A moral principles framework for human resource management ethics

Paul L. Schumann*

College of Business, Minnesota State University, Mankato, MSU 14/P.O. Box 8400, Mankato, MN 56002, USA

Abstract

This paper argues that the analysis of ethical issues in human resource management is legitimate and important. It argues that the theory of ethical relativism should be rejected and that it is meaningful to search for universal moral principles. It then presents a comprehensive framework for making judgments about human resource management ethics that consists of five complementary moral principles that have been developed and studied by philosophers: utilitarian ethics, rights ethics (using Kant’s categorical imperative), distributive justice ethics, care ethics, and virtue ethics. It illustrates the application of the moral framework by analyzing the ethics of deceiving employees about the hazardous nature of chemicals in the workplace, the ethics of discrimination in employment, and the ethics of sexual harassment. © 2001 Elsevier Science Inc. All rights reserved.

Keywords: Ethics; Human resource management; Moral principles

1. Introduction

The perceived lack of ethics in business is a subject of considerable concern to the public (Bird & Waters, 1989; Hanson, 1985). The management of human resources can generate some of the most challenging ethical dilemmas in business. For example, a recent survey of 747 human resource professionals by the Society for Human Resource Management (1998) found that 54% of the human resource professionals had observed conduct in the workplace that violated the law or the ethical standards of the professional’s organization. The survey respondents reported observing misconduct that included violations of Title VII of the Civil Rights Act, violations of the Fair Labor Standards Act, violations of the Occupational Safety
and Health Act, employees receiving gifts or entertainment in violation of the organization’s policies, employees engaging in fraud, accepting kickbacks or bribes, lying to supervisors, abusing drugs or alcohol, lying on reports or falsifying work records, conflicts of interest, stealing, altering the results of product tests, and misusing insider information.

These examples of misconduct are sometimes more than the isolated behaviors of a few employees in an otherwise ethical organization. For example, the Society for Human Resource Management (1998) survey found that 47% of the human resource professionals reported that they felt pressured by other employees or managers to compromise their organization’s standards of ethical business conduct in order to achieve business objectives. The respondents also reported that they did not always report observed misconduct because of factors such as a desire to be seen as a team player, feelings that nothing would be done, fears of retribution or retaliation, lack of trust in the organization’s procedures, and a feeling that no one else in the organization cared about ethics.

Many corporate human resource management decisions also raise ethical issues. Should management hide from employees the dangerous nature of chemicals used in production? Should a corporation shut down a plant, fire all the employees, and relocate to another location offering lower pay and fewer governmental regulations? At what point does an organization’s attempts to fight theft by employees begin to infringe on the privacy rights of the employees? What moral obligations do managers have to deal with discrimination in employment, including sexual harassment? This short list of examples is not meant to be all inclusive; rather, it is to illustrate the range of issues that raise human resource management ethical issues.

Therefore, there is no shortage of ethical dilemmas involving human resource management. But should managers consider ethics in making decisions, or should managers only concern themselves with maximizing profits? Noted management guru, Drucker (1954, p. 388), argued over four decades ago that “what is most important is that management realize that it must consider the impact of every business policy and business action upon society. It has to consider whether the action is likely to promote the public good, to advance the basic beliefs of our society, to contribute to its stability, strength, and harmony.” More recently, Thompson and Strickland (1995, p. 299) argued that “a strong corporate culture founded on ethical principles and sound values is a vital driving force behind continued strategic success.” Even the famous conservative economist, Friedman (1970), who argues that it is the responsibility of management “to conduct the business in accordance with [the desires of the owners of the business], which generally will be to make as much money as possible,” adds that this profit maximization is to be done “while conforming to the basic rules of society, both those embodied in law and those embodied in ethical custom.”

The challenge, then, is to identify the basic ethical rules that managers are to follow while they pursue profits. I argue in this article that the most effective way to grapple with ethical issues in human resource management is to apply a framework of moral principles that have been examined and successfully used to analyze ethical issues in other aspects of human life. That is, instead of developing a new set of moral principles that are specially developed for human resource management, I argue that we can apply well-developed existing moral principles.

In particular, I define moral principles to be the guidelines people use to make moral judgments — to decide what is ethical and what is unethical. In this article, I examine five
moral principles that have been widely studied by philosophers (Pojman, 1989; Rachels, 1999; Velasquez, 1998). These moral principles are also commonly used by people, even though they may not be aware of the formal arguments used by philosophers in developing and studying the principles. Before turning a description of the moral principles and examples of their application to human resource management ethical dilemmas, I next discuss whether it is even meaningful to search for universal moral principles, or whether the theory of ethical relativism is correct.

2. Ethical relativism

Velasquez (1998, p. 22) defines ethical relativism as "the theory that, because different societies have different ethical beliefs, there is no rational way of determining whether an action is morally right or wrong other than by asking whether the people of this or that society believe it is morally right or wrong." That is, the theory of ethical relativism states that because different cultures may have different moral principles, there is no way to judge these principles as being correct or incorrect (Rachels, 1999). Thus, for example, if a given culture believes that cannibalism is ethical, then there is no basis to argue that they are wrong, and so it would be wrong to try to convince them to change their beliefs.

Most philosophers reject the theory of ethical relativism for a variety of reasons (Pojman, 1989; Rachels, 1999; Velasquez, 1997, 1998). One argument against ethical relativism observes that just because two people have different ethical beliefs does not, in and of itself, mean that they are both right and that there is no way to judge between them. A second argument against ethical relativism is that there are some moral standards that a society must adopt if the society is to survive; for example, it would be difficult for a society to survive without at least some prohibitions on the murder of members of the society. A third argument is that what appear to be cultural differences in moral standards may only be surface differences that obscure underlying commonalities.

