual harassment is a specific type of discriminatory harassment. ASME prohibits conduct that constitutes sexual harassment. Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature constitutes sexual harassment for purposes of this Policy when:

1. Submission to such conduct is made explicitly or implicitly a term or condition of an individual’s work assignment at ASME or participation in any activity of ASME;
2. Submission to or rejection of such conduct by an individual is used as the basis for decisions or recommendations affecting such individual’s employment at ASME or participation in any activity of ASME; or

3. Such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance at ASME or participation in any activity of ASME.

D. No member with a leadership role is at any time to

(1) threaten or imply that an individual’s submission to or rejection of a sexual advance will in any way influence any decision, recommendation or evaluation regarding that individual’s employment at ASME or participation in any activity of ASME; or

(2) make any decision or recommendation concerning an

3 individual’s employment at ASME or participation in any activity of ASME on such a basis.

E. Other conduct by members in ASME's workplace or in connection with any ASME activity that creates or could lead or contribute to an intimidating, hostile or offensive work environment, whether it be in the form of physical, visual or verbal harassment, is also prohibited. Such conduct includes, but it is not limited to:

1. repeated unwelcome sexual flirtations, advances, or propositions;

2. verbal abuse of a sexual nature;

3. graphic verbal comments of a sexual nature about an individual's body;

4. sexually degrading words used to describe an individual;

5. the access to, or display or distribution of, sexually suggestive objects or pictures (including via the use of computers); and 6. inappropriate touching of an individual.

F. ASME also prohibits retaliation against any ASME member for making a good faith report or complaint of an alleged violation of this Policy, or for participating in an investigation of such a report of complaint, under the procedures set forth below.

IV. PROCEDURE

A. Any member who believes that he or she has been subjected to any behaviour by any ASME member or employee that violates this Policy should immediately bring the matter to the attention of the appropriate individual. Members who have information about conduct violative of this Policy directed toward other members or any ASME employee are also encouraged to report the relevant facts pursuant to this Policy.
Prompt reporting is very important so that ASME can take action to stop the conduct before it is repeated.

1. If the alleged victim and the alleged offender are members who are not employees of ASME, the complaint should be made to either of two members of the Committee of Past Presidents that have been designated by that Committee to serve in this function. Those individuals (and any other chair, leader, or vice president who may receive information concerning the existence of such a complaint) should immediately report the complaint to the Executive Director, regardless of whether the complaint was written or oral.

2. If either the alleged victim or alleged offender is an employee of ASME, the complaint should be brought to the attention of the Executive Director. If the alleged offender is an employee of ASME, the procedures for handling the complaint will not apply. Instead, the Executive Director will report the complaint to ASME’s Human Resources Department, and the complaint will be handled in its entirety in accordance with ASME’s Employee Handbook (the applicable section(s) of which shall be available to any member upon request). If the alleged victim is an employee of ASME but the alleged offender is a member, the complaint will be handled in accordance with ASME’s Employee Handbook, except that upon determining that this Policy has been violated, the Human Resources Department will report that determination to the Executive Director and the Vice President for Career and Professional Advancement, who will decide whether disciplinary measures are appropriate will also apply.

3. If either the alleged victim or alleged offender is neither a member nor an employee of ASME, but the alleged incident occurred on ASME premises or during ASME activities, the Executive Director shall, based on the circumstances, determine what, if any, action should be taken. If the alleged incident did not occur on ASME premises or during ASME activities, the Executive Director shall inform the complainant that ASME has no jurisdiction and will accordingly take no action.

B. Upon receiving a report of an alleged violation of this Policy by a member against another member, the Executive Director shall proceed as follows: 1. The Executive Director and the Vice President for Career and Professional Advancement, shall, in consultation with each other, decide whether an attempt should be made to resolve the complaint via communication with the complainant and the alleged offender (“facilitation”). If they decide to pursue facilitation, the Executive Director, the Vice President for Career and Professional Advancement or another individual selected by the Executive Director in consultation with the Vice President for Career and Professional Advancement shall serve as the facilitator. Should facilitation result in resolution, the resolution agreed to by the complainant and the alleged offender shall be committed to writing and signed by both parties.
2. If the Executive Director and Vice President for Career and Professional Advancement decide that the matter should be formally investigated (whether or not it is referred to facilitation), the complainant will be informed and should promptly forward to the Executive Director a signed complaint detailing the allegations. In such a case, the procedures set forth in Section C below shall apply.

3. Notwithstanding any other provision of this Policy, the Executive Director, President or the Board of Governors may investigate any report of an alleged violation of this Policy (whether or not the complainant has submitted a signed complaint).

C. An investigation of any complaint submitted pursuant to Section IV.B.2. shall proceed as follows: 1. The Executive Director or the Vice President for Career and Professional Advancement will investigate or appoint another individual to investigate. The investigator will conduct interviews of the complainant, the alleged offender and other individuals as necessary.

2. After completion of the investigation, the investigator will make a written report to the Executive Director and the Vice President for Career and Professional Advancement, who will determine whether this Policy has been violated.

3. If the Executive Director and the Vice President for Career and Professional Advancement determine that this Policy has not been violated: (i) the complainant and alleged offender will be so informed; (ii) any written records concerning the investigation will be kept by the Executive Director in a confidential file for three years and will be destroyed at the end of that period if within that period no similar complaint against the alleged offender has been found to be valid; and (iii) no further action will be taken.

4. If the Executive Director and the Vice President for Career and Professional Advancement determine that this Policy has been violated, they will decide on any appropriate remedial measures and/or disciplinary measures, up to and including expulsion from ASME, and inform the offender and the Board of Governors of their decision in writing. The Executive Director or the Vice President for Career and Professional Advancement will also inform the complainant of the determination that the Policy has been violated, and, if applicable, of any remedial measures, and will determine what, if anything, the complainant shall be advised about any disciplinary measures taken as to the offender.

5. The individual found to have violated this Policy may request in writing that the Board of Governors review the investigation process for compliance with Sections IV.C.1 – IV.C.4. of this Policy (or, if relevant, ASME's Employee Handbook). Any such request must be received by the Board of Governors within ten (10) days after the date the individual was informed of the decision. The Board of Governors will not review the merits of the decision. The Board of Governors will complete its review within thirty (30) days of receiving a timely
written request. Any remedial and/or disciplinary measures will be held in abeyance pending completion of the Board of Governors' review.

6. If the Board of Governors conducts a review and finds that the investigation complied with the relevant procedures, the remedial and/or disciplinary measures decided upon by the Executive Director and the Vice President for Career and Professional Development will be taken.

If the Board of Governors finds that the investigation did not comply with the relevant procedures, they may recommend (i) that the case be closed; (ii) that further investigative steps be taken in accordance with the appropriate policy; or (iii) if the failure to adhere to procedure was insignificant, that the remedial and/or disciplinary measures decided upon by the Executive Director and the Vice President for Career and Professional Advancement be carried out. The Executive Director and the Vice President for Career and Professional Advancement will take any further action necessary to resolve the complaint in accordance with the Board of Governors' recommendation.

D. If the Vice President for Career and Professional Advancement or Executive Director decides to abstain from participating in handling any complaint or report of an alleged violation of this Policy, he or she shall be replaced as follows:

1. In the case of the Vice President for Career and Professional Advancement, the President shall appoint a replacement.

2. In the case of the Executive Director, he or she shall be replaced by the Deputy Executive Director with the greatest seniority. If such Deputy Executive Director decides to abstain, he or she shall be replaced by the President, or, if he or she decides to abstain, the immediate Past President.

3. In the event all of the individuals holding the positions specified above shall abstain, the Board of Governors shall appoint from its membership two individuals to fulfill the roles of the Vice President for Career and Professional Advancement and the Executive Director under this Policy.

E. ASME will strive to keep the identity of persons making complaints pursuant to this Policy as confidential as possible.

F. It is a violation of this Policy for any retaliatory action to be taken or threatened against an individual who in good faith reports or provides information about a possible violation of this Policy or who in good faith participates in a related investigation or exercises any other right protected by the equal employment opportunity laws. In the event that a member believes he or she has been retaliated against for such action, he or she should use the
reporting procedures outlined in Section IV.A. of this Policy to report the pertinent facts promptly. ASME will investigate and take appropriate action in the manner described above.

G. The making by a member of a complaint pursuant to this Society Policy which such member knows to be false or the providing by a member of information which such member knows to be false relating to such a complaint is a violation of the Code of Ethics of Engineers and may be the subject of a complaint against such member brought pursuant to Society Policy. Any complaint of a violation of this Policy that has been determined to have been knowingly false shall be expunged from any and all records of ASME relating to the alleged offender.

H. The procedures for handling complaints set forth in Sections IV.C. and IV.D. above will also apply: 1. If a complaint of a violation of this Policy is made against a member of ASME by an individual who is neither a member nor an employee of ASME, and the alleged incident occurred on Society premises or during Society activities; and 2. If a complaint of a violation of this Policy is submitted to the Chair of the Committee on Ethical Standards and Review as an alleged ethical violation.
Chapter 9
Managing Change in Workplace through Ethics

Change Management (CM) refers to any approach to transitioning individuals, teams, and organizations using methods intended to re-direct the use of resources, business process, budget allocations, or other modes of operation that significantly reshape a company or organization. Organizational Change Management (OCM) considers the full organization and what needs to change. Organizational Change Management principles and practices include CM as a tool for change focused solely on the individual.

