

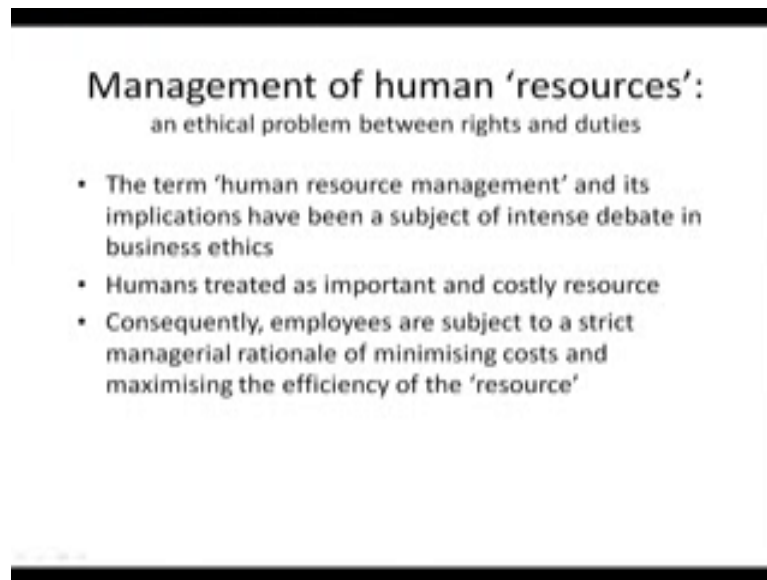
Business Ethics
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Lecture – 28
Firm-employee relationship

Now, we are going to discuss the ethical issues in the Firm employee relation. In the last module we have discussed about three modules of the organization - the rational model, the political model and the caring approach towards the organization. And we understand several set of like rights and responsibilities, duties, conflicts and of interest some conflicts of interest arises when you are following the rational model. When you are talking of the political models of the organization we are talking of the powers and power gain collisions within the organization and have the employees like the citizens of a country have certain rights to which they need to exercise. So, that they are not exploited by the organization.

And when you are talking of the caring model of the of the organization you are talking of the responsibilities that the organization has towards caring for the employees and what if too much care is given how it is not ethical if no care is given, how was so it is not ethical in nature. Based on these things now we will be dealing with the major ethical issues that rise up when the firm employee relations. We will discuss this with respect to like certain of the rights and duties, and also we will try to see certain terms which we are explaining it which will call the letter heads in one way the meaning may come to something, but if explain it differently than the ethical issues could be identified within those practices, if certain of the rights employees are not respected in those practices.

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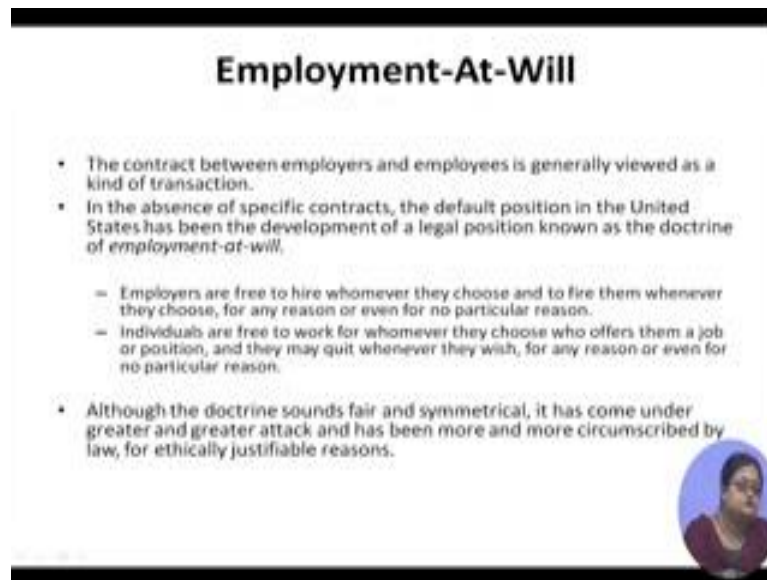
Management of human 'resources':
an ethical problem between rights and duties

