

Business Ethics
Prof. Susmita Mukhopadhyay
Vinod Gupta School of Management
Indian Institute Technology, Kharagpur

Lecture - 29
Firm-employee relationship (Contd.)

We will continue with the discussion of the employees and firms relations and ethical issues with respect to it. We were discussing on the issues like employees privacy which talks about physical privacy of the employees, where the employees may not want the organization to have access to what they are trained. And I would like where they are moving and so on regarding the social privacy to get organization to at full understanding with whom they are maintaining the social relations, and to work to what extend or they may not want to share with the organization the private thought processes of how what is the emotions of the particular point of time, and how they are thinking about certain issues which comes under their psychological privacy.

So, these are the employees bright to privacy and also information they may not want to divert all information about themselves and their social relationships of the information that they may have got about certain aspect to the organization, if it is not directly required by the organization for the nature of the job. But the organization now through its surveillance mechanism may have access to many of such information's and may have an access to the what the employees are trained how they are behaving to whom they are trying to maintain a social contacts.

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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

And all through this process of surveillance which again opens up domain for discussion which is electronic privacy and data protection.

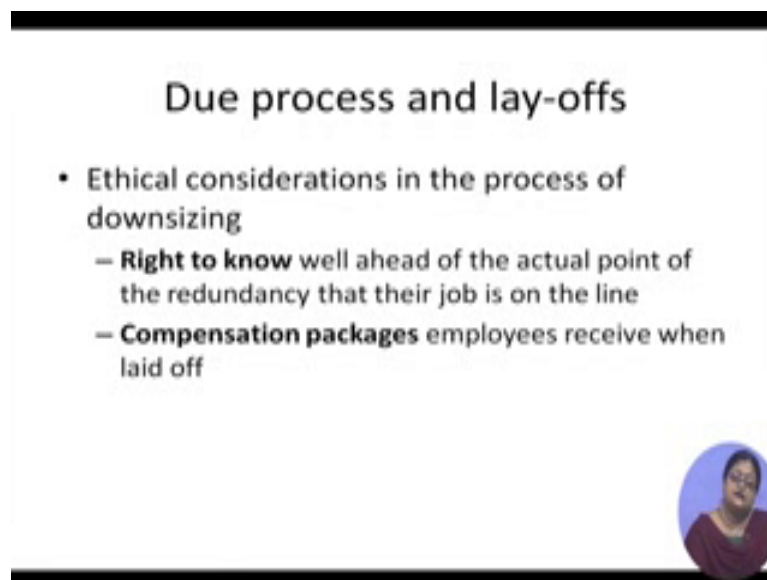
So, they are more advent of technology in place and internet connections and all. So, people are establishing relationships with people inside and outside the organization based on may be E-mails and chats and other (Refer Time: 03:03) things. So, computer may work as a surveillance mechanism also like what was the time you are there in the organization and what was the pace of the work, how longer you using the net I have you use the internet and E-mail during organizational time and all. So, this is also to certain extent to work; the debate is about like do employees have any electronic privacy not like what is the issue of privacy in situations which you called data privacy also, because data is now getting hang so much so do how to protect data so that it is not like misused or get like exposure publicly this sort of data that we do not want to get it expose to.

So, these data protection and ethical issues of which with respect to the organization, and to know how to protect the data what are the mechanisms available to it. So, that we have a feeling of safety in the sense like it is not private part of the side that we this is the information which is very private or own self. And which is more linked with may be now there is every transactions like financial transactions everything are done more electronically. So, what is the safety in the; how these transactions are getting done and

what is the degree of the data protection given. Otherwise this very crucial information if it gets public then it may have a major impact on the life of the people.

So, these type of things are very very important when you are talking of data gets saved and processed electronically; how strong is the process of data protection it is a very important part of like concerned for the organization.