A fourth argument against the theory of ethical relativism is that the theory produces incoherent and unacceptable consequences. In particular, if the theory is correct, then it does not make sense to criticize the beliefs and practices of a society as long as the members of the society conform to their own ethical standards. Thus, for example, we would have no basis for criticizing the German's treatment of Jews under Nazism except for failing to live up to their own principles of killing Jews as being the right thing to do. Similarly, we would have no basis for criticizing so-called Jim Crow laws that required, prior to the passage of the Civil Rights Act of 1964, segregation and discrimination against African Americans in parts of the United States. Under this line of reasoning, it would have been wrong to question Jim Crow laws back in the 1950s, and wrong to argue for passage of the Civil Rights Act. The critics of the theory of ethical relativism argue that these conclusions are nonsense — that the only way a society can achieve progress is if debates, including debates on moral principles, are allowed.

A fifth argument against the theory of ethical relativism is that it contradicts itself, and so must logically be false. Suppose, for example, that two people, each from a
different culture, are arguing about moral principles. One culture believes that there are universal moral principles that apply across cultures and time. The other culture believes in the theory of ethical relativism. The person from the culture that believes in ethical relativism then tries to convince the other to adopt ethical relativism. To do so, however, violates the ethics of ethical relativism — the ethical relativist is attempting to impose his or her ethical principles on others, which is unethical to do under the ethical relativist’s own ethics. Thus, ethical relativists must not, under their own ethical standards, attempt to impose their relativist beliefs on others who believe in universal moral principles. Since ethical relativism is unethical under its own principle, it must be false.

If the theory of ethical relativism is false, then there are universal moral principles. The challenge, then, becomes to discover, understand, and apply the universal moral principles. In the next section, I examine five moral principles and illustrate their application to human resource management.

3. Moral principles

This paper develops a framework for making moral judgments concerning human resource management that consists of five complementary moral principles. The five moral principles have been selected for inclusion in the framework for three primary reasons (Pojman, 1989; Rachels, 1999; Velasquez, 1998). First, the principles are supported by the research of philosophers; by using moral principles that have been extensively studied by philosophers, we are able to build on a well-developed existing literature. Second, the principles are commonly used in practice to make moral judgments, even though the people using the principles may not be familiar with the formal arguments developed by philosophers concerning the principles. Finally, each of the five principles examines ethics from a different perspective; by using the five complementary principles together, we are more likely to consider the relevant moral issues in reaching a judgment about human resource management ethics.

The five moral principles may be briefly summarized as follows. First, the results of the action must be ethical in terms of doing the most good and the least harm for everyone who is affected by the action. Second, the person performing the action must have a moral right to take the action. Third, the action must produce a fair distribution of good and harm for all the people who are affected by the action. Fourth, the action must show care for the web of people who are affected by the action and must nurture the relationships among the affected people. Finally, the action must be describable as virtues and not vices. Each of these five principles is examined in more detail next.

4. Utilitarianism: are the results produced by the action ethical?

The first moral principle judges whether an action is ethical by examining whether the action produces the most good and the least harm for everyone who is affected by the action.
(Bayles, 1968; Bentham, 1789; Brandt, 1979; Mill, 1957; Pojman, 1989; Rachels, 1999; Singer, 1993; Velasquez, 1998). In particular, the principle of utilitarianism can be summarized as follows:

The morally correct action is the one that maximizes net social benefits, where net social benefits equals social benefits minus social costs.

There are several important things to note about this principle. First, this principle focuses exclusively on judging the ethics of the action in terms of the results produced by the action (in terms of means vs. ends, it focuses exclusively on the ends, not the means). Second, the benefits and costs produced by the action are not examined from the perspective of the decision-maker; on the contrary, all benefits and costs that accrue to anyone who is affected by the action are counted (social benefits and costs, not private benefits and costs). Third, benefits and costs include any kind of good or harm, including things that may be difficult to value in precise noncontroversial ways (for example, the value of a human life). Fourth, the benefits and costs to be counted include both those that accrue in the present time as well as those that accrue in the future; future benefits and costs are discounted to present value. Fifth, it is not sufficient that the action does more good than harm; rather the action must do the most good and the least harm to be considered ethical.

A possible criticism of utilitarianism is that it assumes that the end justifies the means. Velasquez (1998, pp. 80–81) illustrates this criticism of utilitarianism with the following hypothetical example. Suppose a person’s uncle has an incurable and painful disease. The uncle, who owns and manages a chemical plant, will die as a result of the disease within a year. Although the uncle is miserable, he does not wish to terminate his own life. Because of the uncle’s misery, he deliberately makes life miserable for his workers and he refuses to install needed safety equipment, although he knows that this will mean the certain death of some employees. The nephew is the uncle’s only living relative and so will inherit the uncle’s business when the uncle dies. The nephew knows about the uncle’s treatment of employees, and plans to install the needed safety equipment as soon as he takes over the business.

In the example, is it ethical for the nephew to murder the uncle? The murder of the uncle might be argued to be ethical according to utilitarianism because the murder eliminates the misery of the uncle, saves the lives of employees, and adds to the happiness of the nephew. However, if there is another alternative that produces even larger benefits and smaller costs than the murder of the uncle, then the murder of the uncle would be unethical according to utilitarianism. For example, the nephew could seek better medical care for his uncle in order to reduce the uncle’s misery, and try to convince the uncle to install the needed safety equipment. Alternatively, the nephew might blow the whistle on the safety problems to government regulators who then would require the uncle to install the safety equipment.

