Chapter 11
Ethics and Human Resource Management

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Abstract Human Resource practitioners face decisions involving ethics on a regular basis. The author provides examples from personal experience of three kinds of challenges: discerning what is right, fulfilling agency responsibilities, and avoiding conflicts of interest. She suggests ongoing reading, reflection, and education to build one's capacity for real-time decision-making. To assist in discerning what is right, she suggests considering others' perspectives, identifying unintended consequences, and engaging in continuing education. While the author identifies ways to navigate many ethical challenges within the role of HR professional, she recognizes that some may require a willingness to leave a job.

Keywords Values • Professional ethics • Human resources • Conflict of interest • Agency responsibility

When I was in college, my work-study job was in the University Libraries. I began on the Reserves Desk; then, one spring semester, a friend asked me whether I wanted to work in "Administration" over the summer, handling student hiring and payroll and assisting with the full-time workers' personnel matters. I agreed, not knowing that this job would constitute the beginning of a career path in Labor Relations and Human Resource Management.

My university library's staff was unionized. At first, all this meant to me was a code on the papers I was typing or filing. As the summer progressed, though, it became apparent that the union was considering going on strike for higher pay. The negotiator for the university would come into our office requesting information on

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salary and benefits. I helped gather the information and heard some of the discussions, but was still only peripherally involved. When I went home at night, my housemate's boyfriend, who was a union worker at the library, often told me the union's side. Eventually, negotiations broke down and the unions went on strike. I came from a family that had always supported unions, so when I approached the library, I faced a difficult personal decision: Should I cross the picket line?

I was torn. I did not want to cross, but I also didn't want to miss work. I didn't know what to do. Though I liked the workers and thought they should receive a decent wage, I didn't know what the right thing was for me to do. It seemed to me that an economic strike should rise and fall on the workers' ability to command the wages they wanted in the existing labor market. I also reasoned that crossing the picket line would enable me to help the Administration staff put together further negotiating packages in order to resolve the strike. I felt a responsibility to report to work on time, because my employment contract was with the library, which had treated me very well. I was also very worried about how I would pay the summer rent or afford the fall tuition if I had no income. This college experience captures the three issues I faced over and over again in my career: Discerning what was right. Fulfilling agency responsibilities. Avoiding conflicts of interest. All three play crucial roles in the life of any professional, but especially in the careers of managers and leaders in human resources.

There are many cases in which there is almost no discernment involved in determining what is right because the wrong action never crosses my mind. While I might be annoyed by a difficult supervisor or tempted by a loosely-monitored coffee kitty, I don't spend half a second believing murder or theft would be right. More complex situations or ones where I have little information, however, present much greater challenges for discernment. An HR manager's job often requires quick decisions, not allowing time for information gathering or reflection. When the payroll supervisor comes in half an hour before payroll cutoff, asking whether we should release the checks even though a significant percentage of workers were paid incorrectly or hold the payroll until all the errors are corrected, the HR manager has little time to evaluate the effects on employees of having their checks delayed, the effects on employees of being overpaid and having to pay back the money, the effects on the payroll staff of having to work overtime to fix the problem immediately, the effects on the organization of having to recover the money, potential for negative publicity to affect the organization's mission, etc. In order to ensure that my decisions were ethically sound, I had to build my capacity to recognize and evaluate ethical issues quickly. This requires ongoing reading, reflection, and education.

11.1 Recognizing Ethical Issues

One of the best ways to become more able to recognize ethical issues is to spend time reading and reflecting. Organizations can become insular, so reading or listening to people from outside the organization is important, especially people with a

variety of views. Joining the Society for Human Resource Management (SHRM) and the state's association of HR managers; reading journals, books, newspapers, and magazines; volunteering at a shelter for men who were homeless – these were just a few of the ways I made sure that I wasn't confined by listening only to my staff. I also encouraged my staff to identify all of the implications of decisions, sometimes assigning them to make the best possible argument they could against something we were planning to do.

Part of a regular practice of reflection requires considering others' perspectives, which is much easier to do if one actually listens to others' perspectives. For example, in the early 1980s when I was a Personnel Director, I established a policy requiring all employees who were not reporting to work to call and speak directly to their supervisor within half hour of the start of the work day. I was a 20-something single woman with no children and a good salary; I tended to discount excuses offered by our minimum wage employees who were charged with excessive absenteeism. One day, responding to a disciplinary action for failing to talk to a supervisor when she called in sick, an employee said to me, "You have to understand, I was sick. I don't have a phone or a car. I couldn't take my kids to day care. So I dressed them, dressed myself, and walked to the convenience store down the road. I called, and the person who answered the phone said my supervisor had gone to the snack bar and would be back in 20 min. I had a fever. One of my kids was coming down with it. I couldn't stand around in the store to call back in 20 min. I had to go home before I collapsed." I realized that I was making policy from my own perspective. In the days of landline-only, corded phones, I could roll over in bed in the morning and pick up my bedside phone to call in, and if the supervisor wasn't there, easily call back later. From this experience, though, I learned I needed to work harder to consider the perspectives of others. One can take time each day or week to read or listen to others' perspectives on a wide variety of issues, enabling quick decision-making under pressure. This may mean seeking out night-shift employees, outside salespeople, telecommuters, or others who are on the margins and finding ways to listen to them.

