

Human Resource Management and Transformative Ethics

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ABSTRACT

Human Resource Management (HRM) has long been recognized as an organizational staff function which has significant ethical implications for employees and organizations. The purpose of this paper is to identify the relationship between HRM and a newly-conceived ethical framework, Transformative Ethics (TE). TE integrates the ethical perspectives of twelve widely-accepted ethical viewpoints. The paper identifies how six strategic roles of HRM reflect the respective ethical perspectives that make up TE and identifies four significant contributions that highly ethical HRM makes to organizational and interpersonal effectiveness.

INTRODUCTION

More than thirty years ago, a brilliant ethics scholar from the University of Michigan observed that ethical problems constantly arise in Human Resource Management (HRM) and “come with the territory” (Hosmer, 1987, p. 313). Differentiating between problems caused by the employees themselves and those resulting from leader policies and management decisions, Hosmer (1987) explained that organization leaders and Human Resource Professionals (HRPs) owed their employees a broad set of moral and ethical duties. With the complexities of global competition and the fierce struggles to simply survive, corporate leaders and HRPs have increasingly recognized the importance of creating organizational cultures that build employee commitment and extra-mile effort (Beer, 2009) – a task made exponentially more difficult at a time when trust in leaders and organizations has declined at every turn (Harrington, 2017).

The purpose of this paper is to present a new standard of “Transformative Ethics (TE),” an integrated philosophy of ethics that combines twelve other ethical perspectives, and to explain why HRPs and organization leaders should consider adopting TE in their quest to be competitive. We begin with a brief review of six important roles of the HRM function and identify their complex ethically-related responsibilities. We then introduce TE and identify the contributions made by each of the twelve ethical perspectives upon which it is based. Returning to those six

roles, we explain how TE’s ethical standards strengthen an organization in building high trust and achieving organizational goals. We conclude the paper with a challenge to leaders and HRPs to carefully examine how TE can benefit them and their organizations in building the employee commitment and trust essential for long-term economic success.

SIX KEY HRM ROLES

The HRM responsibilities of every organization have a profound effect on organizations and their internal operations and demonstrate the leaders’ commitment to goals, values, and people (Schein & Schein, 2016). HRM is a staff function that supports an organization’s strategic focus, assists departments in achieving their goals, and works closely with the Top Management Team (TMT) in supporting their strategic agenda (Boon, Eckardt, Lepak, & Boselie, 2018). Although HRM is involved with many day-to-day operations of a firm and constantly interacts with departments and employees, its role is entirely strategic and the function’s entire purpose is to carry out an organization’s strategic priorities. The following are six important strategic roles which enable HRPs to assist organizations in achieving optimal performance.

Sustain an Organizational Culture

An organization’s culture determines how things get done, the values that are supported by programs and policies, and the manner in which employees are engaged and empowered. HRPs

constantly monitor employee interactions and implement systems that reinforce values.

Perform Technical HRM Tasks.

HRM involves a multitude of tasks, activities, and functions that demand high levels of specialized knowledge and technical capabilities. Properly performing those tasks supports individual and departmental success.

Deliver Consulting Support

HRPs play a role as behavioral and operational consultants to assist departments to accomplish their missions. They serve as internal resources to improve efficiencies, conduct research, and advise staff.

Provide Voice for Workplace Quality

HRM has the obligation to assess employee priorities, listen to their input, and advocate for changes to improve quality of work life and organizational systems.

Coordinate Learning and Process Improvement

HRPs create a learning culture focused on improving delivery of products and services and assist continuous improvement of processes and systems. Their responsibilities include constantly examining ways to assist employees increase their knowledge and effectiveness.

Assist in Constant Change

HRPs have the responsibility to monitor both the internal and external environments and assist the organization to develop the most effective responses to change. They play a key role in advising the TMT in how to implement change most effectively.

Each of these six strategic roles enables an organization to compete successfully in a fast-changing world. The challenge for HRPs is to develop the competencies required to perform all six of these roles on a timely basis as they support the TMT, the operating departments, and the organization's employees.

