

## **BUSINESS ETHICS AND HUMAN RESOURCE MANAGEMENT**

Building employees' trust of management is more important than ever before. There are many reasons for this:

- The tight labor market,
- Gen-Xers value system,
- Constant pressures resulting from continual downsizing;
- The constant stress of fast-paced change;
- Global competition,
- Informatics technology, and
- Customer expectations.

The transformation from the closed, intimate community with its regimented value systems to the present large-scale market system has caused individuals to feel a loss of the "sense and importance of self." In the past, the culture of the close community provided a "spiritual comfort" of selfhood, knowledge (being in the "know") and ethical rules. The resultant employee detachment can be counterproductive for employers and, as discussed below, put more emphasis on the increased need to build trust with employees. A cornerstone of that trust is a firm set of ethical standards well communicated and meticulously followed by the management.

Many companies have established a mind-set that so long as they meet any legal requirements placing constraints on their actions, "anything else goes" in order to compete in today's global economy. This "get it where you can" attitude will eventually hurt productivity and long-term viability of the business. Two main reasons are: turning problems over to the litigation process does not solve the root causes of employee relations problems and, secondly, the telecommunications revolution with the resultant available data bases makes it easier to monitor the business organization which in the past could use its deep pockets to frustrate an employee or employee organization's legal actions. In short, relying on the legal system to handle workplace problems is both costly and detrimental to the employer-employee relationship.

The informatics revolution and global economy have certainly made relationships more impersonal - limited the face-to-face relationships. On the other hand, the importance of personal, intra-organization relationships is more important than ever before. Not only has technology increased the importance of clear, open and candid communication, but the potential destruction to a productive working environment is much greater today when an employee seeks redress for real or perceived grievance through a third party - whether it be a lawyer, union organizer, or government regulatory agency. Technology has made it easier for an aggrieved individual to obtain corporate data upon which to create or exploit a corporation's Achilles's heel.

Gen-Xers are telling us that one of their priority preferences in the employment relationship is to have a mentor. Such term was little used twenty years ago. However, as employees feel the alienation that results from an impersonal, isolationist workplace in a multi-national business

organization, they are merely looking for the spiritual comfort of community they hear about or at least believe existed in bygone days.

Management can certainly debate "what went wrong," but reality is that companies take their work force as they find them, and today more than ever before human resource management must be prepared to "educate" employees about organizational values by starting with the assumption that the employee enters the workplace with little exposure or understanding of an ethical and moral value system as it applies to business relationships. Employers must be prepared to "educate" employees as to why such values are necessary for an organization to survive and what are the individual rewards of following ethical standards which promote the public good. Phrased another way, "Now that I'm on board, pull up the ladder" would not have been a successful battle cry for the Marine Corps when invading the islands of the Pacific in WWII.

For management to create a trust relationship with its employees, a cornerstone is the adoption of ethical standards, but employees will only "buy in" if they trust their immediate manager/supervisor - which will often times be the first mentor sought by the employee.

If employees crave "mentoring," then every manager must be committed to building the trust relationship. If managers do not want employees to take their frustrations and anger to the legal system, then management must develop a first line ethical system where employees will want to come and present their problems -- either real or perceived.

The "front line supervisor" in the blue collar union free manufacturing environment learned this, but today this trust relationship is essential for all managers who have employees reporting directly to them. The stakes are too high in lost time and productivity as well as legal costs when employees believe they have to resort to the legal system to protect their rights.

More importantly, management must consider the effect on workplace trust when employees choose to have a third party run interference for them in their work place relationships.