Ethical Dimension of Human Resource Management: An Analytical Study of Jorhat Electrical Circle, Assam (India)

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Abstract

Ethics is concerned with the rightness or wrongness of human action. It deals with human behaviour in every aspects of human being. Human resource management can play an important role in recruitment and selection, training and development, performance appraisal, compensation and disciplinary procedures for building up an ethical environment among the employees in an organisation.

In the context of Ethical Human Resource Management towards the growth and development of an organisation, the present study is based on the analysis of only seven factors: attitude and opinions of employees, recruitment and selection, training and development, performance appraisal and compensation, disciplinary procedures, ethical dilemma, and ethical choices selected from the three specific dimensions in a form of an analytical study in the Jorhat Electrical Circle. The three specific dimensions are ethical behaviour, human resource promotional functions, and emerging issues and challenges.

The objectives of the study are (i) to enquire about the attitudes and opinions of the employees influencing in their ethical behaviour at work place; (ii) to investigate about the human resource promotional functions to promote ethical behaviour among the employees; and finally; (iii) to discuss some of the emerging issues and challenges to overcome ethical dilemma.

Keywords: Attitude and Beliefs, Promotional Functions, Ethical Dilemma, Ethical Choices.

Introduction

Ethics is concerned with the rightness or wrongness of human action. It deals with human behaviour in every aspects of human being. Business ethics is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment. Business ethics can be examined from perspective of the employees, the organisation, and the society as a whole. Human resource management plays an important role in building an ethical environment in an organisation. The specific role of human resource management is to deal with those ethical issues that define the employer-employee relationship, namely, the rights and duties of employers and employees. It is observed that the human resource managers, normally, determine the code of ethics for executing the business goals in an organisation. But unfortunately, many human resource managers face a dilemma in determining what constitutes ethical action. It is very difficult to distinguish right ethics from the wrong ethics in an organisation. In this context, this study has been undertaken to examine some of the factors affecting ethical dimension of human resource management in Jorhat Electrical Circle engaged in performing the electrical distribution utility services.

Review of Literatures

1. Ethics represent values cherished by the members of an organisation. The law alone cannot determine what is ethical or unethical since a legal act need not be an ethical act. The employees' perception of ethical behaviour is influenced by a variety of factors. These are individual factors, organisational factors, organisational culture, supervisor's behaviour and code of ethics.[1]

2. John and Parker's write "Most of what we read under the name of business ethics is either sentimental common sense, or a set of excuses for being unpleasant."[2]

3. Ethical dilemma of human resource management is the conflict between individuals, occupation, enterprise belief, expectation, values,

needs and multi-aspect demands for human resource management brought about by impacts of environment or management process, responsibilities, roles, services and activities; it is multi-faced, involving three factors of individual, occupation and enterprise; from the point of view of process of human resource management, it is found primarily in recruitment and selection, employees and career development, labour relations, compensation and benefits, safety and health, development of organisation and planning of human resources, etc[3]

4. The four serious dilemmas in human resource management of Chinese enterprises are Discrimination in recruitment; Relationship management; Serious unfairness in recruitment, training and promotion; and Centralization of power.[4]

5. The concept of human resource management has changed to ethical human resource management in this globalised business world. The cognition of people has range from economic man', complex man', 'self-realization man' to a series of new concepts in human resource management. The concept has been penetrating to the managerial field accompanied by the managerial moralizing (Gary, 2002). Among many resources constitute an organisation, human resource has showed its importance in the development of an enterprise (Ceawley and Sinclair, 1994).[5]

Objectives of the Study

The objectives undertaken to study are:

1. To enquire about the attitudes and opinions of the employees influencing in their ethical behaviour at work place,
2. To investigate about the human resource promotional functions to promote ethical behaviour among the employees, and finally;
3. To analyse some of the emerging issues and challenges to overcome ethical dilemma.

Methodology of the Study

The following methodologies are adopted to study the different factors of ethical dimension of human resource management in the Jorhat Electrical Circle.