Each of these roles is both normative, or value-based, and instrumental, or outcome-based in their ethical impacts. HRM's effectiveness is measured by the degree that it performs all six of these roles. We will return to a discussion of the ethical implications of each role after briefly describing TE and its ethical responsibilities.

TRANSFORMATIVE ETHICS AND ITS CONTRIBUTIONS

TE is a new ethical framework that integrates the moral duties implicit in twelve highly regarded ethical perspectives and emphasizes the importance of high trust in interpersonal and organizational relationships. The TE model identifies key values about interpersonal relationships, duties owed, individual rights, and governmental and religious standards associated with the twelve ethical perspectives.

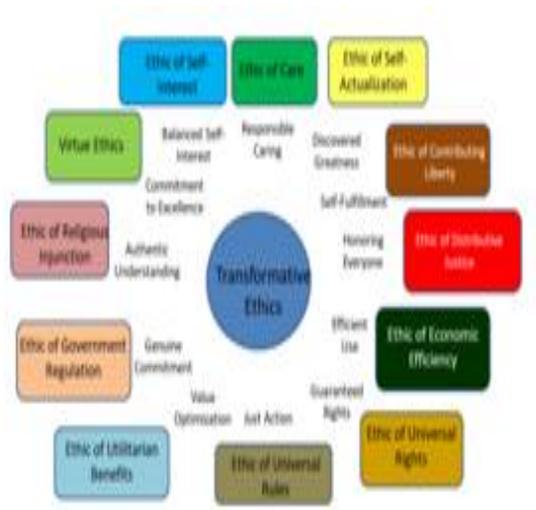


Fig1. Twelve Ethical Perspectives and Transformative Ethics

HRPs and TMT members can benefit by understanding each of the ethical duties associated with the twelve perspectives that contribute to TE. The following is a brief summary of each perspective and its employee-related ethical implications.

Ethic of Care

This perspective views the primary responsibility of ethical duties in terms of the relationships in which a person is engaged. This ethic emphasizes demonstrating that each individual in an organization is important and is affirmed by HRM policies that demonstrate a commitment to employee success and growth. Transformational (Stevens, 2011) and servant leadership (DePree, 2004) both demonstrate this commitment to employee success. This ethic creates connection between a leader and others.

Ethic of Self-Actualization

As organizations empower others to become their best possible version of themselves, they honor the obligation of this perspective. The assumption of this ethic is that organizations

owe their employees the obligation to discover their greatness and achieve their highest potential (cf. Covey, 2004, p. 98-99). Employer policies and programs that help employees to learn, to grow, and to succeed demonstrate this ethic. The Ethic of Self-Actualization demonstrates the recognition of the value of individuals.

Ethic of Contributing Liberty

This ethical perspective advocates the freedom of each individual to choose to become or achieve what they personally value (Nozick, 1983). As an ethical viewpoint, it emphasizes personal freedoms which do not harm others. HRM policies that protect and guarantee the rights of people with diverse backgrounds and personal life-style preferences honor this duty. This perspective honors the rights of individuals.

Ethic of Distributive Justice

Distributive Justice advocates that the rights of those who are most vulnerable must be both considered and protected (Hosmer, 1995). HRM policies that provide procedural justice, such as a grievance process that allows employees to appeal decisions that harm them, help to protect the rights of employees when the review process is fair and impartial. This ethical perspective honors the needs of individuals.

Ethic of Economic Efficiency

This ethical perspective pursues the highest and best economic use of resources to avoid wasting resources and being inefficient in their utilization (Hosmer, 1995). When HRP's are effective in creating a continuously improving, constantly learning culture and when they are consulting partners which help departments to improve systems and processes, they honor this ethical duty. By this ethic leaders demonstrate **wisdom** in judgment.

Ethic of Universal Rights

Universal rights are protected rights that are guaranteed to everyone. These rights promote the security and safety of all individuals and are sacrosanct. HRM policies that support due process and that treat others like valued partners sustain this ethical perspective. Through honoring this ethic, HRP's and leaders show their commitment to the **freedom** of others.