The conclusion in the example that murder might be ethical under certain circumstances bothers the critics of utilitarianism because they feel murder violates important human rights (Velasquez, 1998). On the other hand, supporters of utilitarianism might argue that killing a person is indeed ethical if it produces the most good and the least harm for everyone who is affected by the killing. The framework developed in this article deals with this concern
about utilitarianism by incorporating utilitarianism into a framework that explicitly considers other moral principles. That is, by including other moral principles in the framework, including a principle that examines possible violations of human rights, we are able to identify when utilitarianism might be reaching troubling conclusions. The possibility of conflict among the five moral principles is examined in more detail after the five principles have been explained.

Another challenge under the utilitarian principle is to measure all the possible benefits and costs of an action. In some cases, the measurement problem might be addressed by using principles of market capitalism. In particular, the father of modern economics, Adam Smith, argued that the invisible hand of capitalism, with its reliance on the principles of private property and voluntary exchange, results automatically in the maximization of net social benefits (Hollander, 1973; Mirrlees, 1982; Smith, 1776; Werhane, 1991). This argument can be illustrated with a human resource management example.

From the employees’ side of the analysis, if people have voluntarily chosen to work for a company, then these employees must believe that this is the choice that makes them the best off. If there were alternative jobs that made them better off than their current jobs, then they would switch employers. Similarly, if they believed that they would be better off staying home and not working for pay in the labor market, then they would quit their current jobs. So, the employees must believe that their current jobs maximize their welfare. From the employer’s side of the analysis, if the employer has voluntarily chosen to hire these people, then the employer must believe that these employees are the best ones available. If there were alternative employees who could better serve the employer, then the employer would replace the current employees. So, the employer must believe that the current employees maximize its welfare. Therefore, as long as the employment relationship is voluntary, then it must be true that both the employees and the employer believe that no alternative employment option would improve their positions. Thus, since the existing employment relationship has resulted in a condition in which neither the employer nor the employees can improve their situation, it must achieve the utilitarian goal of maximizing benefits and minimizing costs.

To continue the example, suppose the employer is considering hiding from employees the dangerous nature of some chemicals that are used in production. If this fact is hidden from employees, then they have not made an employment decision that is fully informed by all of the relevant facts. Since the employees do not know the true benefits and costs of their employment, there may in fact be an alternative employment option for them that improves their welfare. Since hiding relevant facts from employees may lead them to accept employment when there are better jobs available, the result does not maximize benefits and minimize costs. Therefore, it is unethical on utilitarian grounds for an employer to hide relevant facts concerning employment, such as the dangerous nature of chemicals, from the employees involved. Note that this conclusion can be reached without explicitly measuring the relevant social benefits and social costs.

Thus, the utilitarian goal of maximizing net social benefits is automatically achieved by market capitalism provided that both the employer and the employee have complete information about all relevant aspects of the employment relationship. However, even if both the employer and employee have perfect information, their voluntary employment
agreement may still not achieve the utilitarian goal of maximizing net social benefits if there are other people who are affected by the employment relationship.

In particular, the term *externalities* is used to identify external benefits or external costs, which are benefits or costs realized by people other than the buyer and seller (Mishan, 1971). For example, if a factory dumps pollution into a river, the costs associated with the pollution are not borne by the factory, but rather are externalized onto other users of the river. The private negotiations between the buyer (or employer) and the seller (or employee) do not consider external benefits or external costs. Therefore, in the presence of externalities, the voluntary agreement between buyers (or employers) and sellers (or employees) may not automatically achieve the utilitarian goal of maximizing net social benefits. In such cases, government regulation is one way to try to correct the externality. For instance, in the example of river pollution, the costs associated with the pollution of the river can be internalized by imposing on the factory that produces the pollution a pollution tax set equal to the amount of the costs to society of the pollution.

From a human resource management perspective, then, the question becomes whether there are externalities present in the employment relationship — whether the voluntary agreement between the employer and the employees affects other people. For example, if an employer hides the dangerous nature of chemicals used in production from employees, then the employees may not know how to respond safely to a chemical spill. As a result, a chemical spill might harm people other than the employer and the employees (an external cost). This fact, in turn, might be used to justify government regulation designed to correct the externality. This government regulation might take the form of requiring companies to inform employees about the hazards involved in chemicals used in production (a “Right to Know” regulation), to train employees in the proper procedures to handle the chemicals including how to handle spills, and to provide employees with appropriate safety equipment.

5. Rights: are the methods ethical?

While the first moral principle, utilitarianism, focuses on the ends (results) of the action, the second moral principle evaluates the means to the ends (methods) by ensuring that the person performing the action has the moral right to do so (Pojman, 1989; Rachels, 1999; Velasquez, 1998). In particular, the moral principle of *rights* can be summarized as follows:

The morally correct action is the one that the person has a moral right to do, that does not infringe on the moral rights of others, and that furthers the moral rights of others.

A right is an entitlement. That is, if a person has a moral right to perform some action, then that means that the person is entitled to perform the action. For example, if a person has a right to freedom of speech, then that means the person is entitled to say whatever he or she desires provided that the speech in question does not infringe on the rights of others.

