Advance Ethical Practices in Human Resource Management: A Case Study of Health Care Company

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Abstract
This study set out to examine the advance ethical practices in human resource management. The purpose of this study is to determine the prominence of HRM for a case organization regarding, how ethics and compliances striking it to perform HRM day to day operation more efficiently. This study explains why the extensive involvement of HR in corporate ethics programs is important to the perceived fairness, and thus the likely outcomes. Data collection was carried out through conducting interviews by approaching 12 HR participants. The research findings show that HRM and ethical practices are integrated part of a case organization and hold real prominence to lay down its own code of conduct and motivational ways to foster employees’ better performance. It is concluded that HR management can influence ethics and fair treatment at work in numerous ways. Implications and few recommendations were also made on the basis of findings.

Keywords: Ethics, Code of Ethics, Human Resource Management (HRM)

Introduction
This exploratory study is undertaken to seek and analyze the impact of ethical practices in human resource management. As (Ronald F. Smedley, 2008) defines ‘ethics as a study of values and customs of a person or a group. It covers the analysis and employment of concepts such as right or wrong, good and evil, and responsibility’(Para 1). In the opinion of Amanda Rose (nd), ethics is fundamental of human resource management truly connected to examine the people conduct or manner, generally employed to the person. Betsy Stevens (1999) revealed that ethical standards, values, and morals have become progressively intricate in this global and competitive world, where fundamentals have specified manner to patience and indistinctness. This particularly affects managers in HR, where decisions will affect people’s jobs and their future employment. (Mc Ewan, 2001) expressed the view that ethics as a value allows for integrity, respect, and a sense of self enhancement. People often encountered strict consequences because they are not willing to mark negotiations with the ethics and its principles that they appreciate and worth so much. In essence for them ethics is concerned with classifying what constitutes human welfare and the kind of conduct necessary to promote it. (Ashly H. Pinnington, Rob Macklin, Tom Campbell, 2007) stated that ethics is important for overall health of an organization, poor ethics can be extremely damaging to organization performance. It blinds the organization to the realities of environment (both internal and external). Good ethics; on the other hand have a beneficial effect on the organizations. It helps in productivity improvement, risk reduction, better relations with customer and clients, and an increasing flow of communication. Hence organization needs ethics not only to prevent unhealthy behavior but also to inspire superior performance and provide satisfaction. This particular research explores some basic guidelines of ethics, compliance, standards, policies and procedures of a case organization. The approach of a case organization to ethics and compliance is multifaceted and covers seven key areas: such as Leadership, written standards, effective lines of communication, training, accountability, assessment and remediation. This research also explores some of the ethical issues encountered at the workplace, discussing ethical principles and values that relate to HR. This research presents us with suggestions about the nature of ethics in HRM through following research objectives.

1. What are the ethical principles and values of a case organization?
2. Why ethical behavior is important for making effective decisions?
3. Why HRM is highly motivated towards their performance?
4. How can ethical violation occur?
5. What impact does it have on human resource management?

Literature Review
The review of the literature provides the background and context of research study. In current literature various researchers’ have focused the critical importance of HR for the proper implementation of ethics in human resource management;

In the opinion of (Feldman, 2002) ethics emerged in both personal and professional sphere to analyze the importance of personnel values, norms, and custom. Ethic takes on vital role in reduction of major dilemmas particularly at the work place.
A study of (Valentine et al., 2006) showed that ethics is being recognized a major and exclusive part of organization; it enforces crucial impact for both organizational operation and global performance. Organization generate sound culture not only by the increased value of internal factors such as employee attitude and behavior, but it’s also require higher satisfaction of organizational external factors such as, stakeholders, investors, and clients.

(Trevino & Nelson, 2004) observed however, despite the high discernable rate of the organizational mechanisms implemented in business organization, moral abuses continue to happen. Regardless of abundance of laws design to ensure fair treatment at the workplace, employees often are treated in an unethical manner; which may turn workplace into conflicts.

