

# Building an Ethical Culture: The Role of the Human Resource Professional

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The culture of an organization creates a framework for ethical standards, which is based on the values embedded in the organization's DNA. The values are often expressed in the organization's code of ethics and through relationships between management and their employees. The most important factors in an ethical culture are trust and integrity. Employees must trust that the organization will treat them fairly, evaluate them based on the quality of their performance and not on any conscious or unconscious biases, provide equal pay for equal work, and develop a system to report misconduct without fear of retribution.

Sex, age, and/or racial discrimination; sexual harassment; health and safety issues; and compliance with federal and state regulations comprise the ethical issues faced by both small and large organizations. It is in this aspect that the organization's human resources function plays a key role. While human resources specialists recruit, screen, and interview potential employees, they are often responsible for planning, directing, and ensuring compliance with ethical standards, including any code of ethics violations. Activities include promoting core ethical values, strengthening ethical leadership, building trust into human resource policies, and modeling ethical behavior. Human resource professionals work to promote fair and impartial practices throughout the organization and should communicate acceptable and unacceptable behaviors to ensure conformity with the code of ethics. This sends a message that ethical behaviors will be rewarded and that unacceptable behaviors will not be tolerated.<sup>1</sup>

Although many companies rely on the human resources department to promote an ethical culture, many organizations have a separate ethics department that includes an Ethics and Compliance Officer.

Regardless of how these activities are managed, human resource professionals are often responsible for enforcing

an ethical culture and a culture of compliance. This includes designing and implementing policies and processes that support good governance and fair practices.<sup>2</sup>

## Ethics and Talent Management

Human resource professionals are often the initial company contact for potential candidates and new hires. Any perceived disreputable practices can hinder a company's opportunity to obtain and retain talent. Qualified job seekers are not likely to apply for a position if they feel that a company condones unethical practices, and current employees may not continue their employment under the same circumstances.

## The Use of Social Media

Social media and social networking activities could affect workplace culture. As such, potential employers may check the social media presence of a candidate. Because social networking activities are an important aspect of life, employers often use social media to get a sense of the character of a recruit through their online activities. In today's social media-driven culture, candidates should expect that potential employers may monitor their activity during the hiring process.

According to a survey by CareerBuilder, 70% of employers use social networking sites to research job candidates during the hiring process. Of those that conduct social media research, 57% have found content that caused them not to hire candidates. When researching candidates, employers often look for<sup>3</sup>

- information that supports their qualifications for the job (58%);
- the professional online persona of the candidate (50%);
- information others have posted about the candidate (34%);
- reasons not to hire the candidate (22%).

The survey reports that 40% of those who were not hired as a result of personal social media activities engaged in provocative or inappropriate photographs, videos, or other negative behavior. This was followed by posting information about drinking or drug use (36%) and discriminatory comments related to race, sex, religion, etc (31%). Other activities included criminal behavior (30%), lying about qualifications (27%), disparaging a previous company or fellow employee (25%), and sharing confidential information from previous employers (20%).<sup>3</sup>

A Pew Research Center survey asked workers why they use social media on the job. The main reason was to take a mental break from work (34%), followed by connecting with friends and family at work (27%). Other reasons are work related: to obtain information that is required to do their job (20%); to build or strengthen personal relationships with coworkers (17%); and to obtain answers to job-related questions (12%).<sup>4</sup> It has been reported that employees spend between 1 and 3 hours a day surfing the web for personal use during the workday. Employees shop, bank, visit sporting sites, chat on Facebook, tweet on Twitter, and post photos on Instagram. However, monitoring an employee's time on social media can signal distrust and may have negative implications for the culture of an organization.<sup>5</sup> Nevertheless, it may be necessary for employers to make sure that their employees do not post any offensive comments about other employees, customers, or others with whom the organization has a relationship, particularly if it creates privacy issues. The key to having an effective social media policy is balance. In today's social-media-driven world, it is difficult to expect that employees will not engage in some online activities during the workday.

### Bullying and Other Misconduct in the Workplace

Workplace bullying is a persistent pattern of mistreatment from others in the workplace that causes either physical or emotional harm. This includes unprofessional emails to colleagues that create a hostile environment. Unfortunately, the rise of social media has contributed to this behavior. A 2014 survey on workplace bullying found that 6.5 million workers said they were affected by bullying in the workplace. Sixty-one percent of respondents said their employer failed to react to abusive conduct.<sup>6</sup> Additionally, posting provocative photos or surfing pornographic sites can have detrimental effects on the employee and employer, including a negative work environment, charges of sexual harassment, and potential lawsuits.

*The State of Ethics & Compliance in the Workplace*, published by the Ethics and Compliance Initiative (ECI), presented results from a survey in which employees were asked about misconduct at their place of employment.<sup>7</sup> Survey results indicated that 47% of employees observed misconduct in the workplace and that 67% of these employees reported that the wrongdoing consisted

of multiple incidents or was part of an ongoing pattern. The most frequently observed misconduct includes

- Lying to employees and external stakeholders (26%)
- Abusive behavior (21%)
- Internet abuse (16%)
- Conflicts of interest (15%) (eg, purchase of materials from a family member rather than the lowest bid)
- Health violations (15%) (eg, unsafe working conditions)

### Improving the Ethical Culture

*The State of Ethics & Compliance in the Workplace*<sup>7</sup> also provides a series of recommendations for improving ethical culture in the workplace:

- Promote a statement of values throughout the organization and set ethical standards to guide employee actions.
- Include ethics and compliance in performance goals.
- Regularly survey employee attitudes about pressures to disregard ethics.
- Assess the ethical culture in the company and provide support in any weak areas.
- Reinforce cultural norms on the unacceptability of performance without integrity.
- Ensure that company ethics and compliance programs are of high quality.

While unethical behavior should be discouraged, it is important that proper behavior be rewarded to establish an ethical culture. One way is to transition from periodic formal performance evaluations to routine and ongoing feedback from supervisors to employees. An informal appraisal system provides instant feedback so employees know where they stand and how they can improve their performance without waiting for the annual review. This can also help to build trust in the performance evaluation system.<sup>8</sup>

### Conclusion

The challenges in today's workplace of building an ethical culture are more pronounced than ever. Human resource professionals, in partnership with management, should not only lead by example to create a culture of mutual respect but also motivate colleagues to do the same. The organization will be stronger as a result.

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