The function of a right is to protect a person’s interests. For example, a person’s right to freedom of religion exists to protect the person’s interest in practicing religious beliefs. Thus, rights and interests go together. Similarly, rights and duties go together. That is, if a person
has a right to do some action, then that right creates duties on other people not to interfere and to provide assistance as necessary. For example, a person’s right to freedom of religion creates the duties on others not to interfere. For another example, if a person has a right to an education, then that right creates the duties on others not to interfere with the person’s education, and maybe even to help provide the person’s education if the person is unable to do so on his or her own.

The rights of one person can conflict with the rights of others. For example, my right to exercise by swinging my arms might conflict with a bystander’s right not to be punched in the nose. When the rights of one person conflict with the rights of another, then the two parties have competing interests. To continue the example, my interest in being physically fit might conflict with the bystander’s interest in being free from injury. This suggests a way to resolve conflicting rights: identify the competing interests, judge which interest is more important, and then give precedence to the right that protects the more important interest. For example, if we judge (based on our values) that my interest in being physically fit is less important than the bystander’s interest in avoiding injury, then our conclusion would be that the bystander’s right not to be punched in the nose should take precedence over my right to exercise.

But how do we know what rights people have? The ideas from the famous philosopher Immanuel Kant can be used to judge what moral rights humans possess (Kant, 1964; O’Neill, 1989; Pojman, 1989; Rachels, 1999; Sullivan, 1989; Velasquez, 1998). Kant’s categorical imperative can be expressed as three tests.

First, are the person’s reasons for acting reversible? That is, would the person who is performing the action in question be willing to have the action performed on him or her? If the person would not be willing to have the action done to him or her, then he or she does not have the moral right to perform the action on others. For example, if a person would not like to work in a situation in which the employer has hidden the dangerous nature of chemicals used in production, then the person does not have the moral right to do this to others.

Second, are the person’s reasons for acting universalizable? That is, would the person who is performing the action in question be willing to live in a world in which everyone performed the action all the time? If it is judged undesirable, or even impossible, for everyone to perform the action in question, then the action cannot be universalized, and so the person does not have the moral right to take the action. For example, would it be desirable, can we even imagine, living in a world in which all employers hid relevant facts from employees? If all employers acted this way, would it so erode trust between employers and employees that people become afraid to enter into employment relationships? If so, then the behavior cannot be universalized, and so an employer does not have the moral right to hide relevant facts from employees.

Third, does the action treat those who are affected by it with respect, in ways that the affected person has freely consented to be treated? That is, does the action treat the affected people as more than a means to ends? For example, suppose an employer is wondering if there is a moral right to hide the dangerous nature of chemicals used in production from the employees who work with the chemicals. If the employees have not freely consented to be treated in this way, then to hide the dangers treats the employees exclusively as a means to the employer’s ends. Since the employer does not have a moral right to do so, it is unethical to hide the dangers from the employees.
On the other hand, if the employees are fully informed of the hazards, if they have been trained in proper handling procedures, if they have been provided with the appropriate safety equipment, and if the employees freely choose to continue to do the work, then the employees have been treated with respect (as more than just a means to ends). Furthermore, such behavior is reversible (the manager would presumably prefer to be informed of the hazards if the manager had to work with the chemicals) and universalizable (it is possible to imagine informing all workers of the hazards involved in their jobs). Thus, the manager does not have a moral right to hide the hazards from the workers, and instead, has a duty to inform the employees about the hazards.

6. Distributive justice: are the results fair?

The third moral principle examines whether or not the results produced by the action in question create a fair distribution of benefits and costs, good and harm (Pojman, 1989; Rachels, 1999; Velasquez, 1998). In particular, the distributive justice moral principle may be summarized as follows:

The morally correct action is the one that produces a fair distribution of benefits and costs for everyone who is affected by the action.

A fair distribution is one in which individuals who are similar in relevant respects receive similar benefits and costs (Perelman, 1963; Pojman, 1989; Rachels, 1999; Velasquez, 1998). The challenge in applying this principle is in deciding on what bases individuals are similar. That is, what characteristics are relevant in deciding whether people are similar and therefore deserving of similar benefits and costs? There are at least five different perspectives people use in evaluating whether or not a distribution of good and harm is fair.

One approach to defining a fair distribution of benefits and costs is egalitarianism, which maintains that humans are similar in all relevant respects (Ake, 1975; Velasquez, 1998). Therefore, to an egalitarian, the only fair distribution of good and harm is an equal distribution. Thus, for example, an egalitarian would argue that everyone should receive the same compensation regardless of the facts of their employment. Critics of egalitarianism, however, point out that an equal distribution ignores important considerations such as effort and need (Feinberg, 1973; Velasquez, 1998). For example, if everyone receives an equal distribution of benefits and costs, then the lazy person gets as much as the industrious person, which might tend to weaken the incentives for industriousness. In the example of an employer concealing chemical hazards from employees, the egalitarian would be concerned because this would probably result in unequal good and harm to the employer and the employees.

A second approach to defining a fair distribution of benefits and costs is capitalism, which maintains that what is relevant in deciding the benefits and costs the individual should receive are the contributions of each individual (Velasquez, 1996, 1998). Therefore, according to the capitalist definition of distributive justice, it is fair for a person who has made a larger contribution to some success to get a larger share of the benefits that flow from the success, and it is fair for a person who has made a larger contribution to causing some problem to
shoulder a greater share of the costs associated with the problem. In this way, capitalism creates incentives for people to create success and avoid creating harm. For example, a capitalist would endorse as fair the use of pay-for-performance systems precisely because of the linkage it creates between the pay the person receives and that person’s contributions. As another example, a capitalist would be concerned by an employer hiding the dangerous nature of chemicals from employees because the employees have done nothing to earn the harm that they might suffer as a result of the deception.