Trevino (1990) stated that inappropriate or unclear code of ethics can be occurred if; employees are closely linked with their personal relationship at the workplace. In this paper (Nocera, 2002) were addressed some of ethical dilemmas which may directly or indirectly effect on the company reputation such as, embezzling company resources, falsifying reports, deceptive advertising, false information, deliberately deceptive accounting, abusing or intimidating behavior towards employees, violation of any safety regulation, misreporting of actual time worked, discrimination on the basis of race, color, sex, gender, age or similar categories, alteration of documents etc.

Weaver et al. (1999) examined that codes of ethics, memos, policy manual are those mechanisms by which employees truly aware and analyze that ethics is taken seriously by the top level of management, employees may perceive that ethics is truly important for top level of management, if the message is communicated through mechanism with personal magnitudes.

(Buckley et al., 2001) presented that development of ethics program has been considerably expanded to an important instruments communicating the company desired standards and values. Organization design ethical programs to improve and sustain organization internal and external image, for most due to some external factors exerted by certain socio economic institutions such as, the government, media, society, stake holders are strongly linked or concerned to everyday organizational activities and have the top management support and commitment.

Schein (1992) hold the view that organizational culture is a key influential part to promote ethical values to employees and organization. Organizational culture plays major role to promote the awareness of ethical concerns among employees in order to enhance ethics at the workplace. (Richardson, 1994; O’Fallon & Butterfield, 2005) indicated that code of ethics is necessary since it establishes the structure for ethical behavior. Recently little research has been done about the relationship between HRM practices and employees’ ethics, when HRM practices are theoretically supposed to impact employees’ working life directly and personally.

Van Vuuren and Eiselen(2006) stated that HR department seems to play a crucial role in promoting ethics, as every HRM practice/policy serve as a vehicle to transmit what is considered really important in the organization. Therefore, if ethical practices are not considered or handled adequately in order to development of organization, this may cause either pessimism toward the policy that the organization seeks to carry out regarding the promotion of organizational ethics. As such, the importance attached to corporate ethics should not be prevented when designing the objectives and orientations of those practices if the goal is truly to promote ethics among employees. To transmit and promote ethical behavior in organizations, the most commonly used instrument is a code of ethics, whose usefulness has received widespread support especially in human resource management.

Enderle (1996) showed that ethics is all about people’s behavior and strongly concern with HR department therefore, researchers concluded, ethics and code of ethics are major and primary roles of HRM in order to create corporate ethical awareness and facilitating strong ethical behavior throughout the organization. In this respect (Winstanley et al., 1996) noticed that one role identified for HR is that of ethical stewardship, taking charge of raising awareness about ethical issues and promoting organizational ethics. Thus, HRM plays a highly important role in handling those mechanisms. (Greengard, 1997) stated that underlying organizational values and official statements should necessarily be perceptible during the recruitment process, employment interviews, orientation sessions and performance reviews in order to generate an organizational culture that truly emphasizes ethics.

In the opinion of (Schwartz, 2001; Stevens, 2009; Weber, 1993) however, code of ethics is just the beginning of any real effort to promote organizational ethics and for this reason training is usually considered the next step after the code of ethics is implemented. Kohlberg(1969) and Piaget (1983) also studied that ethical training is widely used in the business context to resolve employees’ possible technical shortcomings in terms of knowledge, abilities, attitudes and even behaviors. According to the (Dolan et al., 2003), there is no reason to doubt ethics efficacy is highly involved in improving the morality of the employees' behavior. Therefore, the implementation of ethics training programs is thought to be an appropriate instrument to promote ethical behavior among employees.

Finally, (Delaney & Sockell, 1992; Kavathatzopoulos, 1994;Penn & Collier1985) showed the
significant impact of ethical behavior and employee performance in organizations. In sum, previous findings seem to support the positive influence of training on the employees’ ethics. To be precise, simply including ethics in the organizational training content would be enough to have an effect on the employees’ ethics. Delaney and Sockell (1992) concluded that employees surely would perceive that ethics is strongly valued by top level of management and it exclusively important in improving organizational productivity and growth.

This review of current practices of ethics in HRM indicates that, the relationship between ethics and personnel management represent a significant impact on organizational growth, although it shows that training is really effective to get a better understanding of basic mechanisms for providing ethical views in companies but still it has been argued that researchers did not come across the following ethics related areas such as, ethical principles and values, employee motivations, making effective decisions, ethical violation and, impact of ethical violation on HRM.