CM focuses on how people and teams are affected by an organizational transition. It deals with many different disciplines, from behavioural and social sciences to information technology and business solutions. In a project management context, CM may refer to the change control process wherein changes to the scope of a project are formally introduced and approved.

Evolution of Change management:

1960s

Many change management models and processes are based with their roots in grief studies. As consultants saw a correlation between grieving from health-related issues and grieving among employees in an organization due to loss of jobs and departments, many early change models captured the full range of human emotions as employees mourned job-related transitions.

In his work on Diffusion of Innovations, Everett Rogers posited that change must be understood in the context of time, communication channels, and its impact on all affected participants. Placing people at the core of change thinking was a fundamental contribution to developing the concept of change management. He proposed the descriptive Adopter groups of how people respond to change: Innovators, Early Adopters, Early Majority, Late Majority and Laggards.

1980s

Robert Marshak has since credited the big 6 accounting and consulting firms with adopting the work of early organizational change pioneers, such as Daryl Conner and Don Harrison, thereby contributing to the legitimization of a whole change management industry when they branded their reengineering services as change management in the 1980s.

1990s
In his 1993 book, Managing at the Speed of Change, Daryl Conner coined the term 'burning platform' based on the 1988 North Sea Piper Alpha oil rig fire. He went on to found Conner Partners in 1994, focusing on the human performance and adoption techniques that would help ensure technology innovations were absorbed and adopted as best as possible.

2000s
Linda Ackerman Anderson states in Beyond Change Management that in the late 1980s and early 1990s, top leaders, growing dissatisfied with the failures of creating and implementing changes in a top-down fashion, created the role of the change leader to take responsibility for the human side of the change. The first State of the Change Management Industry report was published in the Consultants News in February 1995.

2010s
In Australia, change management is now recognised as a formal vocation through the work of Christina Dean with the Australian government in establishing national competency standards and academic programmes from diploma to masters level.

In response to continuing reports of the failure of large-scale top-down plan-driven change programmes, innovative change practitioners have been reporting success with applying Lean and Agile principles to the field of change management.


Approach
Organizational change management employs a structured approach to ensure that changes are implemented smoothly and successfully to achieve lasting benefits.

Reasons for change
Globalization and constant innovation of technology result in a constantly evolving business environment. Phenomena such as social media and mobile adaptability have revolutionized business and the effect of this is an ever increasing need for change, and therefore change management. The growth in technology also has a secondary effect of increasing the availability and therefore accountability of knowledge. Easily accessible information has
resulted in unprecedented scrutiny from stockholders and the media and pressure on management.

With the business environment experiencing so much change, organizations must then learn to become comfortable with change as well. Therefore, the ability to manage and adapt to organizational change is an essential ability required in the workplace today. Yet, major and rapid organizational change is profoundly difficult because the structure, culture, and routines of organizations often reflect a persistent and difficult-to-remove "imprint" of past periods, which are resistant to radical change even as the current environment of the organization changes rapidly.

Due to the growth of technology, modern organizational change is largely motivated by exterior innovations rather than internal factors. When these developments occur, the organizations that adapt quickest create a competitive advantage for themselves, while the companies that refuse to change get left behind. This can result in drastic profit and/or market share losses.

Organizational change directly affects all departments and employees. The entire company must learn how to handle changes to the organization.

**Change Models**

Among the many methods of change management exist several key models:

**John Kotter's 8-Step Process for Leading Change**

Dr. John P. Kotter, a pioneer of change management, invented the 8-Step Process for Leading Change

Dr. John P. Kotter, the Konosuke Matsushita Professor of Leadership, Emeritus, at the Harvard Business School, invented the 8-Step Process for Leading Change. It consists of eight stages:

- Establish a Sense of Urgency
- Create the Guiding Coalition
- Develop a Vision and Strategy
- Communicate the Change Vision
- Empower Employees for Broad-Based Action
- Generate Short-Term Wins
- Consolidate Gains and Produce More Change
- Anchor New Approaches in the Culture
Change Management Foundation and Model

The Change Management Foundation is shaped like a pyramid with project management managing technical aspects and people implementing change at the base and leadership setting the direction at the top. The Change Management Model consists of four stages:

- Determine Need for Change
- Prepare & Plan for Change
- Implement the Change
- Sustain the Change

Deming Cycle of Plan-Do-Check-Act

The Plan-Do-Check-Act (PDCA) Cycle created by W. Edwards Deming

The Plan-Do-Check-Act Cycle, created by W. Edwards Deming, is a management method to improve business method for control and continuous improvement of processes and products. It consists of four stages:

- Plan - establish objectives and processes
- Do - implement the plan, execute the process, make the product
- Check - study actual results and compare against the expected results
- Act - enact new standards

Choosing which changes to implement

When determining which of the latest techniques or innovations to adopt, there are four major factors to be considered:

- Levels, goals, and strategies
- Measurement system
- Sequence of steps
Implementation and organizational changes

Managing the change process

Change management involves collaboration between all employees, from entry-level to top-management.

Although there are many types of organizational changes, the critical aspect is a company’s ability to win the buy-in of their organization’s employees on the change. Effectively managing organizational change is a four-step process:

- Recognizing the changes in the broader business environment
- Developing the necessary adjustments for their company’s needs
- Training their employees on the appropriate changes
- Winning the support of the employees with the persuasiveness of the appropriate adjustments

As a multi-disciplinary practice that has evolved as a result of scholarly research, organizational change management should begin with a systematic diagnosis of the current situation in order to determine both the need for change and the capability to change. The objectives, content, and process of change should all be specified as part of a change management plan.

Change management processes should include creative marketing to enable communication between changing audiences, as well as deep social understanding about leadership styles and group dynamics. As a visible track on transformation projects, organizational change management aligns groups’ expectations, integrates teams, and manages employee-training. It makes use of performance metrics, such as financial results, operational efficiency, leadership commitment, communication effectiveness, and the perceived need for change in order to design appropriate strategies, resolve troubled change projects, and avoid change failures.

Factors of successful change management

Successful change management is more likely to occur if the following are included:

Define measurable stakeholder aims and create a business case for their achievement (which should be continuously updated)

- Monitor assumptions, risks, dependencies, costs, return on investment, dis-benefits and cultural issues
• Effective communication that informs various stakeholders of the reasons for the change (why?), the benefits of successful implementation (what is in it for us, and you) as well as the details of the change (when? where? who is involved? how much will it cost? etc.)
• Devise an effective education, training and/or skills upgrading scheme for the organization
• Counter resistance from the employees of companies and align them to overall strategic direction of the organization
• Provide personal counseling (if required) to alleviate any change-related fears
• Monitoring of the implementation and fine-tuning as required

**Challenges of change management**

Change management is faced with the fundamental difficulties of integration and navigation, and human factors.

**Integration & navigation**

**Integration**

Traditionally, Organizational Development (OD) departments overlooked the role of infrastructure and the possibility of carrying out change through technology. Now, managers almost exclusively focus on the structural and technical components of change. Alignment and integration between strategic, social, and technical components requires collaboration between people with different skill-sets.

**Navigation**

Managing change over time, referred to as navigation, requires continuous adaptation. It requires managing projects over time against a changing context, from inter-organizational factors to marketplace volatility. It also requires a balance in bureaucratic organizations between top-down and bottom-up management, ensuring employee empowerment and flexibility.

**Ethics and Change Management: An Illustrious Profile and Code of Conduct of Association of Change Management Professionals (ACMP)**

Ethics play a very important role in change management process and also change management professional. Association of Change Management Professionals is the pioneering global professional body. The Association is dedicated to advancing the discipline and profession of change management practices that support the success of individual and
organizational change for the realization of intended business results. The Association members represent more than 955 distinct businesses in 47 different countries. Over 80% of members are at a director level or above, with close to 10% holding the title of CEO or President. ACMP members have between 11-15 years experience (average) leading and managing change.

ACMP plays a very important role in providing practitioners a professional association devoted to helping them to advance the discipline and increase change effectiveness around the world. There are three required components in order to be considered a profession: the development of a unique set of professional standards, the creation and maintenance of a certification process, and the establishment of guidelines which govern the profession as a whole.

ACMP has adopted the Change Management Professional Code of Ethics, which articulates the minimum expectations for professional conduct for Change Management practitioners. It establishes guidelines for responsible behaviour and sets forth a common understanding for how to identify and resolve ethical dilemmas.

**Purpose of ACMP’s Code of Ethics:** The purpose of this Code of Ethics is to guide the professional conduct of members of the association, holders and applicants of ACMP-sponsored certifications, volunteers, ACMP Qualified Training Providers, staff, and contracted resources.

This document addresses specific professional conduct for every individual bound by this Code.

**Alignment of ACMP’s Ethics to the Change Management Standard**

The ultimate goal of ACMP’s Code of Ethics is to outline and communicate minimum professional expectations to change practitioners.

The tenets defined in this document support and complement the more specific behaviours and guidelines defined in ACMP’s Standards document.