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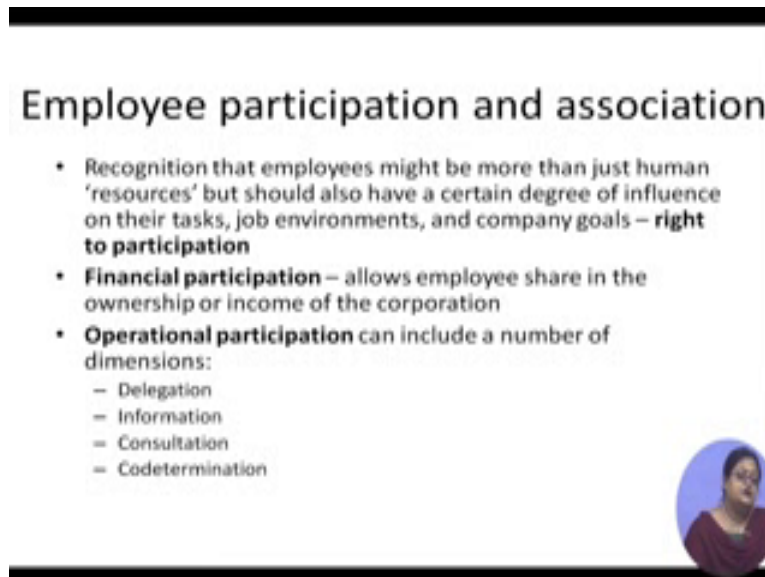


When we are talking of due processes and layoffs, so here we are focusing on may be the employees right to work; and while focusing on employees right to work if we take like the yes lay off is a decision which becomes unavailable due to certain circumstances then ethical considerations in these layoffs that whether in the process of downsizing is that; whether the right to know of the employees have been expected or not, whether they are informed well ahead of the actual point of time the redundancy of their job is about to come.

And second is what is the compensation packages received by the employees when it is they are laid off. So, if these two conditions are taking care of, or not taking care of we will determine whether the layoff was ethical or not done in an ethical way. Means if the due process with respect to respecting the right to know of the employees and company giving them a proper compensation package based on the calculation of the harm done to

them with comparison with the organizations if I taken to increase the employability of helping to find some job elsewhere. All these when compared we will try to determine whether the layoff was ethical or not ethical.

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Employee participation and association

- Recognition that employees might be more than just human 'resources' but should also have a certain degree of influence on their tasks, job environments, and company goals – **right to participation**
- **Financial participation** – allows employee share in the ownership or income of the corporation
- **Operational participation** can include a number of dimensions:
 - Delegation
 - Information
 - Consultation
 - Codetermination

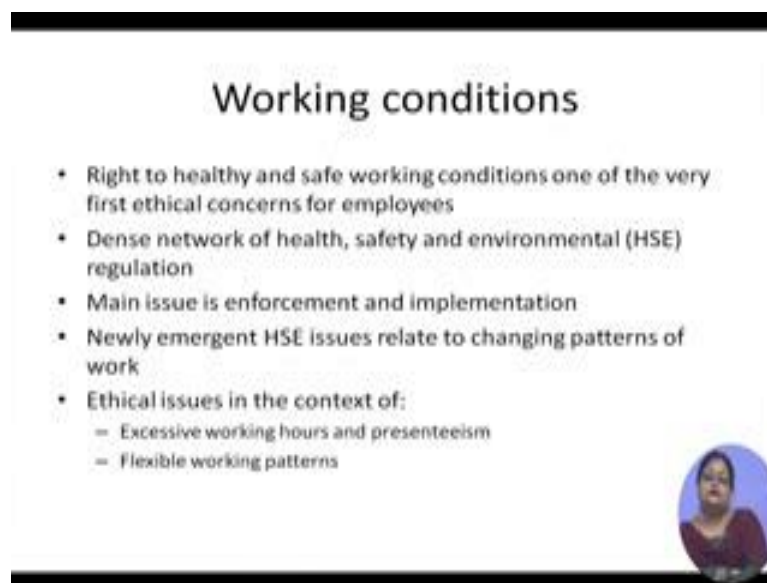
When we were talking of the right to form association; so here is the recognition that employees are not just resources, but they should have a certain degree of influence in how they do their work, because they are rational human beings who have a thinking power. And because they have the thinking power they can always had value to the process by understanding how it can be done; may be in a better way also. So, they had came they also have certain degree of influence on the job environment and company goals and on the task that is been given to them. These talks of the right to the respecting this right of the employees to contribute to the task environment and the company goals is called the right to participation.

So, that right to participation can be in the form of financial participation, can be in the form of operational participation. So, financial participation is in the way when the organization allows employees to share the ownership or income of the corporation, and when you are talking of the operational participation. So, it takes various dimensions like delegation of responsibility from the top person to the bottom, and then sharing of information with all the employees of the organization, with here again a crucial decision

is what kind of information should be shared to what are leveling which manner. So, these could be a question of debate.

So, consultation with the employees of the organization regarding how to reach a particular organizational goal to codetermination where the management and the employees together try to determine what should be the goals of the organizations, which they mutually accept and define their contribution in the reaching the goal of the organization.