A third approach is socialism, in which incentives are thought to be corrosive to the well-being of members of society. Instead, the socialist points to the importance of abilities and needs in deciding what constitutes a fair distribution of good and harm. In particular, socialists argue that individuals with greater needs should receive more of the benefits while individuals with greater abilities should shoulder more of the costs (Husami, 1980; Marx, 1938; McMurtry, 1978). For example, an employer offering employees, who need help with child care, a child care assistance benefit program might be seen as fair by a socialist even though other employees who do not have children do not get the benefit — those who need the benefit, get the benefit. As another example, a socialist would be concerned by an employer hiding the dangerous nature of chemicals from employees because of the inability of the employees to shoulder this burden while the employer is probably in a better position to deal with the problem by providing employees with the proper information, training, and equipment. As with egalitarianism, the capitalist critics of socialism worry about the effects of weakened incentives when benefits are not awarded based on a person’s contributions.

A fourth approach is libertarianism, which maintains that what is relevant in deciding what constitutes fair treatment are the free choices that individuals make (Nozick, 1974; Velasquez, 1998). That is, to a libertarian, whatever happens as a consequence of the free choices of individuals is fair. For example, if employees have freely chosen to work for a manager who the employees know lies to them and cheats them, then it is fair because no one forced or coerced them to work under those circumstances. On the other hand, a libertarian might question the fairness of a manager who convinces individuals to work for the company through deception because such deception calls into question whether the choice to work for the manager was in fact a free choice. Thus, for example, a libertarian would be concerned about an employer who deceives employees about the nature of dangerous chemicals. However, once the employees discover the deception, if they continue to work for the manager, then the libertarian might once again argue that it has become fair because the employees have exercised their free choice not to quit.

Finally, a fifth approach to defining a fair distribution of good and harm is Rawls’ Principles of Distributive Justice (Rawls, 1971). In essence, Rawls argues that people disagree about how to define a fair distribution because individuals tend to want to adopt a definition of fairness that favors each individual’s own position. To solve this problem, Rawls argues the use of the following procedure. Imagine a hypothetical meeting of all humans before anyone is born. In this meeting, each human knows nothing about their future life — people do not know into which generation they will live, what their sex will be, what their race will be, what their nationality will be, whether they will be born into a rich family or a poor family, and so on. That is, this meeting takes place behind what Rawls calls a veil of ignorance.
In the hypothetical meeting behind the veil of ignorance, everyone will have to reach agreement about the principles of distributive justice that will govern each person's future life. Since no one knows anything about their future life, no one can try to twist the definition of distributive justice to suit their situation.

Rawls then argues that people will reach agreement on three principles of distributive justice. First, he argues that everyone will want to ensure that they have the same basic set of freedoms and liberties as everyone else, which he terms the equal liberty principle. In particular, he argues that people would not agree that some groups should have more freedoms than others out of fear that they might be born into the less favored group.

Second, Rawls argues that everyone will want to ensure that they have the same right to develop the interests, skills, talents, and abilities with which they are born, which he terms the equal opportunity principle. In particular, he argues that people would not agree that some groups should have a greater opportunity than others to develop talents and abilities out of fear that they might be born into the less favored group. While the equal opportunity principle seeks to ensure that everyone has the same opportunity to develop their talents and abilities through hard work, the principle does not seek to guarantee equal results. That is, if some people work harder than others to develop their talents and abilities, then it would be fair that they get the benefits that result from their hard work — equal opportunity, not equal results. Thus, the equal opportunity principle preserves incentives for effort.

Finally, in what Rawls terms the difference principle, he argues that people will want to protect themselves from the possibility that they might be born into desperate circumstances in which they have extremely limited resources, talents, and abilities. That is, he argues that people would want some insurance against the possibility that they might be born with virtually nothing on which to survive. Rawls thus argues that people would agree to help those in need as much as possible. In particular, the difference principle asserts that members of society who have resources, talents, and abilities have an obligation to help those in need to the point at which further assistance would so burden society that it makes everyone, including those in need, worse off. Thus, for example, a welfare program that is so generous to the needy that it makes everyone worse off, including those needy people it is supposed to help (perhaps because it encourages dependency on the welfare program), would be judged as being unfair.

For a human resource management example, consider once again an employer deceiving employees about the nature of hazardous chemicals used in production. Such treatment of employees might be argued to be unfair because it violates the equal liberty principle (everyone has an equal right to be informed about all relevant aspects of employment), the equal opportunity principle (everyone has an equal opportunity to develop their talents and abilities by hard work by making well informed employment choices), and the difference principle (it fails to protect the vulnerable to the greatest extent possible).

7. Care: are special relationships fostered?

The fourth moral principle emphasizes the importance of the special relationships that may exist among individuals by examining whether or not care is shown for the people with whom the person performing the action in question has special relationships (Rhachels,
In particular, the ethics of care moral principle may be summarized as follows:

The morally correct action is the one that expresses care in protecting the special relationships that individuals have with each other.

The care principle emphasizes that ethics is more than impartiality, it also involves caring — showing partiality — for the people with whom one has special relationships. For example, the care principle would justify a parent showing more love, concern, compassion, and kindness for a son or daughter than to a stranger.