**Scope of Coverage:** The Code of Ethics applies to the following individuals:

a. ACMP Members

b. ACMP Certificate Holders and Applicants

c. ACMP volunteers, staff, and contractors

d. ACMP Qualified Service Providers
**Structure of the Code:** The ACMP Code of Ethics is divided into sections that contain tenets of conduct outlined within five duties identified as most important to the global change management community.

These duties include: Honesty, Responsibility, Fairness, Respect, and Advancing the Discipline and Supporting Practitioners.

This Code affirms these duties as the foundation for ethical and professional behaviour for change management practitioners governed by this document.

Mandatory Conduct ACMP’s Code of Ethics is intended to promote ethical practices in the profession.

Change management professionals are responsible for adding value to the organizations they serve and ethically contributing to the success of those organizations.

Change practitioners accept personal responsibility for their decisions and actions.

Each section of the Code of Ethics includes mandatory tenets that establish firm requirements, and in some cases, limit or prohibit specific behaviours.

Practitioners who do not conduct themselves in accordance with these tenets may be subject to disciplinary procedures.

**ACMP ETHICAL STANDARDS:**

**Duty of Honesty:** Honesty is central to ethical behaviour and ACMP’s values.

Our duty is to demonstrate honesty through understanding the truth and acting in a truthful manner both in our communications and in our conduct.

**Honesty in communications:** As practitioners in the global change management community we demonstrate honesty in communications, conduct, and through our behaviour in three significant dimensions

**Truth** - earnestly seeking to understand the truth x knowingly communicating with intent to express truth, ensuring that due diligence is undertaken to extract truth at every opportunity and expressing truth in our communications in a way that is not likely to deceive or mislead

Providing accurate information in a timely manner

Acting with sincerity, communicating genuinely, and ensuring meaningful expression of intent
Making commitments and promises, implied or explicit, in good faith

Striving to create an environment in which others feel safe to tell the truth

Establishing relationships with legitimate expectations of frank, forthright exchanges based on mutual trust, seeking to conduct all exchanges with others respectfully, emphasizing openness and frank discussion as critical to healthy communication

**Honesty in conduct and behaviour**: As practitioners in the global change management community, we demonstrate honesty in conduct and behaviour by conducting ourselves always in a manner that consistently demonstrates our integrity

Engaging in honest behaviour with the intention of preserving the integrity of self, the client or employer we represent and all other staff members

Engaging in behaviour that demonstrates our consistent trustworthiness, acting on our core values in decision making with assured expectation and reliability, acting consistently regardless of the situation, remaining dutiful in representing our personal and professional ethics through behaviour and word assuming full responsibility for our own actions.

**Ethical Responsibility**: Ethical responsibility is demonstrated through accountability while pursuing excellence and responding to expectations. Responsibility implies that we take full ownership for the decisions we make or fail to make, the actions we take or fail to take, and the consequences that result.

As practitioners in the global change management community we demonstrate duty of responsibility by:

1. Making decisions and taking actions based on the best interests of society, public safety, and the environment
2. Accepting only those assignments that are consistent with our background, experience, skills, and qualifications
3. Competently and completely fulfilling the commitments that we undertake – we do what we say we will do
4. Taking ownership of our errors or omissions and the resulting consequences, ensuring that communication to the appropriate body occurs, and that we make corrections promptly
5. Promptly communicating to the appropriate body any errors or omissions discovered that are caused by others x protecting proprietary or confidential information that has been entrusted to us
6. Ensuring that key stakeholders are completely informed if developmental or stretch assignments being considered exceed our qualifications or skills thereby
enabling our client/employer/co-workers to make informed decisions for our suitability for that particular assignment

vii. contracting for work that our organization is qualified to perform and assigning only qualified individuals to perform the work

viii. upholding this Code and holding each other accountable to it

**Duty of Fairness:** Fairness involves representing ourselves in matters with consistency by evincing a commitment to impartiality, objectivity, openness, due process, and proportionality.

As practitioners in the global change management community we demonstrate duty of fairness by:

i. treating all people equitably based on merit and ability x dealing with each and every matter before us with consistency x demonstrating transparency in the decision-making process using appropriate criteria without undue favouritism or improper prejudice

ii. conducting ourselves in a manner which is free from competing self-interest, prejudice, and favouritism

iii. constantly re-examining our impartiality and objectivity, taking corrective action as appropriate

iv. providing equal access to information to those who are authorized to have that information x making opportunities equally available to all qualified candidates

v. proactively and fully disclosing any real or potential conflicts of interest to the appropriate stakeholders

vi. refraining from engaging in the decision-making process or otherwise attempting to influence outcomes when we realize that we have a real or potential conflict of interest, unless or until we have made full disclosure to the affected stakeholders, we have an approved mitigation plan, and we have obtained the consent of the stakeholders to proceed

**Duty of Respect:** Respect is how we acknowledge and honour the absolute dignity of every person. As professionals we must continually show a high regard for ourselves, other people, reputation, the safety of others, and financial and other resources entrusted to us. An environment of respect engenders trust, confidence, and performance excellence by fostering mutual cooperation, which in turn supports an environment where diverse perspectives and views are encouraged and valued.

As practitioners in the global change management community we demonstrate duty of respect by:
i. informing ourselves about the norms and customs of others and avoid engaging in behaviours they might consider disrespectful

ii. listening to others’ points of view, and seeking to understand them

iii. approaching directly those persons with whom we have a conflict or disagreement

iv. conducting ourselves in a professional manner, even when it is not reciprocated

v. treating others with dignity and expect the same of our colleagues x acting with compassion and sensitivity to the feelings and needs of others

vi. negotiating in good faith

vii. refraining from using our expertise or position to influence the decisions or actions of others x refusing to act in an abusive manner toward others

viii. respecting the property rights of others

Duty of Advancing the Discipline & Supporting Practitioners:

Advancing the discipline and supporting practitioners to lead and practice ethical change management is at the core of the formation of ACMP. Through creating a community of professionals who share an ethos of consistently striving to deliver best practice and added value for their clients or employers, we advance the discipline of change management into a recognizable, respected profession.

As practitioners in the global change management community we demonstrate our collective ethos to advance the discipline by:

i. committing to share our knowledge, experience and tools to build consistency in value for clients or employers to the fullest extent possible without violating agreements of intellectual property rights with the clients or companies which the practitioner is associated

ii. supporting practitioners through undertaking cutting edge research and sharing those findings

iii. enabling ongoing education and accreditation within the framework of the Standards of ACMP for the profession

iv. advocating for the profession by engaging in activities that enhance its credibility and value x teaching at every opportunity – our clients, our peers, our employers and employees, and other practitioners and the global community

Adjudication and Appeals Process: The ACMP Board of Directors will appoint an Ethics Inquiry Task Force to review complaints and/or inquiries pursuant to procedures approved by the ACMP Board and made public.

Ethical inquiries and or complaints will be submitted through the Ethics Inquiry form, reviewed and adjudicated through the Ethics Inquiry Task force, with findings/responses
communicated to the complainant or inquirer and the ACMP Board of Directors. Violations of the ACMP Code of Ethics may result in sanctions by ACMP.
Chapter 10

Ethics, Discrimination and Harassment

Identifying Preventing Harassment at Workplace:

Harassment of any kind has no place in the workplace. If you're an employer subject to federal anti-discrimination laws, you have a legal obligation to provide a work environment that is free from intimidation, insult, or ridicule based on race, colour, religion, gender, or national origin. You must also be concerned with preventing harassment because you can sometimes be sued in state courts, depending on your state's anti-discrimination laws. Therefore, take steps to prevent and deal with sexual and other types of harassment in your workplace because as an employer, you may be held liable for your own acts of harassment that affect employees in the workplace, as well as the acts of your managers, employees, and even harassment by customers, suppliers, and others who regularly do business with you.

Defining Unlawful Harassment

Harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of that person's (or that person's relatives', friends', or associates') race, skin colour, religion, gender, national origin, age, or disability, and that:

- has the purpose or effect of creating an intimidating, hostile, or offensive work environment
- has the purpose or effect of unreasonably interfering with the individual's work performance
- otherwise adversely affects the individual's employment opportunities

Harassing conduct includes:

- epithets; slurs; negative stereotyping; or threatening, intimidating, or hostile acts that relate to race, colour, religion, gender, national origin, age, or disability (including jokes or pranks that are hostile or demeaning with regard to race, colour, religion, gender, national origin, age, or disability)
- written or graphic material that denigrates or shows hostility or aversion toward an individual or group because of race, colour, religion, gender, national origin, age, or disability and that is displayed on walls, bulletin boards, or other locations on your premises or circulated in the workplace

The reasonable person standard. If you have a situation where you are trying to determine if some conduct that has taken place is actually harasing conduct, the way to determine it is to use the "reasonable person" standard. If a reasonable person in the same or similar
circumstances would find the conduct intimidating, hostile, or abusive, then it's probably harassment. The reasonable person standard includes consideration of the perspective of persons of the same race, color, religion, gender, national origin, age, or disability as the harassment victim. For example, if a female employee complains of harassment, make sure in applying this test that you take the perspective of a woman, not a man. If, in the perspective of another woman, you would find this conduct harassing, it probably is.