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Working conditions

- Right to healthy and safe working conditions one of the very first ethical concerns for employees
- Dense network of health, safety and environmental (HSE) regulation
- Main issue is enforcement and implementation
- Newly emergent HSE issues relate to changing patterns of work
- Ethical issues in the context of:
 - Excessive working hours and presenteeism
 - Flexible working patterns

So, these codeterminations also like when we are focusing from like sharing of information to consultation to codetermination. So, all these stages can be discussed in light with the role of trade unions in the organization and may be changing roles of trade unions also, where there is a shift in the roles from trade unions being in conflicting relationship with the organization to get the benefits for the employees to cooperative position in the organization, where the consultation and codetermination is there where the management and the representative body of the employees is the trade union jointly decide how the organization is going to flourish. And they like mutual partners try to fix up the goals for each and the responsibilities of each in making the organization processes success which it is ruled in a successful way. Then when it is done each gets his its own share of like benefits from the success of the organization. So, trade unions

changing role can also be discuss with respect to the operational participation with respect to the organizations.

Next important thing that we discuss with the ethical issues in the employee firm relation is the working conditions. So, like right to a healthy and safe working condition is one of the very primary first ethical concerns for employees. So, there was a dense like network of now regulations which like may be first employers to give a good working condition to its employees. But however, the main concern here is there could be a set of relations, main concern is there of the enforcement of that x and the implementation through the various practices within the organization so that the good working condition is provided to the employees.

So, ethical issues could be like excessive working hours; and so excessive working hours which may lead to certain which may affect the physical and mental and social health of the employee and balancing it. And also may be the present is where the employees inspired of like being and well continues with being present in the organization, so that actually electronic (Refer Time: 14:16) is the not only the productivity of the organization, but it also has a major effect on the health of the employees also.

So, present is a major concern and flexible working hours also may what would be the nature of working hours; whether it is well defined or not, what are the conditions related to it, what are the organizational measure taken to provide with that flexible working hours, does it affect the performance of the individual and then compensation that the individual are getting. So, all these type of question have to be answered to understand the ethical concern issues related to this excessive working hour's presenteeism is and the flexible working pattern.

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Excessive working hours and presenteeism

Excessive work hours

- Thought to impact the employee's overall state of physical and mental health

'Presenteeism'

- phenomenon of being at work when you should be at home due to illness or even just for rest and recreation (Cooper 1996)




So, when you talk just to re look into excessive work hours though to impact the employees overall state of physical and mental health. Presenteeism is a phenomenon of being at work when you should be at home due to illness or even just for rest and recreation means it dragging yourself to the work, because you do not want to get what absent or lose certain benefits which deals with you been present there for how many deals in the organization and what work you are doing.

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Flexible working patterns


- Another way of saying that management can do what it wants? (Legge, 1998)
- 'Non-standard' work relationships
 - Part-time work, temporary work, self-employment and teleworking (Stanworth 2000)
 - Less secure legal status for periphery workers
 - Potential for:
 - Poorer working conditions
 - Increased insecurity
 - Lower pay
 - Exclusion from training and other employment benefits



Flexible working patterns: so this may have something in reality like nonstandard work relationships, because it is a flexible in nature so there is nothing about permanent full time job sort of. So, it is a self employment part time or temporary work. And that is a sort of like less secure legal status and it could be a potential for increased insecurity lower pay and exclusion from training and other benefits and poorer working conditions. So, what is actually you are gaining the employee is gaining and by flexible work conditions and what actually the employers it is not what they are professing, but what actually they are doing to practices by the flexible working conditions.

And what benefits they are trying to avoid to give to the employees by taking a guides under flexible working conditions are to be evaluated properly before we come to the conclusion whether it is ethical or unethical in nature.

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Fair wages

- The basis for determining fair wages is commonly the **expectations** placed on the employee and their **performance** towards goals
 - Note discussion about excessive compensation for executives after the stock market collapse of 2008
- Problems of **performance-related pay (PRP)**
 - Risk
 - salaries and benefits become less secure
 - Representation
 - individualized bargaining

Another important aspect of ethical relationships foremen employee relationship is that of fair wages. So, the basis for determining fair wages is commonly expectations placed in the employee and that their performance towards that goal. So, we have to understand this when you talking of expectations placed on the employee for determining the ethical dilemmas with related to it, how are these expectations formed, what like role definition has been done, how it is connected with the overall performance of the organization. So, whether it is well defined role or not?