Universe of the Study

The universe includes the members of three categories of employees- Top manager, Supervisors and Operative employees serving in the Jorhat Electrical Circle under the Upper Assam Zone. Top manager include Deputy General Manager, Deputy Personal Manager, Senior Manager (Civil) and Senior Manager (Electrical) who are responsible for determining the objectives or goals of the company, framing policies, setting up of organisational frame work, exercising effective control and providing overall leadership. Supervisors include all the middle level managerial staff like Sub-Divisional Engineers, Assistant Executive Engineers and those who are holding the positions of supervisory level. They are basically responsible for selecting right man at the right job, assigning the duties and responsibilities for execution, issuing notices and circulars, motivating, co-ordinating and reporting. Operative employees

include all the lower level managerial staff and workers who are responsible for actual operation of varying tasks. The total number of Top Managers, Supervisors, and Operative Employees are twenty four (24), sixty one (61) and five hundred fifty eight (558) respectively. All together, the total number of employees is six hundred forty three (643). [Annexure-I]

Selection of Respondent

The respondents have been selected proportionately from all the categories of employees on the basis of stratified purposive sampling at twenty percent (20%) randomly. So, in the final shape, the present study is based on the actual observational units five (5) Top Managers, twelve (12) Supervisors, and one hundred twelve (112) Operative Employees making a total of one hundred twenty nine (129) observational units. [Annexure-I]

Method of Collection of Data

The study has been completed with the help of both primary and secondary data/information. The primary data have been collected with the help of a questionnaire based on five points Likert's Scale and personnel discussion. The basic theme of the questionnaire is adapted from a study on ethical dimension for decision making conducted by J. L. Gupta (1999).[6] For secondary data, the study has largely relied on organisational charts, circulars, brouchers, registers and report returns maintained by the Jorhat Electrical Circle.

Key Variables

In terms of the objectives as outlined in the preceding paragraph, the different dependent variables on which the present study focuses are ethical behaviour, human resource promotional functions, and emerging issues and challenges. These dependent variables have been analysed in relation to certain independent variables. The selected independent variables are attitudes and opinions of employees, recruitment and selection, training and development, performance appraisal, compensation, disciplinary procedures, ethical dilemma, and ethical choices. [Annexure-II]

Analysis and Interpretation

The analysis and interpretation have been carried out on selected twenty four (24) attributes under three (3) specific dimensions of ethical human resource management by comparing with previous ethical literatures. The three specific dimensions are ethical behaviour, human resource promotional functions and emerging issues and challenges to overcome the ethical dilemma.

Ethical Behaviour

The ethical behaviour can be viewed from two different angles. These are the ethical behaviour at micro and macro level. The ethical behaviour at work places is the micro ethics relates to personal standards of individual's behaviour. It includes one's attitudes and values towards work, people and the society as a whole. Human being learn what is "right" and "wrong" early in life, and these notions mature as they gather new evidence and experience. Thus each individual has a set of norms, beliefs and values that subjectively determines the people moral standards. These standards serve as means and norms of

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judging whether an act that affects others is 'right' or 'wrong'. Beside, the ethical behaviour at work place is also influenced by macro ethics. Macro ethics consists of larger and impersonal concern. Society formulates norms of acceptable behaviour, significant deviations leading to unethical behaviour. The standards of ethical behaviour may change with differences in societal customs and values. Therefore, the previous studies on ethical behaviour at work had also realised that both the individual's subjective judgements and the norms of the society as a whole are relevant ethical dimension of human resource management.

The employee's perception of ethical behaviour is influenced by a variety of factors which help in shaping the ethical behaviour of the employees in an organisation. The main factors influencing ethical behaviour at work are organisational culture, individual factors, organisational factors, supervisor's behaviour, and code of ethics. The role of ethics is the key for the organisation to resolve the conflict arsing among the employees. The human resource managers normally determine the ethical standard of the organisation. The function of the human resource manager is to preserve the ethical standard of an organisation by adapting an ethical process of recruitment and selection, training and development, performance evaluation and compensation, and maintaining disciplinary procedures. This can be justified by studying the attitude and opinions of the present employees in the organisation.

Therefore, in this stage, the study has been carried out to enquire about the attitudes and opinions of the employees influencing in their ethical behaviour at work place. The issues in this respect has been studied on eight (8) attributes codified as A_1 to A_8 indicating the respondents' attitudes and opinions. The attributes codified as A_1, A_2, A_3, A_4, A_5, A_6, A_7, and A_8 indicate sound ethics, quality of things, fairness, unethical activities, spiritual and moral consequences, the level of ethics of supervisor, the level of ethics of peers, and the level of ethics of sub-ordinates respectively. The responses received from the employees in this regards have been shown in table-1

Table-1 Attribute Wise Opinions on Ethical Behaviour [N=129]