The ethics of care emerged out of the feminist literature when Dillon (1992), Gilligan (1982), and Raugust (1992) complained about the male-dominated view of ethics as being too impersonal in ignoring the importance of the special relationships that exist among individuals. That is, the ethics of care argues that a person’s moral obligation is not to follow impartial principles, but rather to care for the good of the particular individuals with whom the person has concrete special relationships. This principle emphasizes that humans live in a web of special, valuable relationships with specific individuals, and this web of relationships should be nurtured. This principle therefore argues that each of us should care for ourselves by attending to our own particular needs, desires, and well-being, and by positively responding to the needs, desires, and well-being of those with whom we have special relationships, especially those who are vulnerable and dependent on us.

Thus, the ethics of care argues that each of us needs to attend to our own needs as well as the needs of the people in our web of relationships. This web of relationships includes the people with whom we have close relationships (e.g., family, friends, and coworkers), but also the people in the larger communities within which we live (Aivneri & de-Shalit, 1992). At the same time, however, the ethics of care emphasizes that caring for others does not mean encouraging them to remain dependent on our care (Ruddick, 1989). Instead, the ethics of care maintains that we express care for others with whom we have special relationships by nurturing their development in a way that allows them to make their own choices and live their own lives.

In addition, the ethics of care does not mean that all relationships are to be nurtured. In particular, the ethics of care does not maintain that we should nurture relationships based on domination, oppression, hatred, violence, disrespect, injustice, or exploitation. Furthermore, there may be situations in which the care we wish to express to some individuals with whom we have special relationships conflicts with the care we wish to express to others. For example, a manager making a hiring decision may wish to favor a friend over strangers for the job, but this desire to care for a friend might conflict with the desire of the manager to care for the relationships the manager has with employees, customers, and stockholders by hiring the most qualified. In this example, the manager might attempt to resolve the conflict by deciding to excuse himself or herself from the hiring decision that involves a friend (Velasquez, 1998).

While the ethics of care originated in the feminist literature that argued that men and women think differently about ethical issues, ethicists have argued that this principle should be adopted by both men and women in making moral judgments (Shogan, 1988; Tronto, 1995). Thus, to continue my previous example, we could argue that it is unethical for an employer to deceive employees about the dangerous nature of chemicals in the workplace because such deception fails to express the appropriate degree of care for the employees.
8. Virtue: are good virtues displayed?

The fifth moral principle emphasizes that we evaluate a person’s morality by examining the person’s character (Pojman, 1989; Rachels, 1999; Velasquez, 1998). In particular, virtue ethics can be summarized as follows:

The morally correct action is the one that displays good moral virtues, and does not display bad moral vices.

A virtue can be defined as a trait of character that manifests itself in the actions of an individual (MacIntyre, 1981; Rachels, 1999). Other ethicists have emphasized that we should look at the person’s character without necessarily examining the person’s actions (Pineoffs, 1986). Examples of virtues include benevolence, civility, compassion, conscientiousness, cooperativeness, courage, fairness, generosity, honesty, industriousness, loyalty, moderation, self-control, self-reliance, and tolerance (Rachels, 1999, p. 178). Philosophers have traced the history of virtue ethics at least as far back as Aristotle in the fourth century B.C. (Pojman, 1989).

Under virtue ethics, to continue my previous example, we would ask ourselves how would we describe the character of an employer who deceives employees about the nature of hazardous chemicals in the workplace? If the words we use to describe the employer’s character are vices — greedy, selfish, thoughtless, reckless, dangerous, careless, wicked, evil — instead of virtues, then the employer is acting unethically.

9. Integrating the five moral principles

Note that each of the five moral principles examines morality from a different perspective. The utilitarian principle focuses on the results (ends) of the action and examines whether or not the action produces the greatest good and the least harm possible from the perspective of everyone who is affected by the action. The rights principle focuses on the methods (means) used and examines whether or not the person performing the action in question has the moral right to do the action. The distributive justice principle focuses on whether or not the action produces a fair distribution of good and harm. The care principle focuses on protecting and nurturing the individuals with whom the person performing the action in question has special relationships. Finally, the virtue principle focuses on the character traits of the person performing the action in question.

Since each moral principle examines ethics from a different perspective, no one principle captures the full range of relevant issues (Velasquez, 1998). Therefore, by using all five principles together (see Table 1), we are more likely to consider all of the relevant issues in deciding what constitutes the ethical course of action. I have argued, for example, that all five principles can be used to come to the conclusion that it is unethical for an employer to deceive employees about the true nature of hazardous chemicals in the workplace. When all five principles come to the same conclusion about the ethics of a course of action, then there is no apparent conflict about what is ethical.

However, as we have seen in the example where the murder of the uncle might be judged to be ethical under certain circumstances, there may be situations in which the moral
Table 1
Framework of moral principles

1. **Utilitarian Principle:** What action will do the most good and the least harm for everyone who is affected?
   a. Who are the stakeholders?
   b. What are the alternative courses of action?
   c. For each alternative, what are the benefits and costs (good and harm) for each stakeholder now and in the future?
   d. Which alternative creates the most benefits and the least costs for all stakeholders considered together?
   (To help answer this question, consider what would happen in a competitive market in which all stakeholders have complete and accurate information and are free to make their own choices in mutually beneficial negotiations with each other.)