Although harassing conduct must be **objectively** viewed as creating a hostile work environment to be unlawful, the subjective perception of the particular harassed employee is still significant. If the employee does not perceive the work environment to be hostile because of that conduct, the conduct is not unlawful harassment. If you have five co-workers, four male and one female, telling "blonde jokes," and none of the employees finds them offensive, hostile, or abusive, the conduct is not harassment. It might not be a bad idea, however, to caution the employees about the conduct's possibly being construed as harassment.

To gain a full understanding of harassment, you have to understand the subtle distinctions in what constitutes sexual harassment and the different types of sexual harassment that exist.

**What Constitutes Sexual Harassment?**

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when one or more of the following is true:

- A person feels that submission to the conduct is necessary in order to get or keep a job.
- A person feels that employment decisions such as raises, promotions, and demotions depend on whether he or she submits to or rejects the conduct.
- The conduct interferes with a person's work performance or creates an intimidating, hostile, or offensive working environment.

Some important facts to remember about sexual harassment are:

- Both men and women can be victims of sexual harassment.
- Either a man or a woman can be a harasser. According to a Supreme Court decision, illegal sexual harassment may be found even where the victim is the same sex as the harasser.
- The person complaining of sexual harassment does not have to be the person at whom the conduct was directed — it can be someone else who was affected by the conduct.
- Harassment can occur at work, at company-sponsored events, or between co-workers away from work.
- Harassment situations can be peer-against-peer, supervisor-against-employee, or third-party-against employee (such as when a customer or supplier harasses a worker).
There are several types of sexual harassment.

**When is sexually based conduct harassment?** Attraction between employees should be a private matter between the employees, so long as it does not cross the boundary between welcome conduct and harassment. To determine whether sexual conduct in the workplace amounts to sexual harassment, distinctions must be made between sexual advances that are:

- Invited: if the conduct is welcome, harassment has not occurred but could cause difficulties down the line if an office romance goes sour.
- Uninvited but welcome: again, while there is no harassment, the potential for harassment could exist if a relationship between two employees breaks up.
- Offensive but tolerated: just because an employee does not make a complaint does not mean that harassment is not occurring — if you see it or hear of it, put a stop to it.
- Flatly refused: this is clearly harassment and should be handled accordingly.

Sexual harassment can take several forms. The two most common forms are described as *quid pro quo* sexual harassment and hostile work environment sexual harassment:

- **Quid pro quo harassment.** *Quid pro quo* is Latin for "something for something" or "this for that." When an employee is asked, either directly or indirectly, to submit to a sexual advance in exchange for some benefit at work (such as a promotion or a pay advance), *quid pro quo* harassment has occurred. Only supervisors or managers can engage in this type of harassment since it requires the authority to grant a job favour in return for the unwelcome advance or request.

- **Hostile work environment harassment.** When harassment makes the workplace intolerable because constant sexual or gender-based activity or comment interferes with an employee's ability to do his or her job, hostile work environment sexual harassment has occurred. This type of harassment can be committed by co-workers or supervisors because it does not require any authority to create such an environment. The U.S. Supreme Court has ruled that sexual desire or attraction need not play a part in hostile work environment harassment; a hostile work environment may be found, for example, when employees tease and torment another employee of the same sex unmercifully for reasons relating to the employees physical attributes, love life, etc.

Sexual favouritism can give rise to complaints of sexual harassment. If one employee is granted a promotion in return for sexual favours, other male and female co-workers can allege sexual harassment by showing that they were denied an equal opportunity for promotion because of the improper sexual conduct.

Customers, vendors, or other third parties can also engage in sexual harassment. If you, as the business owner, have some degree of control to stop the behaviour, that harassment can be your problem as well. If an employee complains that a customer is making unwelcome sexual advances, you are obligated to tell the customer to stop.
Common situations that may involve sexual harassment include:

- **Pinups in the workplace.** Pinups containing sexual material (such as centerfolds) can create a hostile work environment. Don't allow these in the workplace.

- **Asking a co-worker for a date.** This by itself is not harassment. But if the person refuses the offer, continued asking can become harassment and should be stopped if a complaint is made.

- **Rude treatment of women.** A supervisor who treats women rudely, or who constantly demeans the ability of women to perform work, can be guilty of sexual harassment since adverse actions are being taken on account of the employees' gender.

- **Verbal abuse and jokes.** Comments about a person's appearance or jokes of a sexual nature can constitute harassment if they occur often and are unwelcome. You should make it a policy to stop all types of sexually oriented comments in the workplace.

*Is gender-based harassment the same as sexual harassment?* There are forms of harassment that are gender-based but are nonsexual in nature. Gender-based harassment is harassment that would not have occurred but for the sex of the victim. It lacks sexually explicit content but is directed at one sex and motivated by animus against that sex, whether female or male. A comment like "You're a woman, you can't handle this job" may amount to gender-based harassment even though it does not carry a sexual connotation.

*State laws prohibit sexual harassment.* In addition to federal laws prohibiting discrimination and harassment, some states have similar (and sometimes more far-reaching) laws. Check your state's law and remember that federal law is controlling, unless the state's law offers more protection to the employees, in which case the state law is controlling. Once you understand harassment in theory, you need to figure out how to prevent it and how to deal with it if it does happen.

**Handling and Preventing Harassment**

The best way to reduce your liability should harassment ever occur is to have policies and procedures in place that show that you did everything you could to prevent harassment from occurring. As an added bonus, having a policy against harassment will help you deal more effectively with any complaints you get from employees.

The following is a "top ten" list of the essentials for preventing and dealing with harassment:

- Establish an effective complaint procedure and encourage employees to feel comfortable coming to you with any problems they face at work, including any harassment that might occur.

- Create and communicate your anti-harassment policy.

- Treat any incident as if it is a court case from the moment it is reported (most importantly, notify your attorney right away).

- Quickly investigate any claims that might occur.
• Don't take any action that can be seen as harming the person making the complaint. For example, don't transfer the complaining party to a worse location in order to separate the parties.

• Do whatever is necessary to stop the harassment immediately.

• Restore any job benefits that were lost due to the harassment.

• Discipline the person who committed the harassment. If disciplinary action of the harasser is not considered appropriate, document the reasons why.

• Take action to correct past discrimination based on the harassing conduct, if appropriate.

• Painstakingly document the investigation and the steps you took to remedy the situation.

Establishing a Procedure for Harassment Complaints

Harassment complaints are a serious matter. Be sure to keep the following points in mind to appropriately address the claim:

• Take every complaint seriously.

• Investigate every complaint.

• Try not to make credibility judgments based on the reputation of the person complaining or the person accused of harassment. In a very small business where you know all the employees quite well, this is difficult to do. Do your best to remain objective, until your investigation of the complaint is complete.

• Don't assume that the person making the complaint is being oversensitive.

• Don't leave it to the parties involved to work it out.

• Remember that not all employees will label unwelcome conduct as harassment. An employee might complain, for example, about "unprofessional conduct" or "inappropriate behavior." Ask the employee to describe the conduct more specifically.
Visakhadutta and State of Rajasthan Case

**Vishakha and others v State of Rajasthan** was a 1997 Indian Supreme Court case where Vishakha and other women teams filed Public Interest Litigation (PIL) against State of Rajasthan and Union of India to enforce the fundamental rights of working women under Articles 14, 19 and 21 of the Constitution of India.

The petition was filed after Bhanwari Devi, a social worker in Rajasthan was brutally gang raped for stopping a child marriage. The court decided that the consideration of "International Conventions and norms are significant for the purpose of interpretation of the guarantee of gender equality, right to work with human dignity in Articles 14, 15 19(1)(g) and 21 of the Constitution and the safeguards against sexual harassment implicit therein." The petition, resulted in what are popularly known as the Vishaka Guidelines. The judgment of August 1997 given by a bench of J. S. Verma (then C.J.I.), Sujata Manohar and B. N. Kirpal, provided the basic definitions of sexual harassment at the workplace and provided guidelines to deal with it. It is seen as a significant legal victory for women's teams in India.

In India, before 1997, there were no formal guidelines for how an incident involving sexual harassment at workplace should be dealt by an employer. Women experiencing sexual harassment at workplace had to lodge a complaint under Section 354 of the Indian Penal Code that deals with the 'criminal assault of women to outrage women's modesty' and Section 509 that punishes an individual or individuals for using a 'word, gesture or act intended to insult the modesty of a woman'. These sections left the interpretation of 'outraging women's modesty' to the discretion of the police officer.

In 1992 Bhanwari Devi a social worker in Rajasthan was brutally gang raped by a number of upper class men, because she had tried to stop a child marriage. Bhanwari Devi was determined to get justice and lodged a case against the offenders. However, the accused was acquitted by a trial court. This appalling injustice, together with the fighting spirit of Bhanwari Devi, inspired several women's teams and NGOs to file a petition in the Supreme Court under the collective platform of Vishakha.

The **Vishaka Guidelines** were a set of procedural guidelines for use in India in cases of sexual harassment. They were promulgated by the Indian Supreme Court in 1997 and were superseded in 2013 by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
Background

Pre-1997 the person facing sexual harassment at workplace had to lodge a complaint under Section 354 of the Indian Penal Code 1860 that deals with the 'criminal assault of women to outrage women's modesty', and Section 509 that punishes an individual/individuals for using a 'word, gesture or act intended to insult the modesty of a woman.