Sl. No	Attributes	Responses Of Employees				
		Agree	Partly Agree	Undecided	Partly Disagree	Disagree
1	2	3	4	5	6	7
1	A_1	100 [77.52]	10 [07.75]	-	19 [14.73]	-
2	A_2	10 [07.75]	35 [27.13]	14 [10.85]	10 [07.75]	60 [46.51]
3	A_3	05 [03.88]	15 [11.63]	23 [17.83]	32 [24.80]	54 [41.86]
4	A_4	66 [51.16]	26 [20.16]	02 [01.55]	08 [06.20]	27 [20.93]
5	A_5	22 [17.05]	31 [24.03]	07 [05.43]	21 [16.28]	48 [37.21]
6	A_6	02 [01.55]	04 [03.10]	27 [20.93]	96 [74.42]	-
7	A_7	03 [02.33]	01 [00.78]	34 [26.36]	82 [63.57]	09 [06.98]
8	A_8	02 [01.55]	06 [04.65]	12 [09.30]	20 [15.50]	89 [68.99]

The figures within parentheses indicate the percentages of total respondents.
Source: Compiled from Questionnaire and Interview Schedule.

From the table-1, it has been seen that A_1 in respect to feeling about sound ethics is about 77.52 percent of the employees. The unethical attribute A_4 in respect to company managers expressed by the respondent is about 51.16 percent which is not so much encouraging for the ethical issues. The relative ethical behaviour of supervisors, peers and sub-ordinates shows healthy environment because all of them think that they are equally concerned about ethics in their organisation. About 74.42 percent respondent have partly disagreed the proposition put to them in attribute A_6. Same way, they have partly disagreed about attribute A_7 and disagreed totally the proposition made to them in attribute A_8. They also feel that everything is not fair in the organisation as maximum 41.86 percent employees have been disagreed the proposition made in attribute A_3. To sum up, it can be stated that the attitudes and opinions of the employees influencing in their ethical behaviour at work place is found encouraging.

Human Resource Promotional Functions on Ethical Behaviour

Once upon a time, human resource management was well known as Personnel Management concerned with Recruitment, Retainment and Retirement. Later on the functions of Personnel Management have been divided into two broad classes as Management functions and Operative functions. Management function comprises of planning, organising, directing and controlling the human resource, and operative function concerns with recruitment, training, compensation, and development etc. of employees. The personnel functions are concerned with the procurement, development, compensation, integration and maintenance of the personnel of an organisation towards the accomplishment of that organisation's major goal or policies. Human resource is a vital resource in an organisation because it utilizes the other non-human resources. Therefore, human resource management is required to face many ethical challenges emerging at its work place for ethical utilization of other resources in an organisation. An organisation can't be expected to have a ready-made or instantaneous solution to overcome the ethical challenges at its workplace. It should work in a systematic manner to initiate the necessary steps to create an ethical environment in general and indicate good values among the employees in particular. To study about the ethical environment in human resource management ten attributes have been selected. These are A_9 and A_{10} relating to the ethical issues towards recruitment and selection; A_{11} and A_{12} relating towards training and development; A_{13} and A_{14} relating towards performance appraisal of employees; A_{15} and A_{16} relating to the compensation of employees; and, A_{17} and A_{18} relating to the disciplinary procedures of the employees. The responses of the respondents are shown in table-2

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Table-2 Attribute wise Responses on HR Promotional Functions [N=129]

Sl. No.	Attributes	Responses Of Employees				
		Agree	Partly Agree	Undecided	Partly Disagree	Disagree
1	2	3	4	5	6	7
1	A_9	43 [33.33]	17 [13.18]	02 [01.55]	15 [11.63]	52 [40.31]
2	A_{10}	92 [71.32]	17 [13.18]	-	20 [15.50]	-
3	A_{11}	12 [09.30]	10 [07.75]	03 [02.33]	08 [06.20]	96 [74.42]
4	A_{12}	79 [61.24]	36 [27.91]	02 [01.55]	08 [06.20]	04 [03.10]
5	A_{13}	54 [41.86]	44 [34.11]		07 [05.43]	24 [18.60]
6	A_{14}	52 [40.31]	36 [27.91]	-	03 [02.33]	38 [29.46]
7	A_{15}	85 [65.89]	25 [19.38]	07 [05.43]	12 [09.30]	-
8	A_{16}	104 [80.62]	19 [14.73]	-	06 [04.65]	-
9	A_{17}	112 [86.82]	13 [10.08]	-	04 [03.10]	-
10	A_{18}	76 [58.91]	24 [18.60]	10 [07.75]	09 [06.98]	10 [07.75]

The figures within parentheses indicate the percentages of total respondents.
Source: Compiled from Questionnaire and Interview Schedule