- The term 'human resource management' and its implications have been a subject of intense debate in business ethics
- Humans treated as important and costly resource
- Consequently, employees are subject to a strict managerial rationale of minimising costs and maximising the efficiency of the 'resource'

So, let us first see what are the ethical issues. First we can understand with the consideration of the fact that employees are considered as resources the term human resource management. So, if this term itself has been a matter of debate to understand like can human be considered as resources as you are considering - like other input that you are having into your business, is it not that you are not get giving proper dignity to a rational thinking being as humans because the other so called resources cannot think and make decisions for their for themselves which the human beings can.

So, this itself the term is under debate and because of these consideration of human beings as resources may be the focus of the management has been on reducing the cost and maximizing the benefits that we get are maximizing the efficiency of that resources. So, that it functions to its maximum level to keep the best return to the organization. So, these two like conflicting terms which you like whether human being can be considered as resources is the first primary like debate which is there and because they are taken to be costly resources then efforts towards minimizing the cost and then maximizing their efficiency this practices as defined in the hr practices whether these are ethical in nature or not is the main concern when you are talking of the firms and employees relationship.

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Employment-At-Will

- The contract between employers and employees is generally viewed as a kind of transaction.
- In the absence of specific contracts, the default position in the United States has been the development of a legal position known as the doctrine of *employment-at-will*.
 - Employers are free to hire whomever they choose and to fire them whenever they choose, for any reason or even for no particular reason.
 - Individuals are free to work for whomever they choose who offers them a job or position, and they may quit whenever they wish, for any reason or even for no particular reason.
- Although the doctrine sounds fair and symmetrical, it has come under greater and greater attack and has been more and more circumscribed by law, for ethically justifiable reasons.

Another concept which is very important to be mentioned over here is the concept of employment at will. So, this is based on the rational model of the organization, so what we see the relationship between the employer and employee to be it is a contract between the employer and employee and it is viewed as generally as a transaction.

So, in absence of a specific contract in US the this legal position which talks of the doctrine of employment at will which reads like employers are free to hire whoever they choose and to fire them whenever they choose for any reason or even for no particular reason. Correspondingly individuals are also free to work from whomever they choose who offers them a job or position and they make with whenever they wish for any reason or even for no particular reason.

Though this doctrine seems in a symmetrical like the free will given both to the employer and employee do either to continue with or discontinue the employer employee relationship. But sometimes ethical issues may rise up because of the difference in the power status between the employer and the employee it may so happen that the employees get exploited by in the process of restructuring downsizing mergers and acquisitions where the employees are sudden closure of the organization, where employees are the people who gets more affected by the exercise of this employment at free will and which brings it to the ethical dilemma domain further this is right and to what extent.

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Rhetoric and reality in HRM	
Rhetoric	Reality
'New working patterns'	Part-time instead of full-time jobs
'Flexibility'	Management can do what it wants
'Empowerment'	Making someone else take the risk and responsibility
'Training and development'	Manipulation
'Recognizing the contribution of the individual'	Undermining the trade union and collective bargaining
'Teamworking'	Reducing the individual's discretion

Based on Leg...



So, we will now look into some of the rhetoric and this is reality based on a research done by a (Refer Time: 08:17) in 1998 which talks of like when you talking of new working patterns. So, in reality it is like part time job instead of a full time job. So, if you are employing someone for a full time job it brings into the responsibility of the employers to give certain benefits to the employees, a virtue of the job which is permanent in nature. But when it is part time job, then it relives to some extent the employers to extend those benefits to the employees.

So, by then taking up terms like new working conditions maybe employers are more moving towards the part time job in order to avoid giving benefits to the employees if they are doing the same job full time in nature. Whenever you are talking of flexibility it is very good to understand and maybe it focuses towards the flexibility of working hours job practices etcetera, but in reality it gives like if your exercising employment at free will, it gives management an avenue to do what it wants. It is not well mentioned properly like flexibility means what, then it management can do whatever it wants in the name of flexibility.