So, the whether the expectation that would be formed or clearly linked with the job, positions, and the expectations are realistic in nature or not. So, these are needs to be taken care of. And also what is done we will translate the expectation into the performance, and how this performance will related to the overall goal of the organization, how it is related to your compensation payment. These have to be worked out properly. So, the problem that may arise for performance related pay.

So one of the risk; like the salaries and benefits may become less secure because if it is a performance related pay, if you are not according to the decision of the organization, if you are not performing well then your salaries and benefits may became less secure and representation. So, if somebody can is in the process of able to bargain well then that person may be able to extract more benefit from the organization.

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Freedom of conscience and freedom of speech in the workplace

- Normally guaranteed by governments
- Situations in business where freedom of speech might face certain restrictions
- Speaking about 'confidential' matters related to the firm's R&D, marketing or accounting plans
 - Usually unproblematic, since most rational employees would find it in their own best interests to comply with company policy
 - Some cases where those restrictions could be regarded as a restriction of employee's rights
- Whistleblowing – can involve considerable risk

So, we have to understand like for the person is this individualized bargaining position or the feeling of threat, like the risk, like my basic salary is going to reduce if am not able to perform well. To take care of these issue what are the expectations, what if done we lead to proper performance, and what exactly is meant by performance like if these things levels are reached then only it will lead to reconsidering it, performance and not. So, these matrices have to be clearly defined, otherwise if it is lazy here then if this performance related pay may give rise to many ethical issues.

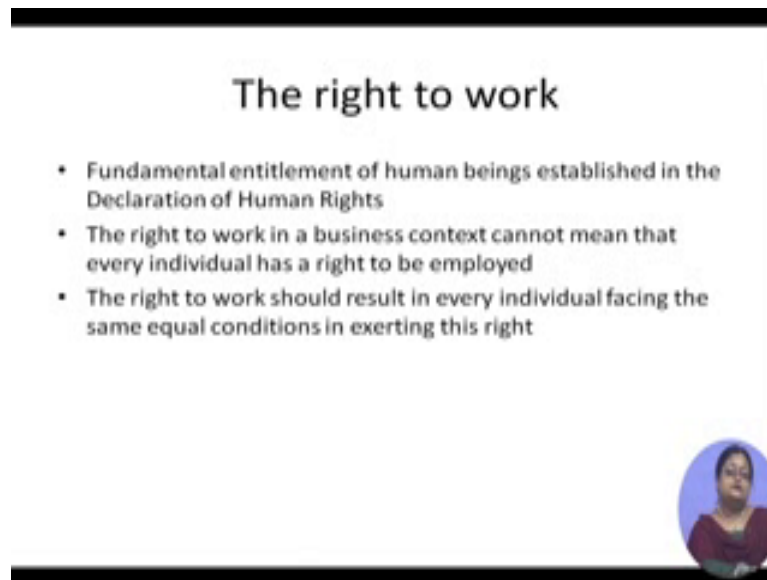
Next we will discuss the freedom of conscience and freedom of speech in the workplace. Like it is a rights of the employees to voice about one's own opinion, like the government gives this rights when you talking of in the voting rights balance boxes and all. So, these talks the right of the person to put; he is right of the employees to put he his own views regarding how certain things are functioning in the organization. And how whether like it is done in ethical way or not, and how it can be improved also the present processes can be improved also.

So, whether they are been given a chance to speak the remained their own values regarding the processes followed in the organization. And whether the organization encourages it or discourages this freedom of speech and freedom of conscience. So, like sometimes it may happen, like the related if people are speaking related to confidential matters with the firms may be account in plans or in the techniques and all. So, then people will find in the best interest of their own self to adhere to the company policies and practices.

In some cases it may be where the employees may feel like certain rights are not respected or certain things are not done properly in the organization. So, where they are trying to speak with freedom or to express their voice one such case is that of whistle blowing. And it includes sometimes considerable risk if the organization does not have a supporting mechanism to allow this whistle blowing to happen or does not protect the guides of the whistleblowers. And also if the whistle there could be ethical issues regarding the whistle blowing also; means to whom you are rising your voice first. So, are you trying to raise your concern first within the organization and then following the process as given in the grievance handling. Or voice immediately to the outside environment outside the organization without try to see whether it gets what inside or not.