During the 1990s, Rajasthan state government employee Bhanwari Devi who tried to prevent child marriage as part of her duties as a worker of the Women Development Programme was raped by the landlords of the community. The feudal patriarchs who were enraged by her (in their words: "a lowly woman from a poor and potter community") 'guts' decided to teach her a lesson and raped her repeatedly. The rape survivor did not get justice from Rajasthan High Court and the rapists were allowed to go free. This enraged a women's rights team called Vishaka that filed a public interest litigation in the Supreme Court of India.

This case brought to the attention of the Supreme Court of India, "the absence of domestic law occupying the field, to formulate effective measures to check the evil of sexual harassment of working women at all work places."

**Vishakha vs. State of Rajasthan**

In 1997, the Supreme Court passed a landmark judgment in the same Vishaka case laying down guidelines to be followed by establishments in dealing with complaints about sexual harassment. **Vishaka Guidelines** were stipulated by the Supreme Court of India, in Vishakha and others v State of Rajasthan case in 1997, regarding sexual harassment at workplace. The court stated that these guidelines were to be implemented until legislation is passed to deal with the issue.

The court decided that the consideration of "International Conventions and norms are significant for the purpose of interpretation of the guarantee of gender equality, right to work with human dignity in Articles 14, 15 19(1)(g) and 21 of the Constitution and the safeguards against sexual harassment implicit therein."

**What is sexual harassment**

Sexual harassment includes such unwelcome sexually determined behaviour (whether directly or by implication) as:

a) physical contact and advances; b) a demand or request for sexual favours; c) sexually coloured remarks; d) showing pornography; e) any other unwelcome physical verbal or non-verbal conduct of sexual nature.

Where any of these acts is committed in circumstances where the victim has a reasonable apprehension that in relation to the victim’s employment or work whether she is drawing
salary, or honorarium or voluntary, whether in government, public or private enterprise such conduct can be humiliating and may constitute a health and safety problem.

It is discriminatory for instance when the woman has reasonable grounds to believe that her objection would disadvantage her in connection with her employment or work including recruiting or promotion or when it creates a hostile work environment.

Adverse consequences might be visited if the victim does not consent to the conduct in question or raises any objection thereto.

Thus, sexual harassment need not involve physical contact. Any act that creates a hostile work environment - be it by virtue of cracking lewd jokes, verbal abuse, circulating lewd rumours etc. counts as sexual harassment.

The creation of a hostile work environment through unwelcome physical verbal or non-verbal conduct of sexual nature may consist not of a single act but of a pattern of behaviour comprising many such acts.

Thus, it is important that the victim report such behaviour as soon as possible and not wait for it to become worse. In some cases, the psychological stigma of reporting the conduct of a co-worker might require a great deal of courage on the part of the victim and they may report such acts after a long period of time. The guidelines suggest that the complaint mechanism should ensure time bound treatment of complaints, but they do not suggest that a report can only be made within a short period of time since the incident occurred.

Often, the police refuse to lodge FIRs for sexual harassment cases, especially where the harassment occurred sometime ago.

**Employer's obligations:**

Note that the Vishaka Guidelines are not sufficient for legal compliance for employers as the same has been replaced by a full-fledged statute of the Parliament. Although the statute mostly retains the framework provided in the Guidelines, there are significant differences and it is the statute that the employers must follow. For instance, the definition of sexual harassment has significantly changed. From this perspective, the Vishaka Guidelines is of only historical and academic importance now. It will also be relevant in cases that were brought up before 2013 enactment of the law.

Recently the minister for Women's Welfare Maneka Gandhi has stated that government will take tough steps against any organisations, including NGOs that do not implement the new law. It is a good idea to use a checklist to make sure that your organisation is compliant with the law.
A sample checklist for sexual harassment compliance is available here.

**Internal Complaints Committee and Local Complaints Committee:** The Sexual Harassment Act requires an employer to set up an 'Internal Complaints Committee' ("ICC") at each office or branch having more than 10 employees of any gender. The government is in turn required to set up a 'Local Complaints Committees' ("LCC") at the district level to investigate complaints regarding sexual harassment from establishments where the ICC has not been constituted on account of the establishment having less than 10 employees or if the complaint is against the employer.

**The Sexual Harassment Act, 2013** also sets out the constitution of the committees, process to be followed for making a complaint and inquiring into the complaint in a time bound manner.

**Interim Reliefs**: The Sexual Harassment Act empowers the ICC and the LCC to recommend to the employer, at the request of the aggrieved employee, interim measures such as (i) transfer of the aggrieved woman or the respondent to any other workplace; or (ii) granting leave to the aggrieved woman up to a period of 3 months in addition to her regular statutory/contractual leave entitlement.

In addition to ensuring compliance with the other provisions stipulated, the Sexual Harassment Act casts certain obligations upon the employer to, inter-alia,

- provide a safe working environment
- display conspicuously at the workplace, the penal consequences of indulging in acts that may constitute sexual harassment and the composition of the Internal Complaints Committee
- organise workshops and awareness programmes at regular intervals for sensitizing employees on the issues and implications of workplace sexual harassment and organizing orientation programmes for members of the Internal Complaints Committee
- treat sexual harassment as a misconduct under the service rules and initiate action for misconduct.
- The employer is also required to monitor the timely submission of reports by the ICC.

If an employer fails to constitute an Internal Complaints Committee or does not comply with any provisions contained therein, the Sexual Harassment Act prescribes a monetary penalty of up to INR 50,000 (approx. US$1,000). A repetition of the same offence could result in the punishment being doubled and/or de-registration of the entity or revocation of any statutory business licenses.
Preventive steps

- Sexual harassment should be affirmatively discussed at workers' meetings, employer-employee meetings, etc.
- Guidelines should be prominently displayed to create awareness about the rights of female employees.
- The employer should assist persons affected in cases of sexual harassment by outsiders.
- Central and state governments must adopt measures, including legislation, to ensure that private employers also observe the guidelines.
- Names and contact numbers of members of the complaints committee must be prominently displayed.

From Guidelines to Act

The Sexual harassment at workplace Bill was passed by the Lok Sabha on the 2nd of September, 2012. It is now The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. It defines sexual harassment as laid down by the Supreme Court in Vishakha and others v State of Rajasthan (1997) case.

Recommendations

National Commission for Women has asked the government to ensure constitution of Internal Complaints Committee (ICC) in accordance with Supreme Court guidelines in its departments, institutions and autonomous bodies to address such cases. It has also recommended conducting gender sensitisation workshops for top level management officials. NCW recommended publicizing committee using posters, etc. and explicitly mention the contact details of the members. The commission also highlighted the need for orientation programs for employees to sensitize them on sexual harassment. Another recommendation was to enhance communication strategies to combat violation against women.

The rules for the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have come into force on 9th Dec, 13’.
Chapter 11
National Policy on Safety, Health and Environment at Workplace

1. PREAMBLE

1.1 The Constitution of India provides detailed provisions for the rights of the citizens and also lays down the Directive Principles of State Policy which set an aim to which the activities of the state are to be guided.

1.2 These Directive Principles provide (a) for securing the health and strength of employees, men and women; b) that the tender age of children are not abused; c) that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength; d) just and humane conditions of work and maternity relief are provided; and e) that the Government shall take steps, by suitable legislation or in any other way, to secure the participation of employee in the management of undertakings, establishments or other organisations engaged in any industry.

1.3 On the basis of these Directive Principles as well as international instruments, Government is committed to regulate all economic activities for management of safety and health risks at workplaces and to provide measures so as to ensure safe and healthy working conditions for every working man and woman in the nation. Government recognizes that safety and health of workers has a positive impact on productivity and economic and social development. Prevention is an integral part of economic activities as high safety and health standard at work is as important as good business performance for new as well as existing industries.

1.4 The formulation of policy, priorities and strategies in occupational safety, health and environment at workplaces, is undertaken by national authorities in consultation with social partners for fulfilling such objectives. A critical role is played by the Government and the social partners, professional safety and health organizations in ensuring prevention and in also providing treatment, support and rehabilitation services.

1.5 Government of India firmly believes that without safe, clean environment as well as healthy working conditions, social justice and economic growth cannot be achieved and that safe and healthy working environment is recognized as a fundamental human right. Education, training, consultation and exchange of information and good practices are essential for prevention and promotion of such measures.
1.6 The changing job patterns and working relationships, the rise in self employment, greater sub-contracting, outsourcing of work, homework and the increasing number of employees working away from their establishment, pose problems to management of occupational safety and health risks at workplaces. New safety hazards and health risks will be appearing along with the transfer and adoption of new technologies. In addition, many of the well known conventional hazards will continue to be present at the workplace till the risks arising from exposure to these hazards are brought under adequate control. While advancements in technology have minimized or eliminated some hazards at workplace, new risks can emerge in their place which needs to be addressed.

1.7 Particular attention needs to be paid to the hazardous operations and of employees in risk prone conditions such as migrant employees and various vulnerable teams of employees arising out of greater mobility in the workforce with more people working for a number of employers, either consecutively or simultaneously.