When you are talking of empowerment, the flip side of it if certain unethical practices has been carried out in the firm and when you are talking of empowerment it this can be used as a technique of (Refer Time: 10:46) responsibility where the person who is actually responsible for the decision for the unethical decision taken or the practices

undergone, may avoid responsibility by delegating his responsibility to ours and others are empowering people he or she can like free himself or herself from the responsibility; moral responsibility by telling like it is not me who have actually done it, it is my juniors or so team who have done it and decided in that way. So, it is empowerment could be in the flip side if it is used when it is making someone else take the risk and responsibility and making oneself free from it.

Training and development, this you have to understand what is the purpose of training and development for what reason and what you are training that person for. So, this could be in dual reality manipulation, manipulation for making the employees sometimes during manipulation done the socialization stages for the employees to make a choice between their personal values and the values of the organization and how to like invite the values of the organization even if they are similar in line with the different from their own personal values. And maybe even like trainings in the call centers given how to hide the own; for the person responding to the call to the clients have to make their own identity, maybe hide the own identity and appear like someone person different to the callers or the clients that who are calling me for some help. So, these type of things could be like in reality manipulation which makes it fall in the ethical domain.

Recognizing the contribution of the individual this in (Refer Time: 13:44) could be putting down your collective power. So, undermining trade union and collective bargaining, if you are the member of the trade union are you have a union of your own then you gain a collective strength where people like you also possess some view points of their own. So, and that collective strength use your power, but when you are putting a fragmentation and your taking a individualized approach, so and recognizing the individuals contribution and you are focusing more on individual contribution rather than this may be team contribution and all. So, this you know like separates you from the collective strength of the group and it undermines the trade union and collective bargaining.

When you are respecting team work, so it is good like the team support gets recognized, but at the same time you are try to put a check on the individuals discretion to do something some here or other because, so this could be an ethical question because you are like tried, like it could be an employee wise or something which you are trying to control by focusing on team working. Because in team what is expected like your

function in like collaboration and conjunction with what others are also expecting from you and you are expecting from others and not to give your personal opinion and a decision or choices priority over the teams decisions. So, and that is expectation team working may reduce individuals choice or discussion for certain alternatives of decision making and that may be unethical in nature in some cases.

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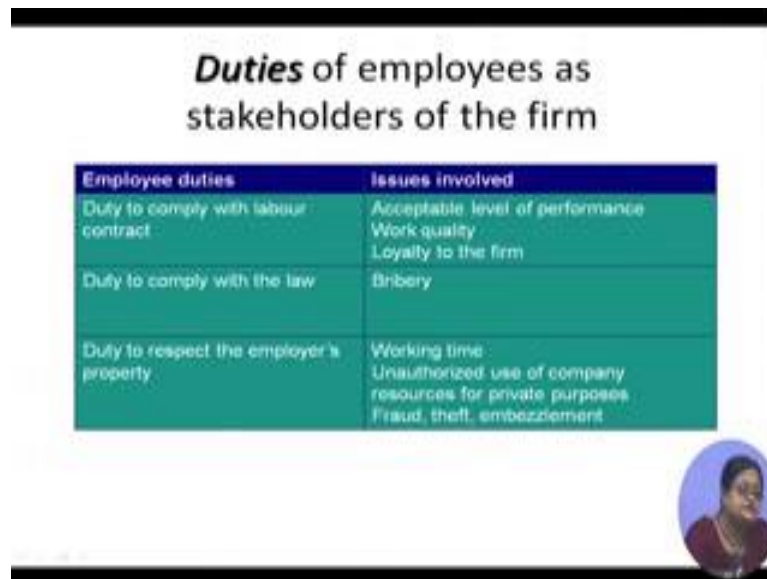
Rights of employees as stakeholders of the firm	
Employee rights	Issues involved
Right to freedom from discrimination	Equal opportunities, Affirmative action, Reverse discrimination, Sexual and racial harassment
Right to privacy	Health and drug testing, Work-life balance, Presenteeism, Electronic privacy and data protection
Right to due process	Promotion, Firing, Disciplinary proceedings
Right to participation and association	Organization of workers in works councils and trade unions, Participation in the company's decisions
Right to healthy and safe working conditions	Working conditions, Occupational health and safety
Right to fair wages	Pay, Industrial action, New forms of work
Right to freedom of conscience and speech	Whistleblowing
Right to work	Fair treatment in the interview, Non-discriminatory rules for recruitment

