# HR Ethics Scenarios

## Case One

### a) Ethical Duties of the HR

Ethics are the principles that guide the behavior of an individual when performing an activity. It involves making a choice between what is right and wrong. Ethics is important in human resource since it ensures that employees are treated in a fair and equitable manner and not just used as a means to an end. The commitment and motivation of employees are also affected by the ethical standards of an organization.

In the scenario, the HR director has two ethical duties. The first duty is to disseminate information to the organization that is from a reliable source. Though, the information came from a competitor, the means through which the HR heard the news was not ethical. He may have been eavesdropping, and therefore, makes his actions unethical since such sources of information have been categorized as unethical intelligent sources. Crane (2005, p.234) articulates that competitive intelligence does not include information obtained through unauthorized oversights, eavesdropping, wiretapping, and any information gotten through covert. Therefore, the HR has an ethical duty of not using the information to the advantage of the company.

The HR director has the ethical duty of protecting the interest of all stakeholders in the organization. It means that he has a duty of disclosing any information that he deems damaging to the stakeholders. Since the information that she heard at the restaurant could affect the performance of their organization, the HR director has a duty of information the top management so that the interests of the stakeholders is safeguarded. Therefore, the two ethical duties present a dilemma to the HR director since the information is obtained through eavesdropping yet it has dire consequences for her firm.

### B) Corporate Responsibility and Insider Trading

McWilliams, Siegel, and Wright (2006, p.1) defined corporate social responsibility as the actions that organizations engage in that go beyond the compliance of laws and regulations and are done for the social good of the society at large. It is a self-regulating measure that firms use to monitor their activities such that they secure the interests of all stakeholders beyond the firm. Insider trading is the use of any material information that is not available to the public for personal gain.

The information that the HR director heard at the hotel which may have significant effects to her firm may be classified under CSR and insider trading. CSR activities require honesty and transparency so that a firm can earn the trust of the public. It is a social duty of the HR manager to disclose the information that she has because it is bound to affect the performance of the organization and therefore, the survival of the firm. Ethical CSR is the responsibility of an organization to avoid any social injury or harm. The information can cause social harm to employees, shareholders, and even suppliers who may lose their investments if the performance of the firm dwindles.

It may also fall under the economic responsibility because of insider trading. The information heard by the HR is not to the public and therefore she may use for personal gain for herself, family, and friends in the stock exchange before the firm's performance declines. Therefore, to maintain the integrity of the firm, the HR should disclose such information to the management, so that counter actions can be adopted that will reduce the impact of competitors’ action.

## Case Two

### a)  **Nepotism**

I would decline to accept the member to the department I head. When a person in authority shows favoritism to their relatives in employment is called nepotism. Since the selection of employees should be impartial and fair, the move by the head of HR presents an ethical issue. The preferential treatment by the head of HR ignores the organizational set procedures of hiring, and it might affect the morale of other employees. It creates the feeling of mistrust and hatred on employees towards management. Arasli and Tumer (2008, p.1239) concurs that nepotism negatively affects the recruitment and selection since employment is majorly based on blood relations and friendship. The move ignores the rigorous process of recruitment and selection that ensures that a person with best capabilities, skills, and merit is offered a position in the firm.

Another to decline the member is that it will increase the cost of operations to the organization. The current year's budget did not cater for the extra personnel and putting him on the payroll will over stretch the available resources. The performance of the company will be affected since the individual does not have the required skills needed for the job. The employment by the HR is done because the family members need the job and not because of any ability or qualification and as such, the performance and profitability of the company will decline. Organizational conflict may also increase if I accept the member to the department. The conflict may arise between the existing employees and the new member. Therefore, I would discuss with the HR on the implications of hiring the member without following the due process.

### b) Conflict of Interest

A conflict of interest exists because of conflict of roles by the head of HR. According to Aleman-Meza et al., (2006, p.407) conflict of interest arises when a person in authority makes a decision that is subjective which is mainly caused by access to confidential information, friendship, or family ties. In the scenario, conflict of interest exists because a new member was able to receive a position in the organization that was not posted because the head of HR was a relative. The company does not have a vacant position, yet the HR has employed someone without following the due process. The person sent to the department did not go through a competitive process to determine if he was the most suitable person for the position. Even if he was the most qualified individual, the firm does not have the finances to pay the person since no position fell vacant for him to occupy.

A conflict of interest also arises because of relatives working for the same entity. It is prudent that close relatives should be restricted from working in the same firm or location. The Head or HR and his relative working in the same firm will mean that the member will receive preferential treatment as compared to the other employees. The HR may tend to check in on his relative to ensure that he is comfortable in the workplace. Although the HR is not the supervisor, a conflict of interest may exist in cases of evaluation of his performance or disciplinary.

Case Three

### a) **Importance of investigations**

Drug testing is important to organizations so that the work environment is kept safe. The organization has an obligation to ensure that the workplace is safe and is free of drugs. A discriminatory drug testing can have legal implications for the enterprise. It is crucial that a proper investigation is done on the claim so that the firm can avoid legal issues with the law. The company can also avoid losing good employees who feel that the firm is discriminant and does not value their efforts.

An investigation also needs to be carried out so that employees remain productive and do not lose their morale and affect production which in effect leads to loss of revenue. The reputation of the organization also needs to be safeguarded, and therefore, it is vital that a thorough investigation is done. The firm should promptly start the inquiry since any delay may damage the firm's image through legal lawsuits which are expensive and reduce the profits of the firm.

### b) **Inclusions**

The investigation should cover racial discrimination on the drug test. Since the tests tend to focus on one group, it is important for the firm to investigate if the specific group is based on racial ties. The law prohibits any racial discrimination and as such legal action can be taken against the firm. Kim (2005, p.1013) asserts that the discriminating drug tests to unfavored groups lead to the demoralization of workers in those groups. Another aspect that should be investigated is the use of force or coercion while carrying out the drug test procedure. If the firm uses force to carry out the exercise, then legal action should be taken against the officer in charge.

The investigation should also check whether those found positive in a drug test are retested. The retest will help to prove that the prior results were done in an environment that was devoid of interference.

### c) Drug-Free Workplace Act

The drug-free workplace Act does not apply here because the tests for drugs is discriminatory in nature. Therefore, the favored group may be using drugs while at the work premises but since the tests are not applied to them, the management can not be sure that it is a drug-free zone.

## Case Four

1. I will make the person remove the religious quotes from the desk. Even though the constitution gives individuals the freedom to religion, the organization is not affiliated with any religion and therefore, by using the firm's desk to write religious quotes, the employee is crossing the boundaries. The desk area is a property of the company and therefore, writing on it is prohibited. Therefore, I will ask the employee to remove them.
2. The civil right Act VII (1964) prohibits organizations from discriminating against religion, nationality, color, race, and sex. The employee cannot file a lawsuit under this Act because he has not been discriminated on religious grounds, but rather he is not allowed to practice his religious deeds within the firm.
3. The manager may not have a case for making the employee remove the quotes because the firm is neutral to any religion. All religions are respected in the firm, with no preferential treatment to any group. The firm's removal of the religious quotes ensures that it does not seem to be inclined to one religious group over other groups. The employee, in fact, is the one infringing on the right of other employees who may use the room.

## References

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