

# Chapter 13

## HR: CSR and Business Ethics

### **Guidance Note For Students**

The activities that follow are designed to be used with *An Introduction to HRM: An Integrated Approach*. Read chapter thirteen, which provides both the answers in easy to follow sections and guidance on other areas of the book that can help you with your studies.

#### Learning Outcomes

**After reading and completing the activities in this chapter you should be able to:**

- 1. Appreciate the growing importance of business ethics/ Corporate social responsibility (CSR) in twenty-first century organisational life.**
- 2. Critically evaluate the of role business ethics /CSR in human resources policies and management.**
- 3. Conduct and ethical audit.**
- 4. Critically reflect upon business situations in which ethical conflicts and or issues can arise.**
- 5. Appreciate the relationship between business ethics/ CSR and organisational reputation.**
- 6. Develop awareness of the ethical implications arising from corporate governance.**

7. Reflect upon the challenges of implementing ethical policies in organisations.
8. Critically evaluate the difference between espoused intents, publicity and actual organisational behaviour.
9. Reflect upon matters of trust and organisational accountability.
10. Recognise the application and importance of business ethics to every discipline of organisational management.

### **Note to Students:**

#### **Can You Tell Me All The Answers Please?**

In common with the vast majority of students, you want to do really well in your study programme. There are grades to attain and employers to impress...

You may like to believe that there are perfect answers that can give you perfect grades. Indeed, if this were an elementary mathematics handbook you would be correct. However, with people simple sums do not always produce neat solutions.

So, can I reassure you that I do not have all the answers to everything, and neither does anyone else! What I would encourage you to do is engage in discussions with your fellow students, read different writers ideas and listen to your lecturers. Your lecturers have invested many hours, years in doing what you are setting out to do so they are excellent guides to help you succeed. Learn to think for yourself and integrate ideas across disciplines and subject areas. Think outside the boxes.

## **Guidance Note For Students**

The choices we make everyday, in how we behave, the choices we make and the decisions collectively accepted by organisations shape the world we live in. Are you completely happy with the world around you? *We* have more control over *our* immediate world than *they* do, whoever *they* may be.

**Exercise: Business Ethics: Does It Matter?**

Here are some questions to begin thinking about. What your answers may disclose is something of your own feelings and thoughts on business ethics.

- Does business ethics really matter?
- Should HR concentrate on local employment matters instead of pan organisational matters like ethics?
- Isn't the way organisations behave controlled by laws anyway, so why bother with ethical issues?

Ethics, that's nothing to do with my job in: HR, marketing, sales, finance, production, IT, Design, or is it...?

**Guidance Note For Students**

Here are some more questions to think about how you might behave in different situations. Answer them honestly. Perhaps in the following seminar discussion you will learn something about yourself.

**Group Activity:****Business Ethics Personal Behavioural Questionnaire**

- You find a twenty-pound note on the floor of the reception where you work. Do you keep it or hand it into the receptionist in case someone claims it?
- The twenty-pound note was in a wallet with the name of the owner who you happen to know is one of the best paid employees in the sales team.

Do you keep it or return it to the owner? Would your decision be different or the same if the owner was one of the least well paid staff?

- A salesperson undercharges you for goods you have purchased. Do you tell them about the error or keep quiet?
- Is it ethical to use your employer's stationary for private use?
- What is your view on employers who regularly require employees to work longer hours than specified in their contracts without additional payments/ rewards/ time off?
- If your organisation imposed performance indicators would you spend more time meeting them to impress management/ external assessors/ or continue doing whatever work was in the overall best interest of your clients/ customers/ patients/ students?
- The company you work for uses low cost producers in a third world country who pay very low wages and sometimes illegally employ child labour to reduce costs. An important customer asks you about your company's ethical employment policies, as this will influence their decision, whether to place a large order with your company. Do you tell them about them what you know or deny that such abuses are occurring?

## **Guidance Note For Students**

Be honest- is the brand and image of a product more important to most of the people you know than the business ethics of the product/ service provider? If the answer to this question is yes, brand is more important, then consider what that says about our society...

### **HRM In Action: Business Ethics For The Twenty-first Century**

- Why do you think an international management consultancy asked academics to help design an ethical auditing model?

- What are the benefits to organisations of becoming more sensitive to issues of social responsibility?
- The modern organisation can ill afford to ignore an increasingly informed public. What can stakeholders do (within the law) to influence corporate social responsibility?
- What is the difference between legal compliance and business ethical behaviour?
- How would you differentiate between business ethics and corporate social responsibility?
- If there is such a thing as society, what responsibilities to organisations have as 'corporate citizens'?
- Why is brand image not sufficient in itself to maintain organisational reputation?

## ***Guidance Note For Students***

What do you think is really important? Here's an opportunity to set out the guidelines or rules that you believe are most important to you. Remember to be tolerant of diversity; other students may have different priorities to you.

### ***Group Activity: 'My Ten Commandments'***

Form a small group of between two and ten people. Each member prepares a list of ten personal rules, which they believe are the most important ones governing their behaviour. Once completed the group can discuss the individual lists and try to create one collective set of ten rules, which everyone can agree to. The group discussion should also assess the extent to which the agreed set of rules could be applied to an organisation. Individual list:

- .....
- .....
- .....

- .....
- .....
- .....
- .....
- .....
- .....
- .....

Group agreed list:

- .....
- .....
- .....
- .....
- .....
- .....
- .....
- .....
- .....
- .....

**Exercise:** *The Ethical Consumer*

Consider the following two questions:

- As a consumer, are you willing to pay more to guarantee fair working conditions for second and third world workers?
- Should organisations be prepared to share more of their profits with the workers who produce the goods and services?

## **Guidance Note For Students**

It will be helpful to you/ your team to e-read chapter 11 (for report presentation) and chapter 12 ( for research methodology) before designing a research study.

### **Practicing HRM: Primary Research: HRM & Business Ethics**

(With this kind of research project it may be helpful to work as part of a research set rather than individually) before designing a research study.

Approach an organisation and arrange to conduct a research project into:

***Either***

The ethical policies and practices

***or***

The organisations practices in corporate social responsibility

Deliver a report/ presentation to your seminar group.



## **Chapter Summary**

This chapter has provided materials to engage discussion and thought on the place of business ethics and corporate social responsibility in organisations. Thereby promoting a critical evaluation of the role of business ethics /CSR in human resources policies and management. The key purpose has therefore been to stimulate further personal reflection and application of the learning outcomes to organisational situations. You should also be able to prepare an ethical audit as a learning activity.

## **Guidance Note For Students**

The references are a useful guide to seek out other sources for background reading and ideas for your course work. Universities and colleges expect you to read more than just the set text. Although HRM An Integrated Approach provides a complete course for you, it is important to recognise that there are many other opinions, ideas on HR and management in general. In your assignments and activities you will be expected to refer to a range of literature. Go to your Learning Resources Centre and read/ view academic literature and expand your knowledge of HR and Management.

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