Now, we will discuss about some of the rights of the individuals within the organization. First is the right of freedom from discrimination which talks of issues involved like equal opportunities, affirmative action, reverse discrimination, sexual and racial harassment. You talk of the right to privacy like health and drug testing, work life balance presenteeism, electronic privacy and data protection. Right to due process is the promotion firing and disciplinary proceedings. Right to participation and association - organization of workers in work councils and trade unions participations in the companies decisions. Right to healthy and safe working conditions - working conditions and occupational health and safety are the issues involved over here. Right to fair wages like pay, industrial actions with regards to fair wages in the different forms of work. So, right to freedom of speech and conscience under which whistle blowing is a very important factor and right to work which is fair treatment in the interview non discriminationary rules for recruitment.

So, these are the left hand side we have discussed some of the rights and the right hand

side we have discussed some of the issues involved with respect to this particular rights.

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Employee duties	Issues involved
Duty to comply with labour contract	Acceptable level of performance Work quality Loyalty to the firm
Duty to comply with the law	Bribery
Duty to respect the employer's property	Working time Unauthorized use of company resources for private purposes Fraud, theft, embezzlement

And in the corresponding duties of the employees to the firm are duty to comply with labor contract by acceptable level of performance, working quality level to the firm, duty to comply with the law is case discussed with the bribery. Duty to respect the employer's property like working time unauthorized use of company sources of private purposes, fraud, theft, embezzlement.

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<ul style="list-style-type: none">• Discrimination in the business context occurs when employees receive preferential (or less preferential) treatment on grounds that are not directly related to their qualifications and performance in the job• Managing diversity prominent feature of contemporary business• Extensive legislation• Institutional discrimination: discrimination deeply embedded in business

Here now after we have discussed this will discuss some of those rights and duties as

mentioned in the earlier slides in to some details because these are really very important issues in the domain when faced by employee's relation to the organization.

First to that of course, is that of discrimination. So, when does discrimination occur? So, discrimination occurs when employees in business context occur when employees receive preferential or less preferential treatment on the grounds that are not directly related to the qualification and performance in job.


Then it talks of like institutional discrimination when the discrimination is deeply embedded in the process of doing the business and why this has become very important today the discussion? Because of them how to manage the diversity within the organization is a major challenge for the richer people now, or for the business professionals. So, we have to take care at the business processes are not discriminating against people based on like certain qualities which are not directly related to the nature of the job.

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Sexual and racial harassment

- Issues of diversity might be exploited to inflict physical, verbal, or emotional harassment
- Regulation reluctant
 - Blurred line between harassment on one hand and 'joking' on the other
 - Influenced by contextual factors such as character, personality, and national culture
- Companies increasingly introduced codes of practice and diversity programmes (Crain and Helischmidt 1995)



So, this discrimination can be like between the majority and minority, between the male and female, between the less aged employee and the more aged employee. So, for people belonging to different caste and all, these are important issues to be taken care of in diversity management so that everybody has equal opportunity to like get the benefits of the organization.

If we remember like when we discussed about Rawl's theory of fairness and justice, we focused into this things like how to bring in more balance with respect to the inequalities or like diversities which are present there in the organization. So, those type of theories needs to be applied over here so that the people are not, or the organization is not discriminating for the people who are there in the organization.

Another important area which is to be focused is in sexual and racial harassment. So, issues of diversity might be exploited to inflict verbal, physical or emotional harassment. So, these type of harassments are called like when you talk of sexual and racial harassment of sexual and racial harassment any sort of harassment like physical verbal or emotional harassment who could which raise in the organization where diversity is there and it is tolerance towards diversity is not developed where in the organization. So, what are the larger implications of these things? Like what is taken to be harassment is not well defined in terms of laws.