Similarly, considering the unintended consequences of an action is important to ensuring ethical decisions. HR managers sometimes have tunnel vision, focusing in on the expected outcome, not the unanticipated consequences. When I was relatively new to the job of an HR manager, there was high unemployment and we were swamped with applications for every single position. My tunnel vision was focused on finding the best applicants efficiently, and I developed the solution of making it difficult to apply for a job, reasoning that this would help us screen out people who were not hard workers. You may be able to think of the unintended consequence to this decision; I certainly discovered it over time. We were quite successful in screening out lazy people, but we were equally successful in screening out people who were so good that they had lots of options. People who would have been great employees didn't bother to apply, because the application process was difficult and onerous.

Reading and reflection are important to ethical decision making, but it's impossible to do an adequate job of decision-making without education. Critical thinking

was perhaps the most important overall benefit of my education, but mathematical literacy and economic literacy came in a close second and third. The ability to look at a set of numbers and draw conclusions quickly was only possible because I worked hard at the basics of math and economics courses and kept my skills active. Computers and calculators can make some tasks faster, but interpretation of data still requires the ability to understand concepts like mean, mode, median, standard deviation, compound interest, and marginal cost. An understanding of history helps in perspective-taking and consideration of unintended consequences – knowing about bad outcomes in the past helps us avoid them in the future. For example, awareness of the civil rights movement made me look closely at the brochures our employee assistance program (EAP) provider was producing in the 1980s, to see that all of the pictures of managers were white men, all the pictures of employees were white women, and there were no minorities at all. I was able to put myself in the position of minority employees and applicants, to see the subtle message that they did not belong and consider the negative effect that might have on recruitment. I told the EAP staff they needed to produce booklets with broader representation of workers if they wanted to keep our business. They complied. I think my raising the question may have had an effect on the brochures they produced for other employers as well.

My liberal-arts education was invaluable in preparing me for the breadth of problems that faced me in Human Resource Management. My business education helped me with the specific details of problems faced by HR managers. While I didn't remember every detail of my courses and textbooks, they contributed to better decision making, because I was aware of what I did not know. They gave me the sense the check to see whether there was legislation that might apply to a policy under consideration and the ability to find the relevant resources. Courses in human resource management, organizational behavior, compensation management, labor relations, and other fields prepared me to make decisions that took into account the wisdom of all of these fields.

11.2 Balancing Roles

Beyond the knowledge and reflection needed to discern what is right in complex situations, implementing decisions in organizations often requires balancing ethical duties and roles. HR Managers have ethical duties as members of their profession and agency duties as employees of organizations. In many situations, the HR Manager's role is advisory, not a line decision-maker. However, disagreements over ethics are fundamentally different from disagreements over strategy. Strategic choices are bets on the future, based on an assessment of the present. Ethical choices are decisions to choose good over evil. The HR Manager's choice, when faced with a disagreement over ethics, is not simply to say, "I had my say, but was overruled," as might happen in a disagreement over strategy. If the organization chooses to do

what the HR manager believes is evil and cannot be convinced otherwise, the HR manager's choices are limited.

One manager whose integrity has always impressed me was responsible for field personnel who occasionally transported clients as part of their job duties. This was the 1980s, when we understood very little about AIDS, but were very afraid of it. The manager approached me to help write a requirement that any organization asking us to transport clients with knowledge that the clients had AIDS notify us so we could notify our employees and arrange for them to take precautions. I disagreed, and for at least an hour, he listened intently to my counter-proposal – that our employees should take universal precautions – asking questions and arguing with me. At the end, though, he said, "You've convinced me. Write a policy and develop the training to go along with it." To me, this was an ethical issue, because I did not want to contribute to the stigmatizing and ostracizing of people with AIDS. I did not want all of our employees to receive the subtle message that people with AIDS should be singled out and avoided. I did not want to lull them into the false sense of security – that if they had not been told someone had AIDS, there was no reason to take precautions. And I did not want to put the other organizations in the position of violating their clients' privacy (this was before HIPPA). Fortunately, the manager was persuaded by my argument and did what I recommended.

