



## Facing ethical dilemmas in HR

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Do HR managers care about ethics? Or are they the ethical ones, faced with having to deal with line managers whose only focus is high performance? A session on ethical dilemmas filled the room at the 2003 national convention of the Australian Human Resources Institute.

Rob Macklin and David Ardagh, both from Charles Sturt University in Wagga Wagga, have been conducting this session on dealing with ethical dilemmas in the workplace for several years now. However, interest in the topic by HR practitioners is stronger than ever.

Macklin and Ardagh started the session with a brief introduction to the topic. They asserted that the HR role contains some inherent ethical tensions. For example:

- the ethical value of openness and honesty is often in tension with the requirement to keep corporate matters confidential. While the moral demand is often clear, HR managers are also frequently confronted with situations where harm or dishonesty will result from following the company policy;
- the demands of justice are sometimes in conflict with the need to care. The HR manager may see that the consequences of administering justice in a particular situation are outweighed by considerations of compassion, or the public demands of justice may be assessed as unduly harsh;
- the organisation's pursuit of high financial performance will often present situations where the niceties of ethics form a hindrance.

### ***The manager's dilemma***

Following this introduction, Macklin and Ardagh present a video that was made by Charles Sturt University. The video presents a scenario where the HR manager of a country timber mill is faced with an ethical dilemma. The manager knows that the mill will be closed down in 12 months, but his task is to ensure that it remains in production until it closes.

He has to fill a position for a maintenance person, and the best candidate for the job is from Sydney. The candidate asks about the future of the mill, as he does not want to relocate and then find himself out of a job. What should the manager do?

The group then discusses this scenario. Macklin and Ardagh show the responses that have been given in previous sessions they have run. They say a large number of participants (HR managers) have said the person in the scenario should tell the truth. This is a difficult choice, as the manager has been told to keep the closure confidential. Some participants have said the opposite – the manager has a duty to the company to keep the mill going, and to keep confidentiality, so the untruth is justifiable.

Other participants have suggested more exquisite solutions. One suggested that the manager should keep silent about the closure during the interview (where another manager, not in the know, was present), but telephone them later to warn them in some way. Another suggestion was that the manager could say they did not know about the mill's future, but people at the session said this was essentially still a lie.

Someone suggested the manager could say, "Even if I did know, I would not be able to tell you!" Exquisite though this is, it still tries, and unsuccessfully, to evade the ethical issue. Other participants said we should take a step backwards. The problem should not get to the interview room. The manager has to deal with the issue with the company directors.

These people argued that the company policy was unethical, and the manager should challenge it. In the scenario, the directors sought to preclude this possibility by offering the manager a big promotion if he succeeded in keeping the secret, and the mill running, for the 12 months.

It was clear in the video that the company directors were only interested in the financial aspects of the business – the economics of the mill, investments in new machinery, and profits. The effect of the closure of the mill on the employees and the country town in which it was situated did not weigh with them at all. So it was likewise clear that the most likely scenario for the HR Manager if he challenged the company's policy was that he would lose his job, as against getting a significant promotion.

## ***Principles and processes***

Macklin and Ardagh said that the choices for the HR manager faced with an ethical issue were covered by the “fight, flight or freeze” dictum. The aspects of the situation that they addressed were:

- what are the moral principles that should guide us? And
- what process can we use to think through these kinds of dilemmas?

The basis of Macklin and Ardagh's position was that there are moral principles that are agreed to universally, across all cultures. Versions of the Golden Rule are found in all major religions – “do unto others as you would have them do unto you”. But they suggest an even more basic principle is “do no harm to others”. In business, this principle should be a fundamental condition of every company's existence.

The other fundamental principle, they argued, is truth. They said that any kind of coherent interaction or relationships among people would be impossible without a basic commitment to truth-telling.

With these two principles as a foundation, Macklin and Ardagh re-examined the scenario. They detailed all the people who were affected by the decisions that the manager makes, and what the likely effects on them were. But they maintained that the morality of actions could not be decided by trying to calculate the total benefits and harms of the likely outcomes.

They held that the harms and injustices done to any individual could not be justified by the possibility of benefits to a lot of other people. So they argued that the harm done to the job applicant could not be justified on the basis that the jobs of many other workers would be secured for twelve months.

The significant contribution of this part of the session was the template that Macklin and Ardagh presented for analysing the situation. The template was in the form of a procedure that talks the person through all the relevant factors before making a decision about what to do. To deal with ethical dilemmas, a person needs two things: a procedure for analysing and understanding the situation, and a set of principles on which they can base their decision.

The procedure has a long and respectable history. It is derived from the process that Socrates recommended for investigating issues, using the “why, what, who, where, when and how” questions we are all familiar with. They are also the questions that journalists use to interpret an event and construct a story.

Macklin and Ardagh said that in practice, HR Managers are often faced with ethical issues. This procedure would not eliminate them or enable them to determine decisions easily, but it would ensure that they were clear about what their choices were, and what ethical principles they were basing their actions on.

Sometimes, HR managers will be faced with situations where they have to make a choice about how to deal with unethical company actions, such as in the scenario presented. Macklin and Ardagh suggested that there are times when the HR Manager has to take a robust approach, and other situations where the wisest course is to leave.

One of the comments made in the discussion was that the managers who make unethical decisions seem to operate, not just from motivations of greed or power, from a belief that their course is the only way to succeed. They do not believe that it is possible to act ethically **and** to be successful in business. So the roots of this belief need to be tackled.