1.8 The increasing use of chemicals, exposure to physical, chemical and biological agents with hazard potential unknown to people; the indiscriminate use of agro-chemicals including pesticides, agricultural machineries and equipment; industries with major accident risks; effects of computer controlled technologies and alarming influence of stress at work in many modern jobs pose serious safety, health and environmental risks.

1.9 The fundamental purpose of this National Policy on Safety, Health and Environment at workplace, is not only to eliminate the incidence of work related injuries, diseases, fatalities, disaster and loss of national assets and ensuring achievement of a high level of occupational safety, health and environment performance through proactive approaches but also to enhance the well-being of the employee and society, at large. The necessary changes in this area will be based on a co-ordinated national effort focused on clear national goals and objectives.

1.10 Every Ministry or Department may work out their detailed policy relevant to their working environment as per the guidelines on the National Policy.

2. GOALS:

The Government firmly believes that building and maintaining national preventive safety and health culture is the need of the hour. With a view to develop such a culture and to improve the safety, health and environment at work place, it is essential to meet the following requirements:

2.1 providing a statutory framework on Occupational Safety and Health in respect of all sectors of industrial activities including the construction sector, designing suitable control systems of compliance, enforcement and incentives for better compliance.
2.2 Providing administrative and technical support services.

2.3 Providing a system of incentives to employers and employees to achieve higher health and safety standards.

2.4 Providing for a system of non-financial incentives for improvement in safety and health.

2.5 Establishing and developing the research and development capability in emerging areas of risk and providing for effective control measures.

2.6 Focusing on prevention strategies and monitoring performance through improved data collection system on work related injuries and diseases.

2.7 Developing and providing required technical manpower and knowledge in the areas of safety, health and environment at workplaces in different sectors.

2.8 Promoting inclusion of safety, health and environment, improvement at workplaces as an important component in other relevant national policy documents.

2.9 Including safety and occupational health as an integral part of every operation.

3. OBJECTIVES:

3.1 The policy seeks to bring the national objectives into focus as a step towards improvement in safety, health and environment at workplace.

The objectives are to achieve:-

a) Continuous reduction in the incidence of work related injuries, fatalities, diseases, disasters and loss of national assets.

b) Improved coverage of work related injuries, fatalities and diseases and provide for a more comprehensive data base for facilitating better performance and monitoring.

c) Continuous enhancement of community awareness regarding safety, health and environment at workplace related areas.

d) Continually increasing community expectation of workplace health and safety standards.

e) Improving safety, health and environment at workplace by creation of “green jobs” contributing to sustainable enterprise development.
4. ACTION PROGRAMME

For the purpose of achieving the goals and objectives mentioned in paragraphs 2 and 3 above, the following action programme is drawn up and where necessary time bound action programme would be initiated, namely:-

4.1. Enforcement

4.1.1 by providing an effective enforcement machinery as well as suitable provisions for compensation and rehabilitation of affected persons;

4.1.2 by effectively enforcing all applicable laws and regulations concerning safety, health and environment at workplaces in all economic activities through an adequate and effective labour inspection system;

4.1.3 By establishing suitable schemes for subsidy and provision of loans to enable effective implementation of the policy;

4.1.4 by ensuring that employers, employees and others have separate but complementary responsibilities and rights with respect to achieving safe and healthy working conditions;

4.1.5 by amending expeditiously existing laws relating to safety, health and environment and bring them in line with the relevant international instruments;

4.1.6 by monitoring the adoption of national standards through regulatory authorities;

4.1.7 by facilitating the sharing of best practices and experiences between national and international regulatory authorities;

4.1.8 by developing new and innovative enforcement methods including financial incentives that encourage and ensure improved workplace performance;

4.1.9 by making an enabling legislation on Safety, Health and Environment at Workplaces;

4.1.10 by setting up safety and health committees wherever deemed appropriate;

4.2 National Standards

4.2.1 by developing appropriate standards, codes of practices and manuals on safety, health and environment for uniformity at the national level in all economic activities consistent with international standards and implementation by the stake holders in true spirit;

4.2.2 by ensuring stakeholders awareness of and accessibility to applicable policy, documents, codes, regulations and standards;
4.3 Compliance

4.3.1 by encouraging the appropriate Government to assume the fullest responsibility for the administration and enforcement of occupational safety, health and environment at workplace, provide assistance in identifying their needs and responsibilities in the area of safety, health and environment at workplace, to develop plans and programmes in accordance with the provisions of the applicable Acts and to conduct experimental and demonstration projects in connection therewith;

4.3.2 by calling upon the co-operation of social partners in the supervision of application of legislations and regulations relating to safety, health and environment at workplace;

4.3.3 by continuous improvement of Occupational Safety and Health by systems approach to the management of Occupational Safety and Health including developing guidance on Occupational Safety and Health management systems, strengthening voluntary actions, including mechanisms for self-regulatory concept and establishing auditing mechanisms which can test and authenticate occupational safety and health management systems;

4.3.4 by providing specific measures to prevent catastrophes, and to co-ordinate and specify the actions to be taken at different levels, particularly in the industrial zones with high potential risks;

4.3.5 by recognising the best safety and health practices and providing facilitation for their adoption.

4.3.6 by providing adequate penal provisions as deterrent for violation of laws for the time being in force;

4.3.7 by encouraging all concerned to adopt and commit to “Responsible Care” and/or “Corporate Social Responsibility” to improve safety, health and environment at workplace performance;

4.3.8 by ensuring a suitable accreditation machinery to recognise institutions, professionals and services relating to safety, health and environment at workplace for uniformity and greater coverage as also authenticating safe management system;

4.3.9 by encouraging employers to ensure occupational safety and health management systems, establish them in efficient manner to improve workplace safety and health;

4.3.10 by specifically focusing on such occupational diseases like pneumoconiosis and silicosis; developing a framework for its prevention and control as well as develop technical standards and guidelines for the same;
4.3.11 by promoting safe and clean technology and progressively replacing materials hazardous to human health and environment;

4.4 **Awareness**

4.4.1 by increasing awareness on safety, health and environment at workplace through appropriate means;

4.4.2 by providing forums for consultations with employers’ representatives, employees representatives and community on matters of national concern relating to safety, health and environment at work place with the overall objective of creating awareness and enhancing national productivity;

4.4.3 by encouraging joint labour-management efforts to preserve, protect and promote national assets and to eliminate injuries and diseases arising out of employment;

4.4.4 by raising community awareness through structured, audience specific approach;

4.4.5 by continuously evaluating the impact of such awareness and information initiatives;

4.4.6 by maximizing gains from the substantial investment in awareness campaigns by sharing experience and learning;

4.4.7 by suitably incorporating teaching inputs on safety, health and environment at work place in schools, technical, medical, professional and vocational courses and distance education programme;

4.4.8 by securing good liaison arrangements with the International organisations;

4.4.9 by providing medical criteria wherever necessary which will assure insofar as practicable that no employee will suffer diminished health, functional capacity, or life expectancy as a result of his work place activities and that in the event of such occupational diseases having been contracted, is suitably compensated;

4.4.10 by providing practical guidance and encouraging employers and employees in their efforts to reduce the incidence of occupational safety and health risks at their places of employment and to impress upon employers and employees to institute new programmes and to improve existing programmes for providing safe and healthful working conditions, requiring employers to ensure that workers and their representatives are consulted, trained, informed and involved in all measures related to their safety and health at work;
4.5 Research and Development

4.5.1 by providing for research in the field of safety, health and environment at workplace, including the social and psychological factors involved, and by developing innovative methods, techniques including computer aided Risk Assessment Tools, and approaches for dealing with safety, health and environment at workplace problems which will help in establishing standards;

4.5.2 by exploring ways to discover latent diseases, establishing causal connections between diseases and work environmental conditions, updating list of occupational diseases and conducting other research relating to safety, health and environmental problems at workplace;

4.5.3 by establishing research priorities as per national requirements; exploring partnerships and improving communications with various national and international research bodies;

4.5.4 by ensuring a coordinated research approach and an optimal allocation of resources in Occupational Safety and Health sector for such purposes;

4.6 Occupational safety and health skills development

4.6.1 by building upon advances already made through employer and employee initiative for providing safe and healthy working conditions;

4.6.2 by providing for training programmes to increase the number and competence of personnel engaged in the field of occupational safety, health and environment at workplace;

4.6.3 by providing information and advice, in an appropriate manner, to employers and employees organisations, with a view to eliminating hazards or reducing them as far as practicable;

4.6.4 by establishing occupational health services aimed at protection and promotion of health of employee and improvement of working conditions and by providing employee access to these services in different sectors of economic activities;

4.6.5 by integrating health and safety into vocational, professional and labour related training programmes as also management training including small business practices;

4.6.6 by adopting Occupational Safety and Health training curricula in workplace and industry programmes;
4.7 Data collection

4.7.1 by compiling statistics relating to safety, health and environment at work places, prioritising key issues for action, conducting national studies or surveys or projects through governmental and non-governmental organisations;

4.7.2 by reinforcing and sharing of information and data on national occupational safety, health and environment at workplace information amongst different stakeholders through a national network system on Occupational Safety and Health;

4.7.3 by extending data coverage relevant to work-related injury and disease, including measures of exposure, and occupational teams that are currently excluded, such as self-employed people;

4.7.4 by extending data systems to allow timely reporting and provision of information;

4.7.5 by developing the means for improved access to information;

4.8 Review

4.8.1 An initial review and analysis shall be carried out to ascertain the current status of safety, health and environment at workplace and building a national Occupational Safety and Health profile. National Policy and the action programme shall be reviewed at least once in five years or earlier if felt necessary to assess relevance of the national goals and objectives.