My college experience, however, was less satisfying. I chose to cross the picket line of the library workers and report to my job. I continued to do all of the duties I had performed as a student worker. I felt comfortable with this decision, since I was not crossing the picket line to replace my friends in the union, just to do my own job. As the strike wore on, I was asked to perform additional duties now and then – driving the truck to deliver books from one library to another, for example – that I had done in the past when the regularly-assigned union worker was out sick or on vacation. This made me exceedingly uncomfortable, so much so that when I went for my annual physical at student health, the doctor asked what was causing me to be so stressed. I told her about the effect of crossing the picket line on foot every morning and then having to drive back across it in the library truck a few times a day, listening to the workers call me names or beg me to stop. A few days later, the Director of Libraries called me in to ask how I was dealing with the strike. I told him it made me very uncomfortable to be doing the work of the striking workers, even if it was only a part of my overall duties. He told me they wouldn't ask me to do it anymore. I'm convinced that the Student Health Services doctor took it upon herself to call the Director of Libraries – this was long before HIPPA and in the days when the University considered itself *in loco parentis*. I never dared ask. The experience gave me sympathy with workers who don't know how to speak up when they think they're sliding down a slippery slope towards behavior that violates their ethical standards. It also made me realize that it is important for managers to ask employees directly, rather than assuming that silence means agreement.

In another case, I was a board member for a volunteer organization that provided shelter to people who were homeless. This organization was housed in a church, which had recently embraced a policy of providing sanctuary to workers who had overstayed their visas because their home countries were not safe. I respected the

long tradition of the Church in providing sanctuary, and had no problem sharing the space with the workers. Not long afterwards, the board asked my assistance as it sought to hire its first paid employee. I was happy to help, working on recruitment, interviewing, selection, and an employment paperwork package, including all the required forms. I can't remember the specifics, but somehow, someone decided to remove the I-9 form, which verifies eligibility to work, from the required paperwork. I was told it was done to be consistent with the church's sanctuary policy. Sadly, I wrote a letter of resignation from the board, explaining that as an HR professional, I could not participate in violating an employment law that I viewed as legitimate. Upon receipt of my letter, the board met and reconsidered its decision, reversed itself, and invited me back.

11.3 Being an Ethical Manager

These three examples are of cases where I believed the organization was asking me to engage in or be a part of activities I believed were wrong. Not just white-shoes-after-Labor-Day wrong, but violations of my moral values. There are instances when a person in my position might have to become a whistleblower, going to the authorities to challenge harmful behavior that an employer refused to correct. I never had to do that in my career, but I realized early on that being able to quit a job is an important component to being able to maintain one's ethical standards. I encourage all of my students to stay out of debt and to live on significantly less than they make, in order to create a financial cushion allowing them more freedom to quit when pressured to violate their own standards.

Personal conflicts of interest still arose in my career – both perceived and actual. The biggest challenge for a person in Human Resources is that one can never really have friends in the organization. I was often in the role of investigating complaints of discrimination or proposals for disciplinary actions. To be *perceived* as biased would make my job impossible, because people would not trust me enough to tell me anything or to rely on my recommendations. To *be* biased would be a violation of the ethics of our profession. In fact, I often explained to new members of the office that they would have to create a kind of barrier in their brains, between the knowledge they gained in the course of their work and the knowledge they gained in their everyday interactions. A retirement form adding a spouse or health insurance claim for an ultrasound might signal good news in the life of one of our employees, but greeting them in the hall with "Congratulations on your marriage/baby!" was a violation of our duty to maintain confidentiality.

Perception of bias is especially difficult for HR managers who are promoted or transferred from within the organization, because they already have friends. When I supervised the Employment unit, I used to go to lunch with the supervisors of Benefits and Classification most days. I was promoted to manager and continued to lunch with them until I heard grumblings that I supported them in employee dis-

putes because they were my friends. I got a gym membership and left the lunch group.

Actual bias is sometimes hard to recognize in ourselves, precisely because we are biased. Believing one's friends and peers is a natural tendency. We learn about halo effects and other biases in our HR classes because we have to guard against them, devising systems to avoid letting our natural tendencies interfere with our obligations to treat all employees fairly and without bias. We also have a natural tendency to look out for ourselves. HR Managers develop compensation systems, they select insurance providers, they write attendance policies, and they propose all kinds of employee benefits. Since they are employees, they also have interests in the effects of these programs on themselves. Recognizing the potential for conflict is a necessary part of ethical human resource decision-making. If I don't recognize that I am predisposed to prefer a particular benefit or policy because it fits my life situation better, I can't perform my professional obligation to choose the best one for the organization. It may be that what is good for me is also good for the organization, but I have to be prepared to recommend the benefit that is better overall.

11.4 Concluding Thoughts

Jobs in Labor Relations and Human Resources Management are incredibly varied and interesting. They provide great opportunities to help employees and organizations. As any manager in the field will attest, no two workdays are alike, and it is a rare day one doesn't have to change plans midstream to address an unanticipated issue. Many of these are ethical issues or point to potential future ethical issues. Three challenges: discerning what is right, balancing professional and agency roles, and avoiding conflicts of interest face every Human Resource manager who seeks to be both effective and ethical. In each case, education, reflection, a good-faith effort, and a willingness to sacrifice for one's principles make it possible to navigate through the challenges.