The table-2 shows that about 40.31 percent of the employees has disagreed the attribute A9 stating that the organisation does not refer the ethical practices in the advertising material concerning recruitment. However, about 71.32 percent of the employees have agreed the statement made in attribute A_{10} stating about the fair treatment at the time of hiring the employees. A maximum of 74.42 percent (A_{11}) of the employees feel that there is no training programme about ethics in organisation for overcoming ethical dilemma. It is also observed that the organisation does not fix the standard of ethical behaviour as because about 61.24 percent of the employees has disagreed the proposition made in A_{12}. About 41.86 percent of the employees are found positive opinions on A_{13} about the performance appraisal system. It has also been found that most of the employees are happy with the behaviour of Human Resource managers as stated in attributes A_{15}, A_{16}, A_{17} and A_{18} about 65.89 percent, 80.62 percent, 86.82 percent and 58.91 percent respectively.

Emerging Issues and Challenges

As a result of liberalisation, privatisations, and globalisation, there has been tremendous diversity of business standards and practices in the entire business organisation. 'Organisations now have to learn how to adapt to diverse national cultures and socio economic conditions and new and diverse ways of communicating and of managing people.'[7] The business organisation now have to deal with many issues out of which ethical human resource management is one of them. The most important issues are the ethical dilemma and the ethical choice mainly for decision making process. Here, discussion has been made how to deal with these emerging issues and challenges.

Ethical Dilemma

According to the literature datum, Wooten finds that ethical dilemma in human resource management are characterised by misrepresentation and collusions, misuse of data, manipulation and coercion, value and good conflict, and technical ineptness.[8] In such situation of ethical dilemma managers may experience considerable tension in discriminating 'right' from 'wrong' or 'ethical' from 'unethical'. It is always essential to overcome the ethical dilemma. Here, researchers could find out that counselling with religious and spiritual persons is the right way to solve the problems of ethical issues. To study this attribute, employees were asked to put their choices of the persons including themselves; they would usually consult when confronted with an ethical dilemma against the selected attributes.

Ethical Choices

Literature on individual ethics recognises that characteristics of the individual alone are insufficient to explain moral and ethical behaviour. There is an increasing concern for the impact of social factors (e.g. kurtines, 1986) and the concepts of a 'moral atmosphere' and 'just community' have been introduced to consider the social context of ethical behaviour (Higgens, Power and Kohlberg, 1984).[9]

To understand employee's perception in these regards, the employees were asked to put their comments about six attributes relating to ethical dilemma and ethical choices to overcome the problems of ethical dilemma. The six attributes are codified as A_{19} to A_{24}. The attributes A_{19}, A_{20}, A_{21}, A_{22}, A_{23}, and A_{24} indicate counselling with religious and spiritual person, counselling with boss and colleagues, counselling with legal staff, counselling with spouse, choices about present society's ethical climate, and choices about present organisation's ethical climate respectively. The responses are shown in table-3

Table-3 Attribute Wise Responses about Ethical Dilemmas and Ethical Choices [N=129]

Sl. No.	Attributes	Responses Of Employees				
		Agree	Partly Agree	Undecided	Partly Disagree	Disagree
1	2	3	4	5	6	7
1	A_{19}	08 [06.20]	25 [19.38]	02 [01.55]	26 [20.16]	68 [52.71]
2	A_{20}	61 [47.29]	26 [20.16]	04 [03.10]	15 [11.63]	23 [17.83]
3	A_{21}	17 [13.18]	34 [26.36]	10 [07.75]	07 [05.43]	61 [47.29]
4	A_{22}	65 [50.39]	15 [11.63]	03 [02.33]	11 [08.53]	35 [27.13]
5	A_{23}	50 [38.76]	17 [13.18]	01 [00.78]	09 [06.98]	52 [40.31]
6	A_{24}	51 [39.53]	27 [20.93]	02 [01.55]	08 [06.20]	41 [31.78]

The figures with in parentheses indicate the percentages of total respondents.
Source: Compiled from Questionnaire and Interview Schedule.

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From the table-3 it can be noticed that about 06.20 percent (A_{19}), 47.29 percent (A_{20}), 13.18 percent (A_{21}), and 50.39 percent (A_{22}) of the employees prefer to consult with religious and spiritual person, boss and colleagues, legal staff, and spouse respectively. It means most of the employees of the organisation prefer to consult with the boss and their colleagues for overcoming the ethical problems. The perception towards the society's ethical climate is not found favourable because of the fact that about 40.31 percent of the employees have disagreed towards the attribute A_{23} of ethical choice. On the other hand, the perception towards the ethical climate of the organisation is found favourable because about 39.53 percent of the employees have agreed towards the attribute A_{24} of ethical choice.