Methodology
Methodology is a major part of research project that enables researcher to explain and analyze the methods or in other words it provides the framework for the research strategy. Following sections have been discussed to outline the methodology; research design, sample, data collection, data analysis.

Research Design
The aim of this research was to investigate and illustrate advance ethical practices in human resource management of a health care company. In this regard researcher used case study approach. The purpose of the interviews was to obtain information from the participants of human resource management regarding their knowledge, awareness, and opinions of advance ethical practice. According to the (Kvale, 1996 as cited Dapzury Valenzuela & Pallavi Shrivastava, nd) “the qualitative research interview seeks to describe and the meanings of central themes in the life world of the subject, the main task in interviewing is to understand the meaning of what the interviewee says” (para.3).

In this particular study researcher conducted face to face interviews with HR participants included managers, Asst. managers and a group interview based on permanent employees and contractual employees. Researcher pointed out that the participants were willing to encourage the advance ethical practice offered by HRM as well as their suggestions for improvements. After setting up an appointment with each of the HR participants, the interviews were conducted in their offices from Monday to Thursday in the morning. Researcher stated that the results reported from interviews reflect the common ideas that were mentioned in the majority of the interviews.

Sample
The research sampling method that has been used in this study is random sampling to obtain a more scientific result that could be used to represent the entirety of the population. In this study researcher used sample size of 12 elements from a targeted population. Details of the samples are as follows:3 managers/seniors, 2 Asst. managers, 7 other HR participants including (permanent employees, and contractual employees). These participants were randomly selected from the list of total volunteers. Researcher contacted potential participants to make sure they wanted to participate in this study. Once the participants were contacted, the researcher introduced herself and explained the purpose of the study.

Data Collection
Data was collected through in-depth interviews with audio tape recording if permission was granted. Interviews were taken out with HR participants included managers, Asst. managers, and a group interview based on permanent employees and contractual employees.

Data Analysis
In this part researcher found different themes and ideas in the amount of data collected from interviews. After completing the interviews, the data was analyzed for general trends, attitudes and themes, then the results from each participant were compared and the common themes were extracted. Researcher identified the amount of data generated from the interviews were need to minor modification to convert it in transcribed form. Interviews transcribed were reported by the researcher in the style of case study approach to data analysis. In the view of (Anonymous, 1997) “Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships” (para.2). Throughout the evaluation and analysis process, the researcher remains observed new ideas concerned to this particular study in order to strengthen the research findings and conclusions.
Research Findings

What are the ethical principles and values of a case organization?
Case organization has its own code of business conduct, which governs all behavior at the workplace, and strictly followed at all levels. Case organization has an immensely valuable ethical principles and values which are designed for all officers, employees, workers, and agents. According to the case code of conduct, they do not tolerate any illegal or unethical behavior in any of their business dealings. Such ethical conduct makes case a positive difference in all health care industry. There are 13 principles of Honest and ethical conduct at case organization which have been attached as appendix A.

Why ethical behavior is important for making effective decisions?
Now decision making has become a top priority of every organization. In this postmodern society the business world seems to appear more and more complex, it becomes difficult to take right decision at the right time. However, case organization has some certain ethical standards for making effective decisions depending upon the core values of honesty, fairness, and integrity that strengthen an organization's ethical climate which may help to manage ethical behavior within organizations. (Click & Leonard, 1998 as cited John C. Lere & Bruce R. Gaumnitz, 2003) state that “very little research has been devoted towards discovering whether the code of ethics are effective in promoting ethical decision making behavior” (p. 619). Case organization focus on the practical application of ethics in decision making such as, awareness, discipline, and empathy help organizations make ethical decisions. Case organization decisions are based on facts and fairness, not on bias or prejudice, also based on strict principles of right and wrong as defined by the 13 Principles set forth in the Code.

Why HRM is highly motivated towards their performance?
Motivation is a key component to provoke employees towards their best and competitive performance. Motivation has been designed especially for HR department as it highly concerned for organizational sustainable growth on a day to day basis. There are various modes to motivate the employees, one of these significant modes is ethic, and ethics at the workplace can resolve employee motivational issues, since motivation based on the idea what is right or wrong. Case organization has developed a set of standard through its compliance based ethic program that applies throughout the organization provide resources, information and, motivation. Ethical behavior is highly relates with employee motivational activities, as it helps to get best outcomes in terms of firm productivity and better performance.