5. Conclusion

5.1 There is a need to develop close involvement of social partners to meet the challenges ahead in the assessment and control of workplace risks by mobilising local resources and extending protection to such working population and vulnerable teams where social protection is not adequate.

5.2 Government stands committed to review the National Policy on Safety, Health and Environment at Workplace and legislations through tripartite consultation, improve enforcement, compilation and analysis of statistics; develop special programmes for hazardous operations and other focus sectors, set up training mechanisms, create nation-wide awareness, arrange for the mobilisation of available resources and expertise.

5.3 The National Policy and programme envisages total commitment and demonstration by all concerned stakeholders such as Government and social partners. Our goals and objectives will be that through dedicated and concerted efforts consistent with the requirements of safety, health and environment at workplace and thereby improving the quality of work and working life.
Chapter 12
Case Studies in Ethical Issues in HR

1. When Boss Does not like her

Anna is the office manager for a Grocery Distribution warehouse in Ft. Myers, Fla. Anna’s facility is part of a large Atlanta-based conglomerate that wholesales and distributes gourmet specialty food products throughout the south-eastern United States. Anna’s been at Grocery Distribution for four years, starting as an administrative assistant in the sales department. She was promoted to office manager 18 months ago and reports directly to the district manager, Justin. Anna likes her job. She enjoys her co-workers and hopes to make a long-term career at Grocery Distribution. As a single parent of two young daughters, she was delighted with the salary increase that came with her promotion. Justin is a new district manager for the Ft. Myers facility. He has made some changes in the structure of the organization, which, for the most part, have been well received by the staff.

Janet is the receptionist. She works at the front desk, greeting visitors, scheduling appointments and taking care of the mail. Anna is Janet’s supervisor. Janet recently went through a difficult divorce, and now that she lives alone, Anna knows that Janet struggles to make ends meet on her receptionist’s salary. Janet had some rough patches during the divorce, when she was understandably distracted, but overall, Anna is pleased with Janet’s work. Janet has received positive performance appraisals.

Justin does not like Janet. He claims that she is careless and makes far too many mistakes, and with her casual attire, she doesn’t “look good” at the front desk. “Besides,” he says, “she’s not really that interested in her job. That community theatre thing takes way too much of her time.” When Janet asked to take the morning off the day after her opening night, Justin commented that now she’s undependable and insisted that Anna talk to Janet about it, even though Janet seldom misses work and her absence that morning was easily covered by other staff.

Friday morning, Anna is called into Justin’s office. It has been a busy week because Justin is getting ready to leave for a two-week vacation. Several projects must be completed or offloaded to other staff before he leaves. It was decided that Anna would take care of some of Justin’s projects while he is gone, and she is confident things will go well in his absence.

While Anna is gathering up her papers at the end of the meeting, Justin says, “There’s just one more thing, Anna. While I’m gone, I want you to document Janet’s poor performance and write up an appraisal on her. Have the paperwork on my desk and ready for me to sign when I get back, and then you can terminate her. I want her out of here within the next 30 days.”

Anna is stunned. She knows Justin dislikes Janet, but she is not sure how she can document Janet’s “poor” performance because she believes Janet is a good employee. Any time she has talked to Janet about Justin’s concerns, Janet has tried to improve. Janet knows Justin does not like her, and she has
made it clear to Anna that if Justin has any problems with her work, she wants to know immediately so she can correct the problem. “I don’t want to lose my job,” she’s told Anna.

Anna wonders what to do. Grocery Distribution has a published Code of Ethics, and there is an HR department at headquarters in Atlanta, but there is no HR representative at Anna’s facility in Ft. Myers.

What would you recommend to Anna? What consequences may occur as the result of her actions?

2. Harrell Construction

John is the facility manager for Harrell Construction, a privately owned construction company. The company employs 35 people and is owned by Alan Harrell and his wife, Mary. John has been at Harrell Construction for four years. It has been a good spot for John after a series of short-term construction jobs that either went nowhere or ended when the small companies he worked for were out-maneuvered by larger organizations and closed.

As the facility manager, John runs the shop and manages all of Harrell’s equipment. He inventories equipment and supplies, schedules equipment for various jobs, checks equipment back in, and makes sure it is repaired and ready for use for the next job. John runs a tight ship. The facility is organized and clean, and his attention to detail has cut time loss from malfunctioning or unavailable equipment to nearly zero.

Alan has been pleased with John’s work, and over the course of John’s employment, Alan and John have become good friends. They do not socialize outside of work, but they often eat lunch together and on occasional afternoons, you’ll find them out on the golf course. “John’s a good man,” Alan says, “The shop has never been in better shape, and his records are meticulous. I finally know what I own and where it is.”

“The Harrells are great people to work for,” John says. “Mary doesn’t come around the office much, but we see her at the company picnic in the summer and at the annual holiday party. They put on quite a bash for employees. It’s always a family event. Their two teenage boys always come to the events, and everyone’s family is welcome. My wife and kids love it. We always have a good time.”

“Besides that, the compensation is fair. The Harrells are right in line with what everybody else pays,” John adds. “The benefits are good, too. Don’t know what I would have done without the health insurance when my wife went through chemo two years ago. I plan to stay with Harrell Construction long term if I can. I’ve got two kids headed for college and retirement to think about, and this is a good place with a future.”

Things aren’t always as perfect as they seem, though. Yesterday at lunch Alan confided to John that he and Mary were getting a divorce. “She’s never had any interest in this business,” Alan said. “She
has never helped out in the shop, even in the early years, when we were really struggling. But she’s got a sharp lawyer, and I know she’s going to claim half the company.”

“I need you to help me out, John,” said Alan. “The company’s biggest asset is our equipment. Mary doesn’t know what we’ve got, and with the equipment out on different job sites, nobody ever sees all of it except you. I want you to get out those inventory sheets and make some of those high-priced lifts disappear. I’m worried there won’t be anything left after her lawyers get done with me. I’d hate to think we’d have to close down and leave everybody out of a job.”

As is common with many small, privately owned organizations, there is no formal HR department at Harrell Construction, and Alan Harrell has always made the decisions.

What is John going to do?

**Case 3: Real Sales or Wishful thinking?**

Robert sells shipping supplies for a warehouse supply wholesaler in Denver. He has been with Warehouse Supply for almost a year, hired fresh out of Collegiate U with a degree in marketing. Robert says it is his dream job. He always wanted to be in sales, and he loves the organized chaos of a warehouse as trucks and freight move in and out. He has a real understanding of warehousing, learned while he was working summers and part time as an order picker in a club store warehouse. He worked there until his junior year at Collegiate, when he had the accident on Highway 17 that left him a paraplegic. After the accident, he spent months in rehabilitation and had to take some time off from school. Then, because he was in a wheelchair, he could not go back to his job as order picker in the warehouse. He still got his marketing degree, though. It just took him a little longer.

“I really like sales,” Robert says, “It gets me out and about, and I enjoy working with the customers. I was afraid my wheelchair would put people off, and I’d be stuck behind a desk for the rest of my life. I’d hate that. I’m thankful that I have the accessible van and can drive my own route. I know I’m a little slower than some of the guys, but I think I’ve earned their respect, and I like the challenge. I don’t always make the numbers, but people need to know that there is a lot more that a paraplegic can do than what he can’t do.”

Unfortunately, sales have been down for Warehouse Supply for the last two quarters. When consumers buy less merchandise like toys, clothes, gadgets, etc., there are fewer shipments in and out of warehouses and less demand for warehouse supplies. Like most other sales organizations, Warehouse Supply compensates its sales staff with commission and bonuses in addition to base salary. Besides the sales staff, management-level employees also receive bonuses based on sales numbers. When sales shrink, everybody feels the pinch.

Marty is the sales manager for Robert’s district. When Marty interviewed Robert for the job, he was impressed with Robert’s knowledge of warehousing, his enthusiasm for sales and his outgoing personality. He’d never hired anyone in a wheelchair before, but he thought, “What the heck, I think this guy can do the job, and we should give him a try.” Robert learned fast, and once the customers got used to the idea of a guy in a wheelchair in the warehouse, things seemed to be fine, although Marty had to admit that Robert’s sales numbers were never outstanding. Most months, Robert’s sales
are at or near the bottom of the pack. “He’s just a little slower,” Marty said. “By the time he gets that van parked and gets his chair in and out, he just can’t get around to as many customers in a day as the other guys. But he does all right, and he makes a lot of calls from the office. Can’t say he’s not on top of his customers needs. He takes good care of them.”