2. **Rights Principle:** What action do you have the moral right to take, that protects the rights of others, and that furthers the rights of others?
   a. Do you have a moral right to take the action in question?
      (1) **Reversibility:** Are you willing to have the action in question done to yourself if the roles were reversed?
      (2) **Universalizability:** Are you willing to live in a world, can you even conceive of a world, in which everyone did the action in question?
      (3) **Respect and free consent:** Are you treating people with respect?
         Are you treating people in ways that they have freely consented to be treated?
   b. What moral rights do other stakeholders have? (To help answer this question, apply the reversibility, universalizability, and respect/free consent principles.)
   c. Are there conflicts among the moral rights that you and the other stakeholders have? If so, which moral right should take precedence?
      (1) What interests are being protected by each competing right?
      (2) Which competing interest is more important?
      (3) Give precedence to the right that protects the more important interest.

3. **Distributive Justice Principle:** What action produces a fair distribution of benefits and costs for all of the stakeholders?
   a. **Egalitarianism:** What action produces an equal distribution of benefits and costs?
   b. **Capitalism:** What action produces a distribution of benefits and costs based on the contributions of each stakeholder?
   c. **Socialism:** What action distributes benefits based on need and costs based on abilities?
   d. **Libertarianism:** What action has been freely chosen by the stakeholders?
   e. **Rawls’ Principles:** What action provides all stakeholders with equal liberties and equal opportunities (but allows for differences in results based on differences in contributions) while helping those in need to the greatest extent possible?

4. **Caring Principle:** What action cares for those people with whom you have special relationships?
   a. What action cares for your own needs?
   b. What action cares for the needs of those people with whom you have special relationships (e.g., family, friends, coworkers, employees, customers, stockholders)?
      (1) What action helps those who are vulnerable and dependent on you?
      (2) What action nurtures the ability of those with whom you have special relationships to make their own choices and live their own lives?
      (3) What action avoids basing relationships on domination, oppression, hatred, violence, disrespect, injustice, or exploitation?

5. **Virtue Principle:** What action displays virtuous character traits?
   a. Does the action display virtues such as benevolence, civility, compassion, conscientiousness, cooperativeness, courage, fairness, generosity, honesty, industriousness, loyalty, moderation, self-control, self-reliance, or tolerance?
   b. Or does the action display vices such as cowardice, deceit, dishonesty, laziness, neglect, or selfishness?
   c. Take the action that displays virtues, not vices.
6. **Resolve Conflict Among the Five Moral Principles**: Do all five moral principles reach the same conclusion, or do they reach conflicting conclusions?
   a. If they reach what appear to be conflicting conclusions, then examine the nature of the apparent conflict to determine if the conflict can be resolved by choosing a previously unconsidered course of action.
   b. If the apparent conflict among the principles cannot be resolved with a different course of action, then decide which principles should take precedence by examining your values. For example, if you believe that the ends can never justify the means, then give precedence to the rights principle.

principles reach conflicting conclusions. In those situations where the principles reach conflicting conclusions, it will be important to analyze the nature of the apparent conflict to see if the apparent conflict can be resolved. As the example with the sick uncle illustrated when the possibilities of the nephew helping the sick uncle or even reporting the safety violations were considered, the apparent conflict may in some cases disappear under more careful scrutiny by developing previously unconsidered alternatives. In general, if a moral dilemma seems to offer only two alternative courses of action, and if neither of the two alternatives can be judged to be ethical using all five moral principles, then we should try to use the five moral principles as a guide to develop new alternatives.

In cases where the conflict among the moral principles cannot be resolved by creating new alternatives, we must decide which principles should take precedence. The establishment of priorities among conflicting moral principles involves the use of values. That is, we must decide based on our values which principles should take precedence when there is a conflict among the principles. Philosophers, for example, frequently argue that the rights principle should take precedence over the other principles in cases of conflict among the principles (Velasquez, 1998). This sentiment is sometimes expressed in common language when people say, “the ends can never justify the means.”

In setting priorities among conflicting moral principles, the framework of moral principles can be used to examine the extent of any tradeoffs involved. For example, suppose that the utilitarian principle reaches a conclusion about the morality of an action that irreconcilably differs from the conclusions of the other moral principles. If we judge, based on our values, that the other principles should take precedence over the utilitarian principle, we can still use utilitarian analysis to determine the cost, in terms of reduced net social benefits, of our decision. We can then verify that, based on our values, we are willing to live with the reduced net social benefits in order to protect principles that we hold to be more important.

10. **Additional examples**

To illustrate further how the framework of five moral principles can be applied to analyze ethical issues in human resource management, consider the following additional examples. Due to space limitations, I will only outline one possible line of argument for each example using the moral principles framework; other arguments using the moral principles framework are possible.
11. Discrimination in employment

Is it ethical for a manager to refuse to hire a well-qualified applicant for employment because of prejudice against some characteristic that is irrelevant for the job (such as prejudice against the applicant’s race)? First, economists have argued that benefits are maximized and costs are minimized when the best-qualified person gets the job on the merits (Becker, 1971). Therefore, discrimination reduces net social benefits, and is thus unethical on utilitarian grounds.

Second, discrimination fails the reversibility test because the manager would not want to be refused to be hired for a position for which the manager is the best qualified because the person making the hiring decision is prejudiced against an irrelevant characteristic of the manager. Similarly, discrimination fails the universalizability test because the manager would not want to live in a world, or could not even imagine a world, in which all employers make hiring decisions on the basis of prejudice and ignore relevant job qualifications. In addition, discrimination fails the respect and free consent test because the victim of the discrimination has not freely consented to be treated in this way, and the manager is treating the applicant merely as a means to the manager’s self-satisfaction. Thus, it can be argued that the manager does not have a moral right to engage in discrimination, and to do so is therefore unethical.