The HR department of case organization ensures that motivation through ethical compliance facilitate staffs in such a ways, like, an equal opportunity of employment, encourage delegation of authority, open door policy, performance based remuneration, recognition of work, bonus structure, rewards, staffing, recruitment, customer oriented program, building long term relationship by understanding, appreciating, and fulfilling customer requirements in a timely manner are really helpful to get highly motivated towards their effective performance. (The American Heritage Dictionary of the English Language 2006, as cited Mr. Olufemi Oyedele, 2011) hold the view that “employee as a person who works for another in return for financial or other moral obligations” (para.5).

How can ethical violation occur?
Ethical violation can occur due to lack of clarity or noncompliance with ethics statements, particularly in HR if someone is not maintaining the transparency in their polices for all, promotion policy not following on the basis of fairness, biased approach to sourcing candidates and selecting them, fostering personal relationships, baseless/unwanted promotions may become cause of ethical violation in a given organization. (Ronald F. Smedley, 2008) claims that ethical issues could arise, if organization does not have proper procedure based on ethical dimensions. When it occurs, it typically effects on HRM as it majorly involved. Issues such as sexual harassment toleration, knowingly hiring illegal immigrants, violation of privacy, biased performance reviews, wage and hour violations for the sake of saving overtime dollars, terminating whistle-blowers for reasons totally unrelated to performance, and tolerable discrimination. Lying for the sake of personal, corporate and shareholder gain etc.

What impact does it have on human resource management?
The impact of ethical violations on human resource management within an organization can be enormous. It hurt individuals, business, stockholders and society also; it may have an adverse influence on the human resource discipline and organization profitability. It can also adversely affect the organization financial stability and competitive positions.

Result of Findings
The most obvious finding to emerge from this study was that HRM plays a crucial role in shaping ethical codes,
policies and procedures, also its play a central role in conducting ethic related activities at the workplace. It also shows that HR professionals have the responsibility to raise organization efficiency, employee performance and, also resolve ethical violations. Researcher has found that, case has its own code of business conduct, which has to abide by all officers, employees, contractual workers, and agents as well. Ethics concern both personal and professional level, but in professional level it highly influenced on HRM, ethical violation can occur in any department but when it occurs in human resource department, could be directly affect the whole business entity. Researcher concluded that the role of ethics is paramount in HRM.

**Discussion and Limitation**

The researcher states that their research contributes multiple perspectives as regard to analyze and seek the advance ethical practices in human resource management at the work place. The result shows, ethics play significant role to flourish organization credibility and produce an influential outcomes to both employee sustainability and productivity. As reported by Gary Dessler (nd) “the simplest way to tune up an organization, ethically speaking, is to hire more ethical people” (para.1).

Researcher discussed various objectives regarding significance of ethics at the work place. First finding draws an attention towards ethical values and principles being accomplished at case organization. High level of considerations given to the ethics assures that it helps to managers and leaders meet with disasters and misperceptions, they are able to stick to robust moral standards while building decisions and actions. Therefore, ethical values and principles abiding by case organization nurture and urge indispensable team work and high productivity, defend employee progress, and assist out programs internally and externally, increases the organization’s ethical credibleness.

Second finding drags our focus nearby importance of ethics in making decisions. HR Professionals assures that ethics is the crucial essence, while making effective decisions in the way, is it right for the company? Is it right for the stake holders? Is it right for the customer point of view? There are various tactics to access the ethical themes. Any decision will be appraised is abundantly dependent on the decision maker interest and fairness. If decisions will not base on company stated ethics and code of ethics, there is a risk whether or not decision is right. By William A. Nelson (2005), ethics is a foundation of organization effective decision making process as well as it’s a deliberative process to promote fairness through a clear agreement of all competitive values in response to a peculiar ethical dispute. If the decision process is fair, the outcome will more likely be fair. Thus decision makers are mandatory accounted for all ethical values while making decisions and explore alternatives.