With sales down, Marty is getting pressure from Frank Bishoff, Warehouse Supply’s vice president of sales at the home office in Phoenix, Ariz. Frank is always a little edgy when bonuses are due, but this time he is really on Marty. He called again this morning. “Hey Marty, what’s going on out there? All I see is inventory stacking up and your sales numbers going down! I know everybody’s sliding a little in this economy, but your second quarter numbers are terrible. You’ve got to move some product, and move it now! I’m getting pressure from the guys upstairs. You know that everybody’s bonus is riding on this, and we’re nearly at the end of the quarter. I’ll be in Denver at the end of the month. We’re taking a closer look at your numbers and your people. You’d better tell anybody who’s not up to speed that it has got to change—or they’re going to be gone. Whatever it takes, Marty, get those numbers in now!”

Marty has three weeks before Frank comes to Denver. “Heck, if they’ll just take it easy until the next quarter, we’d be fine,” thinks Marty. “I know our numbers are a little flat right now, but we’ll have big orders next quarter, when Quality Retail buys for their anniversary sale. I just wish we had those numbers now; then Frank and his cronies would leave us alone. I think I’ll give Robert a call. Quality Retail is his account. If he’d just write up their anniversary sale orders today and get them in the system, we’d all be off the hook. Why not? Frank said whatever it takes. We can always back the numbers out at the end of the quarter if need be, and Robert can square up the account with Quality later. Besides, he might just save his own job. Why should I take the heat alone? It’s time he knew Frank has always thought it was a lousy idea to hire a guy in a wheelchair. Maybe Robert does belong in a desk job.”

Warehouse Supply’s HR department is located at the home office in Phoenix, and Marty has never had anything to do with HR. A representative from Phoenix comes to Denver occasionally to do some training—usually sexual harassment—and Marty knows there is an employee handbook, but he’s never read it beyond the statement he signed concerning employment-at-will. Considering the pressure he is under from Frank, he believes the focus for sales at Warehouse Supply is on making the numbers and not much else. “There’s no harm in getting the orders in early,” Marty muses. “Besides, we can always back the numbers out later if we need to. And this way everyone gets their bonuses. Isn’t that what they really want anyway?”

Is there an ethical issue here? If so, what is the issue and how should it be addressed?
Case 4: The Best Person for the Job

After 25 years, Art is finally ready to retire and take it easy. Art teaches accounting and general business courses at Youngstown Community College. The business department at Youngstown offers business administration classes transferable to State University as well as professional and technical programs that culminate in a certificate after one year of study or an associate’s degree after two years of study. Youngstown has a dual enrolment agreement with State, and as a result, many business students at Youngstown are also enrolled at State.

Art teaches several of the business transfer classes at Youngstown, but his real love is the non-transfer professional accounting program. He was part of the faculty that created the program, and over the years he has taught hundreds of accounting students and helped them obtain internships and find employment in the community. Art’s golfing buddy sometimes jokes that every bookkeeper in town has been through Art’s accounting classes.

Besides the regular accounting classes and internships, Youngstown maintains an accounting lab where students can get tutoring help if needed. The current lab tutor is David, who was hired two years ago when Dianne retired after nearly 10 years as the accounting tutor. David is a former student of Art’s and holds an associate’s degree from Youngstown and a bachelor’s from State. The lab job is part-time, which works out perfectly for David, leaving him plenty of time to pursue his MBA in accounting at State. David wants to teach accounting at Youngstown when he completes his MBA.

As a tutor, David has brought the accounting lab to life. He relates well with students, is an excellent tutor, and the faculty sees him as a valuable member of the department. In the two years he has worked in the lab, David has become good friends with Evan, the business department dean. They frequently have lunch together and even socialize with their wives outside of work. Last summer the families went camping together over the 4th of July, and this year they expect to do the same.

Evan is chair of the committee to find Art’s replacement. The committee consists of Evan, two additional faculty members, an administrator from another department and Mary, the department chair for business and accounting. On Monday morning, Mary met with Evan to plan out the recruitment process.

“I know HR requires us to do a job search,” said Evan, “but even so, there’s no reason why we can’t move David into Art’s position. He relates well with our students, knows all the ins and outs of the college, and is well liked by the faculty.”

Mary is surprised at Evan’s suggestion. “David is a nice guy, and we all like him,” she said, “but he’s not qualified. This position requires a master’s degree, and he’s only got a bachelor’s.”

“He doesn’t need a master’s degree to teach in the professional/technical program,” said Evan. “He’s perfectly qualified for that, and we have plenty of other faculty that can teach the transfer program. David is in school anyway. He’ll get his MBA next year, and until then, we’ll just schedule him for
the professional/technical program, and we’ll fit the other classes into other faculty members’ schedules.”

“This is not how we normally replace faculty,” said Mary. She was particularly disturbed that Evan’s attitude indicated it was a done deal.

“It’s no problem,” said Evan. “Recruitment is just an HR exercise anyway. I’ll have the paperwork ready for your signature by tomorrow.”

The paperwork, marked “confidential,” was in Mary’s mailbox the following morning. It contained all the documents necessary for HR to launch a full-scale recruiting plan, including a new job description written by Evan. Instead of the customary broad-based job description for a faculty member qualified to teach university-transferable and non-transferable classes, Mary found a job description that described David exactly.

“This is a set-up,” Mary mumbled to herself. She knows that even with five members on the hiring committee and the required selection process, the actual hiring decision is left to the dean. “It looks like David’s got the job no matter what. What good is Youngstown’s ethics committee when the deans have the power to do as they please anyway?”

What should Mary do?

**Case 5: What Ever Happened to Lana?**

Once the rumor mill in the business department at Youngstown Community College got wind that the dean, Evan Comstock, wanted to move David into the faculty position vacated by Art’s retirement, it was all anyone could talk about. No one was surprised at Evan’s intention because he had taken David under his wing two years ago when David was hired as the tutor in the accounting lab. Evan and David had become good friends since, and there had been previous instances of favouritism that left everyone feeling uneasy, but this was really too much.

The problem was that Art’s position required an MBA in accounting, and David had only a bachelor’s degree. Although David was enrolled in an MBA program at State University, he wouldn’t be finished for at least another year. Until then, he would only be qualified to teach professional and technical accounting courses and none of the classes that transfer to State. The rest of the accounting faculty would have to pick up the slack until David finished his MBA. It would increase everyone’s workload and create a scheduling nightmare. While everyone liked David and agreed he was a great tutor, there was a lot of grumbling.

They didn’t have to grumble for long. Evan had rewritten Art’s job description to ensure that David would qualify. When the new, watered-down job description landed on vice president Schilling’s desk, he called Evan immediately. Schilling was never one to mince words. “Evan, what are you thinking over there?” he shouted, and that was the end of Evan’s plan for David.
The position still had to be filled, so HR conducted the recruitment process, and a selection committee was formed consisting of Evan, the department chair, two additional faculty members and an administrator from another department. The recruitment process generated a number of good applicants, and the committee finally narrowed down the pool to five well-qualified candidates to interview. Everyone on the committee thought the interviews went well, but, of course, Evan didn’t like any of the candidates. There was much discussion and second interviews with two candidates until Evan reluctantly agreed to hire Lana.

Lana had several years of part-time teaching experience and had been a practicing CPA for a number of years. She had the required MBA and was eager to transition out of accounting and into full-time teaching. She was scheduled to start in the fall because she was currently living in a small town 200 miles south of Youngstown. She immediately started shopping for a house in the Youngstown community and planned to move her family during the summer break.

Fall term enrolment was up in the accounting program and classes were full. It seemed Lana was off to a good start. She fit in well with faculty members and had positive student evaluations. Everyone seemed pleased, except Evan. He claimed Lana’s high student appraisals were because students knew she was “an easy A” and not from good teaching. He changed her winter term class schedule, giving her night classes followed by early morning classes the next day. He seldom visited other instructors’ classes, but monitored Lana’s lectures constantly. Lana told Mary, the department chair, that his frequent visits to her classes made her nervous and were disruptive. He would come into her class in the middle of a lecture, ask inappropriate questions and then walk out before class was over. It happened so often that even students were getting annoyed. After class, Evan would send Lana an e-mail criticizing her teaching, but when she asked to talk to him about it, he would never schedule an appointment. Some days he would stop by her office just to ask her what she was doing, or he would stop by when she wasn’t scheduled to be there and the next day he would ask her where she had been.

During tax season, Lana worked part-time for a CPA firm, as did most of the other accounting instructors. This raised even more ire from Evan. He told her she was off campus too much and asked her to give him a weekly schedule every Monday morning so he would know where she was. No other faculty was required to turn in a schedule. At the end of winter term, Evan set up appointments to meet with students who had not done well in Lana’s classes. He asked them to critique her teaching.

“Why doesn’t he talk to my ‘A’ students?” Lana asked Mary. “I think he’s trying to drum me out of here,” she said tearfully. “I feel so guilty for my family. They changed their lives so we could move to Youngstown and I could have this career. Some days, he has me so on edge I just want to quit. You know I can’t win. Even if I tough it out, I’m on trial service for two more years. He can decide to dump me at any time, and there’s nothing I can do about it. Some faculty say he’s just waiting for David to finish his MBA. I don’t know what to do. If he lets me go, what do I say to my family?”

Is there an ethical issue here? If so, what is the issue and how should it be addressed? What is the responsibility of HR in this issue? What should Mary do?
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