So, that is the again the responsibilities of the whistle blower correspondingly. The duties of the organization to take care of the whistle bowler so that there are voice is heard and the things the issues that they have sighted are been taken care of, because ultimately that results in the improvement of the business processes and the outcomes; and how things are getting done in the organization.

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The right to work

- Fundamental entitlement of human beings established in the Declaration of Human Rights
- The right to work in a business context cannot mean that every individual has a right to be employed
- The right to work should result in every individual facing the same equal conditions in exerting this right



Another important right of course is the right to work; and it is like the every individual have the right to work under same equal conditions in exerting this rights. So, this is one of the right of like where the business house may be through their employment policies of the nature of the business that been done. May exclude certain portion of the potential employees present in that (Refer Time: 25:31) from getting job within your organization. So, even if they are qualified otherwise equally same in all other respect in competencies may be the job conditions that you are created within the organization; we restrict some people to get employment with you and that speaks of whether you are respecting the right to work of all the employees are known.

So, right to work should result in every individual facing the equal conditions in a exerting this right. So, it right to work in a business context cannot mean that every individual has the right to be employed for your conditions, but he is definitely if other conditions remaining same and they otherwise could have applied for you the organization. You creating some special conditions and if it happens this right in that needs to be taken care of. And it is also, so like whether you speak of whether you are discriminating based on certain qualities which are not required by the job.

So, we have three parts to it: like it is a right to work is a fundamental human right. The right to work in a business context cannot mean that every individual has a right to be employed for your particular organization, but for the may job that or the nature of the

work that your speaking of. So, in that case if; otherwise competent for the nature of job then by creating certain special conditions you may not restrict individuals from they are right to being employed with your organization if that condition is not directly related to the nature of the job.

So, this is called right to work should result in every individual facing the same equal conditions in exerting this right. So, you cannot create special conditions which discriminate people in exerting this right; and if this conditions are not directly related to your job conditions.

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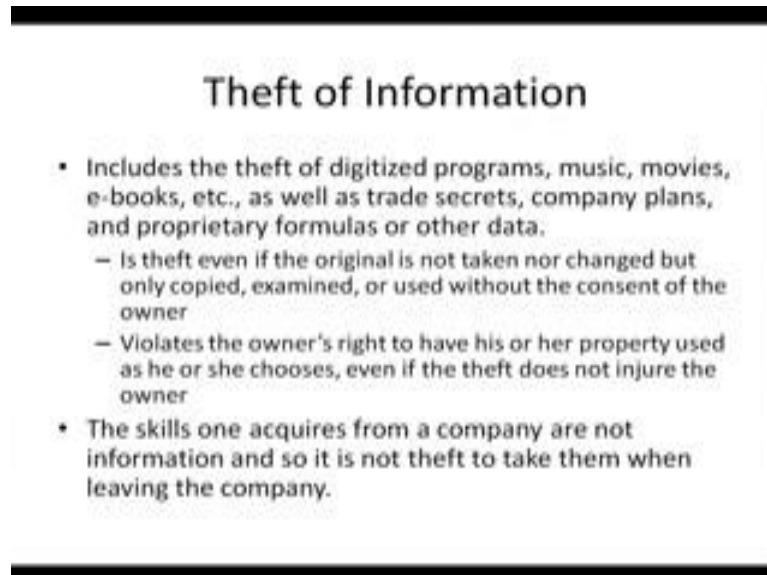


Till now we were discussing some of the rights of the employees towards organization, but correspondingly also there are certain duties of the employees towards the organization, and ethics of accepting gifts is one of those duties that we are taking off. So, it depends in some context it is ethic accepting gift is nothing unethical, but in some context, in some culture it is unethical.

So, though there is no clear guidelines about whether to accept the gift or not to accept the gift, or when accepting gift becomes ethical or unethical; we have certain things which listed like the value of the gift, the purpose of the gift, the circumstances in which the gift is given the job of the recipient of the gift whether it give certain benefit to the person giving gift or not. What are the accepted local practices, what are the company

policies on gifts and legal prohibitions on gifts? These will determine whether accepting a gift is ethical or not ethical in nature.