Subsequently, third finding shows that, ethical behavior is one of vital subject to motivate employees towards effective performance. A lot of events show that employees’ unethical behaviors destabilize their performance and organization growth too. To become more productive at the work place ethical behavior is prerequisite element to influence employees and to control management system. Ethical behavior can’t take place by nature; Company should espouse procedures to motivate employees in shaping their performance. Chen Chunhua & Ni Yihan (nd) suggested that, even though in some cases employees’ dis-motivation will not affect in attaining organizational short term goals but will exceedingly influence on company long-term performance. In such a way, ethical behavior act exclusively to motivate employees towards an active performance for both long-term and short-term.

Fourth finding consisted on HR dilemmas and violation that may occur at the work place due to lack of ethical practices. Human resource managers are accounted for to make decisions on daily bases relating employees. The personal and professional behavior is very important when making decisions unless probability of occurrence of violations may increase. Preservation of ethical laws and conduct are necessary, particularly for HR managers while organizing policies and procedures pertaining with hiring, employee training, compensation, and employee relations. Ethical violation may occur in a situation when there is no fairness in working relationships, conflicts, favoritism, sexual harassment, and age discrimination. In the absence of ethics particularly in HR department, employees get suffered towards their performance and productivity (Githui Donatus Mathenge, 2011). To avoid from violation and sustain reliability to the company, human resource manager should obey and adhere with the company stated code of conduct.

Finally, when human resource professionals’ encounter ethical violations, severely harm employees in terms of their performance, future credibility, and career growth. Ethics violation lessens HR professionals’ potential to the development of organization growth. Workplace violence and hostility are gradually serious problem for the betterment of HR proficiency and organization integrity, it may affect in a number of ways such as, absenteeism, reduced job performance, continuously loss of experienced and talented employees as well as tolerate heavy cost as a result in violence. In addition it has a desperately effect on company financial progress, employees behavior, declines employee confident and moral, diminish company capacity to recruit and hold skill employees, and organization productivity and overall profitability (Matthew L. Hunt & Aaron W.Hughey, 2010). Researcher also observed one limitation regarding study which is restriction of accessibility to data across all HR
department of a case organization located around the world. This research therefore, limited only to Karachi office of a case organization.

**Conclusion**

In conclusion, this paper highlighted the resulting framework and also a stance of advance ethical practice in human resource management. Accordingly, ethical issues in the workplace can be resolved if proper procedures for the same are in place in a given organization. It also present a timely warning to organizational management that they need to more closely address their HRM policies and practices on the matter of ethics in HRM.

Author stated that Human Resource professionals are exclusively involved to observe the ethical issues whether, it’s right or wrong, good or bad also HRM plays a major role in order to foster the better working environment. Donaldson and Davis (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 groups, supports greater consistency in standards and qualities of products, and cultivates greater sensitivity to the impact of the enterprise’s values and messages. Apart from the ethics and compliance office, there is no other department as critical to the development of an organization's ethical culture as HR. The value of this paper can be adapted to the study of organization ethical responsibilities. The author concluded that the basic aim of bringing ethical practices in human resource management is to reduce the unsatisfactory performance and misconduct of employees.

**Implication and Recommendation**

An implication of these findings is that, both Advance ethical practice and human resource management should be taken into account when organizations manage their human resources effectively. Mirza S. Saitadain (2009) recommended that HR management should be the starting point for conducting any ethical program. It could be a core component, when we are willing to achieve our goals with respect of promoting justice and fairness in the organization. An organization who failed to foster fairness in the HR can destroy the organization endeavors to encourage ethical behavior throughout the workplace.

In the view of researcher, HR department must follow the code of ethics and committed it to maintaining the ethical standards. As reported by (Johnson, 2003 as cited Amanda Rose, nd) “All HR practices have an ethical foundation HR deals with the practical consequences of human behavior” (page.28).The study suggested that the organization have to set up procedures that make the work place be seems fair to employees and, also suggested that management must focus on employees’ perceptions of fairness, ethical leadership at all levels, to create a successful ethical culture and invoke fairness to control organizational harmony. Therefore, HR professionals can work synergistically with ethics and compliance officers to improve an organization's ethical culture.

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