Major Results (Findings)

1. Asking about the relative ethical behaviour of the members of the organisation is itself a delicate nature of the information sought. Moreover, the human behaviour at work is subjected to the overall organisational work culture and environments. The study could revealed that the attitudes and opinions of the employees about the ethical behaviour is found encouraging because that most of them are aware of the importance of the business ethics for the value satisfaction at a profit.
2. The recruitment and selection process can be used affectively to inform applicants about the ethical practices of a company. But it has not been found conducive as 40.31 percent of the employees have stated that the organisation does not refer the ethical practices of the organisation in advertising materials.
3. The training programme on ethics is not found available in the organisation which can focus on matters like code of ethics of an organisation or an ethical decision making model. It is proved from the attribute A_{11} that 09.30 percent of the employees have agreed and 74.42 percent have disagreed.
4. The performance appraisal system is found to be effective from ethical point of view because of the positive opinions of the employees towards it. Because, about 41.86 percent and 34.11 percent of the employees are found agreed and partly agreed against the attribute codified as A_{13}.
5. The responses about ethical dilemma indicate that, when faced with an ethical dilemma, employees considered it important to obtain the views of their boss and colleagues before applying to the problems their own principles or norms of making ethical choices. But, they did not emphasise much on the judgements of legal staff or religious and spiritual persons. They want to express their views and opinions that the society's ethical climate is acting as a much influential factor than the organisation's ethical climate.

Implications of the Study

Keeping in view the long term interest of electricity distribution utility services, it would seem necessary that efforts are made to institutionalise ethics into human resource promotional activities. It would create value-led management cultures for guiding the managerial practices. The ethical values and norms need to be incorporated in the human resource planning process and must form a part of organisational mission statement. As the findings revealed, the employees are guided by their own conscience which decides the morality of their action and urges them to do good and avoid evil. Therefore, efforts are needed to integrate ethics into the whole process of human resource management. The organisation may arrange the awareness programme about ethics in all the departments so that employees become loyal to the organisation.

Conclusions

The study was basically concerned with certain specific factors of ethical dimension in ethical human resource management under three specific objectives. The findings revealed that the most of the employees would like to practice sound ethical norms and principles in their organisation as they believed in the 'Sound ethics being the good business in the long run.' However, they were often constrained to make unethical compromises for a variety of reasons such as organisational system and procedures of human resource promotional functions and lack of effective guiding mechanism to overcome the ethical dilemma in the process of human resource promotional functions.

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Annexure-I: Universe and Sampling of the Study

Categories of employees	Total numbers of employees	Sample Size at 20 percent	Rounded off
Top Managers	024	004.80	005
Supervisors	061	012.20	012
Operative Employees	558	111.60	112
Total	**643**	**128.60**	**129**

Source: Compiled from the Establishment Return for Quarter Ending September 2014, Office of the DGM, JEC, APDCL (Upper Assam Zone)

Annexure-II: List of Selected Key Variables

Sl. No.	Ethical Dimension	Factors	Codes of Attributes	Attributes
1	2	3	4	5
1	Ethical Behaviour	Attitudes and Opinions of employees	A_1	Sound ethics
			A_2	Quality of things
			A_3	Fairness
			A_4	Unethical activities
			A_5	Spiritual and moral consequences
			A_6	Level of ethics of supervisor
			A_7	Level of ethics of peers
			A_8	Level of ethics of sub-ordinates
2	Human resource promotional functions	Recruitment and selection	A_9	Reference of ethical practices in advertising materials concerning recruitment
			A_{10}	Treatment of people at the time of hiring the employees
		Training and development	A_{11}	Availability of training programme about ethics
			A_{12}	Fixation of standard for ethical behaviour
		Performance appraisal and compensation	A_{13}	Ensure transparency for assessment of performance of the employees
			A_{14}	Feeling about adverse effect on performance appraisal system
			A_{15}	Recognisation and rewards for exhibiting high ethical values
		Disciplinary procedure	A_{16}	Trend of discouraging for absenteeism, disloyalty, drug and alcohol abuse
			A_{17}	Trend of fair treatment to all its erring members
			A_{18}	Exercising the employees right freely
3	Emerging issues and challenges	Ethical dilemma	A_{19}	Counselling with religious and spiritual person
			A_{20}	Counselling with boss and colleagues
			A_{21}	Counselling with legal staff
			A_{22}	Counselling with spouse
		Ethical choices	A_{23}	Choices about present society's ethical climate
			A_{24}	Choices about present organisation's ethical climate