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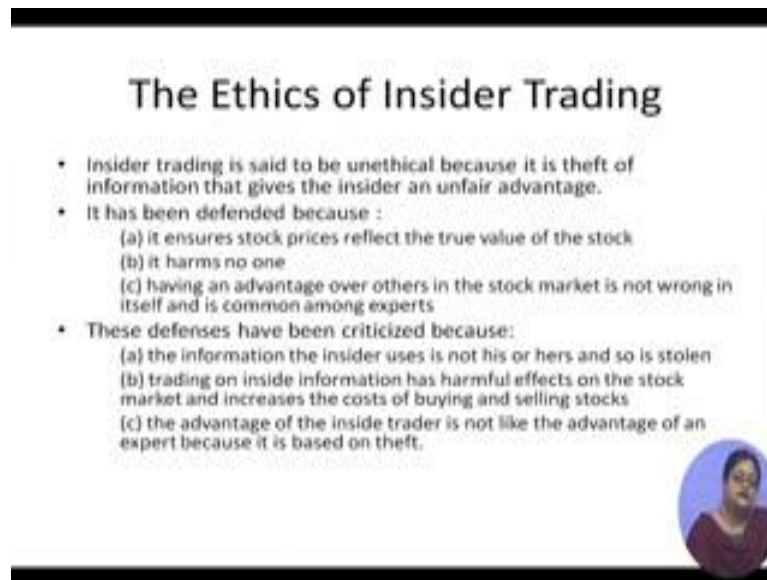
The slide is titled "Theft of Information" in a bold, black font. Below the title, there are three bullet points. The first bullet point states that it includes the theft of digitized programs, music, movies, e-books, etc., as well as trade secrets, company plans, and proprietary formulas or other data. The second bullet point is a sub-point indicating that it is theft even if the original is not taken nor changed but only copied, examined, or used without the consent of the owner. The third bullet point is another sub-point stating that it violates the owner's right to have his or her property used as he or she chooses, even if the theft does not injure the owner. The final bullet point states that the skills one acquires from a company are not information and so it is not theft to take them when leaving the company.

- Includes the theft of digitized programs, music, movies, e-books, etc., as well as trade secrets, company plans, and proprietary formulas or other data.
 - Is theft even if the original is not taken nor changed but only copied, examined, or used without the consent of the owner
 - Violates the owner's right to have his or her property used as he or she chooses, even if the theft does not injure the owner
- The skills one acquires from a company are not information and so it is not theft to take them when leaving the company.

We discuss about the electronic privacy and also the data security, data protection. So, theft of information is also like where it includes the theft of digitized programs, music's, movies, books, excreta, as well as trade secretes company plans and proprietary formulas or other data. So it is theft even if the original is not taken a change, but only copied examined or used without the consent of the owner or violates the owner's right to have his or her property used as he or she chooses; so even if the theft does not injure the owner.

So, the skill but what is not theft is over here like the wisdom that you gained from the organization, so these skills that you are gained as a part of your experience of being in the job. So, that is what you can take with you and there may be share with the others, but this also a very important area of discussion when you are talking of intellectual properties also. And you are (Refer Time: 31:28) its knowledge that you are developed from the writing a program or taking some decisions. So, where the taking that away and then applying it in a different situation; whether it is ethical or not ethical that is also a domain of discussion.

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The Ethics of Insider Trading

- Insider trading is said to be unethical because it is theft of information that gives the insider an unfair advantage.
- It has been defended because :
 - (a) it ensures stock prices reflect the true value of the stock
 - (b) it harms no one
 - (c) having an advantage over others in the stock market is not wrong in itself and is common among experts
- These defenses have been criticized because:
 - (a) the information the insider uses is not his or hers and so is stolen
 - (b) trading on inside information has harmful effects on the stock market and increases the costs of buying and selling stocks
 - (c) the advantage of the inside trader is not like the advantage of an expert because it is based on theft.

The ethics of insider trading is that: so insider trading is taken to be unethical because it is a theft of information that it gives the insider and unfair advantage of those over those who do not have an access to this information. So, it may have two things to views on like whether it is ethical or not ethical, because some people may argue like you can ensure stock prices reflect the true value of the stock. Because it harms no one or it was an advantage rather in the stock market is not wrong, and this is very common among expert could be a going to defended, but the counter argument it has been criticized because this information is not the information the insider but something he or she has access from the organization.

So, trading of this may have harmful effect on the stock market and increases the costs of buying and selling stocks. And the advantage of the inside trader is nothing similar to that of an expert, because it is based on the theft of knowledge that you are gain from inside of the organization. But this insider trading whether it is ethical or not varies from the perspective taken and it is matter of much debate whether it is ethical or not based on again the consequences that it has led too. So, it is not very well defined whether this practices ethical or not ethical in nature.

Next we will discuss the ethical challenges of globalization, in the next module.

Thank you.