So, what crossing what limit or barrier with the simple act be refer to or an dialogue will refer to the thing like it is not like joke or it is the domain of like sexual harassment. These type of like riger is not at present in the law and what it is taken like it is contextual factors like the character personality in the national culture of the people who are involved in this also affects the decision what gets interpreted as harassment or not. What companies are trying to do is they are increasingly introducing codes of practice and diversity management programs to increase the awareness of the people towards like harassment issues.

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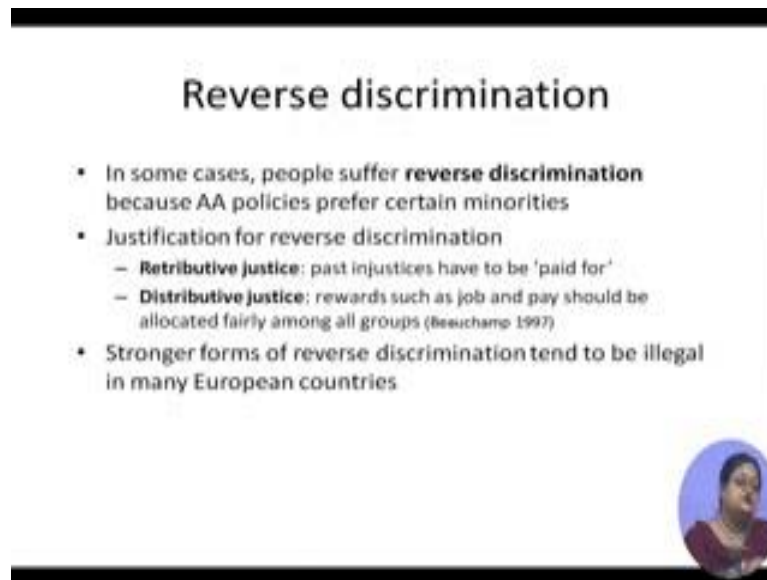
Equal opportunities and affirmative action

- How should organizations respond to problems of discrimination?
- **Equal opportunity programme**
 - Generally targeted at ensuring **procedural justice** is promoted
 - **Affirmative action (AA)** programmes: deliberately attempt to target those who might be currently under-represented in the workforce
 - Recruitment policies
 - Fair job criteria
 - Training programmes for discriminated minorities
 - Promotion to senior positions

While answering the questions like just like for answering harassment issues employees can form a code of ethics or practices then what are the organizational measures taken by the management to deal with issues of discrimination in the workplace. So, one such program is equal opportunity program.


So, it is a directed towards ensuring procedural justice in the organization. One such action is called affirmative action programs which purposefully target those who might be currently underrepresented in the workplace through its recruitment policies, fair job criteria, training programs for discriminated minorities and promotions to senior positions; however this affirmative actions should again be done with very careful way Otherwise it may give rise to the phenomena which is called reverse discrimination.

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Reverse discrimination

- In some cases, people suffer **reverse discrimination** because AA policies prefer certain minorities
- Justification for reverse discrimination
 - **Retributive justice**: past injustices have to be 'paid for'
 - **Distributive justice**: rewards such as job and pay should be allocated fairly among all groups (Beecham 1997)
- Stronger forms of reverse discrimination tend to be illegal in many European countries



So, this is reverse discrimination is a phenomena which happens like due to too much of affirmative care for certain minorities and maybe it is mandate given by the law and order and if feedback is not taken for the fact do they still require that care or not be, or whether they have up lift put it themselves to the equal status of the majorities; without having a cross check on that if the affirmative care is continued for minorities without having a policy for review and feedback regarding that. So, based on this, this may happen a condition which is called a reverse condition.