Ethic of Universal Rules

This perspective adopts the belief that there are universal principles that impose a standard of appropriate action toward each person (Kant, 2016). Those fundamental principles and accompanying values apply to all cultures (Covey, 2004). Honoring best practices of HRM, for example, complies with this ethic. This ethic reflects the recognition of **standards** of conduct that are recognized for all HRP's and leaders.

Utilitarian Ethics

Utilitarianism seeks outcomes that produce "the greatest good for the greatest number" in making ethical decisions (West, 2004). Outcomes that optimize benefits obtained are deemed superior to alternatives -- although the rights of others should always be taken into account. The HRP's role in optimizing organization efficiency and profitability as a resource to the TMT and departments is consistent with this ethic. Utilitarian ethics reflect a leader's quest to **excel**.

Ethic of Government Regulations

Compliance with government regulations imposes the obligation to obey the law but includes honoring the spirit and intent of the law even if that intent is not being fully enforced. HRP's and leaders honor this ethic when they adopt affirmative action policies and comply with the intent of that concept in employee selection. Compliance with this ethic demonstrates the understanding of purposeful **intent**.

Ethics of Religious Injunction

Religious Injunctions impose personal and social standards of respect for others, kindness to everyone, and respect for individual beliefs about God -- including perceived duties owed to God, to self, to others, and to society. Creating HRM policies that demonstrate respect and tolerance and ensuring that they are enforced honor this standard. This perspective reflects **sensitivity** toward others.

Virtue Ethics

Virtues are values which govern relationships with others which are recognized as applicable for all people (Solomon, 1993). The foundation of virtue ethics is the pursuit of excellence in all things. As leaders and HRP's pursue the highest standards of performance they demonstrate their commitment to personal excellence. Seeking to meet or exceed best practices is consistent with

this ethic. Meeting the standards of virtue ethics demonstrate a leader’s **character**.

Ethic of Self-Interest

This perspective assumes that each person is best served by pursuing their own long-term self-interests. That self-interest recognizes that the best long-term outcome typically requires that an individual or organization also maintain a reputation of being trustworthy and honest (Hosmer, 1995). Treating employees as “owners and partners” and empowering and engaging them may involve additional short-term costs but is likely to also create a better long-term relationship and greater profitability (Beer, 2009). This ethic demonstrates the sense of **perspective**.

Each of these twelve ethical perspectives and values of TE are achievable for a TMT and for HRPs and reinforce to employees that their leaders merit the commitment and followership required for organizations to compete successfully. Although organizations require far more than a commitment to values and HRM policies that

Table1. Strategic HRM Roles and Transformative Ethics

HRM Role	Matching Ethical Perspectives	Ethical Contribution	Comment
Sustain Culture	Ethic of Care, Virtue Ethics, Contributing Liberty, Self-Actualization	Create an environment that supports and develops people and pursues excellence.	This important task is the responsibility of the TMT and HRPs support their strategic goals.
Technical HRM Tasks	Governmental Requirements, Utilitarian, Economic Efficiency, Self-Interest	Perform technical tasks to meet best practices, comply with laws, and perform key functions.	HRPs must not only comply with laws but must constantly improve their skills in performing technical tasks.
Consulting Support	Ethic of Care, Self-Actualization, Economic Efficiency, Universal Rules, Self-Interest	Improve profitability, efficiency, and overall organizational success.	This vital role is critical for timely improvements and HRPs can be invaluable in providing consulting to departments.
Workplace Voice	Distributive Justice, Contributing Liberty, Religious Injunction, Self-Interest	Listen and respond to employee needs to improve workplace quality.	HRPs balance their commitment to the organization by responding to employee concerns.
Coordinate Learning	Self-Actualization, Contributing Liberty, Economic Efficiency, Self-Interest	Seek constant improvement, develop employees and groups, and honor obligations to customers.	Constant learning and improvement are vital steps to maintaining sustainability.
Constant Change	Economic Efficiency, Self-Actualization, Universal Rules, Self-Interest	Maintain competitive position, achieve efficiencies, and respond to external environ.	Keeping current with external changes protects the long-term survival and sustainability.