Third, discrimination in hiring produces an unfair distribution of good and harm. Egalitarians would find discrimination to be unfair because it is unlikely to produce an equal distribution of good and harm. Capitalists would find discrimination to be unfair because it allocates good and harm on irrelevant characteristics, and not on the basis of qualifications and merit. Socialists would find discrimination to be unfair because the victims of discrimination are likely to be the people with the greatest needs. Libertarians would find discrimination to be unfair because the victims have not freely chosen to be treated this way. Advocates of Rawls’ principles would find discrimination to be unfair because it fails to provide equal liberties, it fails to provide equal opportunities, and it fails to provide as much help as possible to those with the greatest need (those with the greatest need for help are likely to be the victims of the discrimination). Thus, it can be argued that discrimination produces an unfair distribution of good and harm.

Fourth, discrimination in hiring is unlikely to demonstrate care for all of the people with whom the manager has special relationships. The manager has special relationships with the employees of the organization who rely on their jobs for their welfare, with the customers of the organization who rely on the company to supply them with products or services, and with the stockholders of the company who have entrusted their investments and therefore their future well-being to the management of the company. If the manager hires based on discrimination and fails to hire the best qualified, then the manager has put at risk the welfare of employees, customers, and stockholders. The manager thus has failed to nurture and protect the people with whom the manager has special relationships. Therefore, it is unethical for the manager to engage in discrimination.

Fifth and finally, discrimination in hiring can be described in terms of vices instead of virtues. A manager who engages in discrimination in hiring might be described in terms of
character traits such as self-centered, selfish, biased, intolerant, bigoted, unfair, racist, sexist, and so on — these are vices, not virtues. Therefore, it is unethical to engage in discrimination.

Since all five moral principles in the framework can be argued to come to the same conclusion, it can therefore be argued that to engage in discrimination in hiring is unethical.

12. Sexual harassment

A similar analysis could be constructed to conclude that sexual harassment is unethical. Sexual harassment fails the utilitarian principle because quid pro quo sexual harassment results in a person obtaining (or being refused) an employment outcome on the basis of sex, not true job qualifications, and because hostile environment sexual harassment has the purpose or effect of negatively affecting a person’s job performance; thus, both types of sexual harassment would tend to reduce net social benefits. It fails the rights principle because the perpetrator of the harassment would not like to be the victim of harassment (reversibility), because sexual harassment cannot be universalized, and because it fails to treat the victim with respect or in ways in which the victim has freely consented to be treated. Sexual harassment fails the distributive justice principle because it is unlikely to produce an equal distribution of good and harm (egalitarianism), because the victim has done nothing to earn the harassment (capitalism), because the victim is unable to shoulder the harm (socialism), because the victim has not freely chosen to be victimized (libertarianism), or because it does not bring about equal liberty, equal opportunity, and help those with the greatest need (who are likely to be the victims) to the greatest extent possible. Sexual harassment fails the care principle because the victimizer is not correctly nurturing the special relationship that exists with the victim. Finally, it fails the virtue principle because sexual harassment can be described in terms of vices, not virtues.

13. Conclusions

I have argued in this article that business ethics is important, that human resource management is an area rich in ethical dilemmas, and that human resource management ethical dilemmas can be analyzed using a framework of five moral principles. The five moral principles I have included in the framework are general principles that have been developed and studied by philosophers. The principles are also ones that people commonly use to debate ethical issues even though they may not be familiar with the formal arguments used by philosophers in developing and studying the principles. Each of the five principles analyzes ethics from a different perspective. Thus, by combining the five principles into a framework, our analysis of ethics is more likely to be complete.

The challenge for future authors on the subject of human resource management ethics, and the challenge for practicing managers, is to apply the framework to the practical problems that they see in the field of human resource management. For example, the framework can be used to analyze the ethics of subjects as diverse as the following. Is it ethical to shut down a plant
and relocate operations to a place that offers cheaper labor and fewer government regulations? Is it ethical to place secret video cameras in the employees’ restrooms to try to prevent theft and drug dealing by employees? Is it ethical to underfund an employee pension plan? Is it ethical to circumvent OSHA or other safety laws? Is it ethical to switch, without consulting or involving the employees in the decision, from a fee-for-service medical plan to a preferred provider plan or health maintenance organization in which the medical choices of the employees have been severely restricted?

The analysis of these and other human resource management ethical issues will help managers understand what distinguishes ethical from unethical conduct. As noted previously, managers have an obligation to protect the interests of the business while conforming to both the law and ethics. Therefore, if they are to conform to ethical requirements, then they have an obligation to learn how to apply a consistent, comprehensive moral framework. It is my hope that this article helps managers understand how to use one such framework.

Finally, while I have advocated a particular moral framework made up of five complementary moral principles, I do not suggest that agreement on the framework will eliminate all debate. People can and do disagree on the appropriate social benefits and costs to consider. People can and do disagree on what rights individuals have, and on which rights should take precedence when the rights of one individual conflict with the rights of others. People can and do disagree on how best to define fairness. People can and do disagree on how best to express care for those with whom they have special relationships. People can and do disagree on how best to characterize the traits of individuals in terms of virtues and vices. People can and do disagree on the order of precedence among the moral principles when the principles reach irreconcilable conclusions. Rather than eliminating debate, the framework of five moral principles serves to provide a comprehensive structure for that debate. With the structure provided by the framework, we are better able to understand the true source of our disagreements, and thereby position ourselves to begin to work toward consensus and agreement on important ethical issues in human resource management.

References