So, in order to take care much for the minority it may so happen like we are trying to put some restrictions to the rights of people who are termed as so called majority and it will appear like that they are being for their past injustices, but it has to be recognized like everyone has a equal right to be enjoying as per pay or job opportunities for jobs are concern. So, yes it is required that affirmative action is there to take care of the needs and like vulnerable positions of the minority and so called minorities and to take care of the diversity, but we should not be doing it to extend which may give rise to a reverse phenomena which is reversing the discrimination and it applies to the those set of people who have been termed majority with respect to the benefit that you are give, trying to put in an affirmative action for the minorities.

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Employee privacy

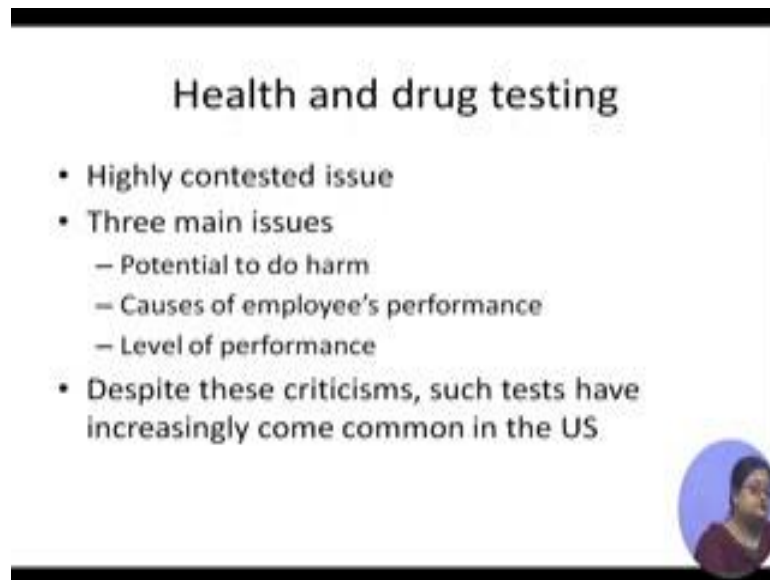
- Four different types of privacy we may want to protect (Sirems 1994)
 - Physical privacy
 - Social privacy
 - Informational privacy
 - Psychological privacy



When we were discussing the political model of the organization we were talking of some of the rights of the employees which needs to be respected and once assure it of course, employees right to privacy.


Four different type of privacy are there which we may need to protect which is like the physical privacy, social privacy, and informational privacy, and psychological privacy. So, these four different types of privacy like I may not want to share the details of some of my social activities or all the personal information that I have or my psychological condition with the employer which may not be required as a required condition of the job and this the employer has to respect.

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Health and drug testing

- Highly contested issue
- Three main issues
 - Potential to do harm
 - Causes of employee's performance
 - Level of performance
- Despite these criticisms, such tests have increasingly come common in the US



Another issue which is like where debatable issue is the health and a drug testing issue of the employees for the sake of the job, why it is becoming important like, is it encroaching on the privacy of the person to share or not to share some of the information related to ones physical or psychological condition with the employer which may or may not be related to the job conditions. So, and whether debatable issues are also whether this health and drug testing are related to the performance of the organization or not. Because if we cannot establish the debate relationship of the testing that is been health and drug testing that is been done and how it is linked with the total performance of the business then it may so happen like it may fall under ethical dilemma issues.

So, we have we have to debate about it, may be case to case basis whether it is a necessary condition for the nature of the job that you are in, how it is that having a health and drug testing done is going to affect the business of the organization, how it is going to affect the life of other coworkers who are there with that person working in the same type of job. So, these have to be explained and then only we can reach a conclusion maybe on case to case basis whether it is ethical or not with respect to the particular case that we are discussed.

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Electronic privacy and data protection

- Increasingly relevant as technology advances and electronic 'life' becomes more important
- Computer as a work tool enables new forms of surveillance
 - Time and pace of work
 - Usage of employee time for private reasons
 - E-mail and internet
- Issue of privacy in situations where data is saved and processed electronically
 - Data protection

We will continue with the discussion and in the next module where we are trying to look more into the issues, firm and employee issues with respect to the electronic privacy data protection and other issues along with the other relevant issues which are important for the firm, employee behavior at the duties of the employees towards the organization.

Thank you.