Unfortunately, many HRPs overlook their opportunity to epitomized the highest possible ethical standards and fail to recognize the contribution that organization leaders can make to the strategic goals of a firm. Table 1 identifies the

are highly ethical, the addition of these factors has been found to make a significant empirical difference in contributing to organization quality, productivity, and profitability when compared to like companies (Beer, 2009). In particular, High Performance Work Systems have been studied extensively and confirm that HRM relationships established to create high trust organizational cultures enable organizations to create a culture that not only affirms the importance of employees but that demonstrates the TMT’s recognition of employee contributions at all levels to improve customer service, increase innovation, and sustain competitiveness.

INTEGRATING THE ROLES AND TRANSFORMATIVE ETHICS

Each of the six strategic roles of a successful HRM system is closely aligned with the moral and ethical commitments that make up TE and affirm the importance of HRM as a morally and ethically significant relationship between an organization and its employees.

relationship with the six strategic HRM roles and the twelve ethical perspectives that comprise TE. The table also includes comments about the importance of viewing each of the six

roles as an ethical responsibility of the TMT and HRPs.

TE's broad foundation of ethical principles relates to all six of the key HRM functions and demonstrates the ethical and moral nature of each of those strategic roles.

FOUR CONTRIBUTIONS

As an ethical framework for HRM, TE strengthens the ability of HRPs to accomplish an organization's mission in four significant ways.

Alignment

When HRM policies are aligned together and reinforce each other, they send a consistent message and strengthen an organization's culture and leader credibility (Pfeffer, 1998; Beer, 2009). For example, creating compensation systems that make employees true economic partners in a firm's success demonstrates the TMT's commitment to their employees' role as team members who have a true stake in the company's future.

Integrity

Keeping promises, telling the truth, and honoring organization values demonstrates the integrity of the TMT and HRPs (Kouzes & Posner, 2011). Being personally accountable and accepting management responsibility for mistakes made demonstrate the character of HRPs and TMT leaders (Caldwell, 2018). Creating policies and systems that support organizational goals and providing the resources to achieve expected outcomes affirm the integrity of leaders (Schein & Schein, 2016).

Authenticity

Being authentic includes the ability to establish meaningful relationships by the leaders' genuineness in representing themselves to others, being open to others' perspectives and input, and demonstrating personal consistency (Walumbwa, Avolio, Gardner, Wernsing & Peterson, 2008). Actions that model organization values confirm that the organization is committed to those values and that leaders can be trusted (Kouzes & Posner, 2016).

Justice

Treating employees fairly includes sharing critical information, telling them the truth, and honoring their needs (Primeaux, Karri, & Caldwell, 2003). A legalistic, arms-length relationship with employees conveys the wrong message and violates the message that employees

are valued and important. Interactional justice behaviors demonstrate to employees that they truly matter, that the organization is committed to their best interests, and that they are trusted partners.

Each of these important contributions affirms the commitment of organizational leaders to the goals, values, and ethical responsibilities which they espouse. The six strategic roles of HRM reflect these four significant organizational and leadership qualities and their accompanying underlying ethical obligations.

CONCLUSION

TMTs have a major opportunity to fully utilize the HRM function – a function often underutilized in many organizations – to communicate to employees the ethical values of the firm and to generate the high commitment and followership that employees frequently withhold because of their distrust of leaders. The six HRM roles enable HRPs to demonstrate their commitment to employee success, their competence in contributing to employee efficiency and personal development, and their skills in enabling their companies to keep pace with competitors in a constantly changing world. Each of these strategic roles is fraught with moral and consequences that impact goal achievement, the quality of work life, and the degree of trust in which organization leaders are held.

As Hosmer (1986) confirmed thirty years ago, the HRM function is inherently an ethically-based resource that demonstrates the organization's commitment to honoring its responsibility to add value to society, to generate profit for shareholders, and to assist customers in accomplishing their objectives. By creating an organizational culture and climate that assists employees to function effectively, to develop their skills and constantly improve, and to respond to changing demands, HRPs can achieve the instrumental and normative obligations that serve the organization and that optimize their strategic contribution (Caldwell, 2018).

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