Ignatian Mentoring Program Project: Ethics in the Workplace

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Acknowledgements

Introduction

Workplace ethics have been a priority for some time, but have recently come under much more scrutiny. When the scandals from companies like Enron, Adelphia, and WorldCom emerged in the public view in the late 2000s, there was a tipping point of frustrations and perceived lack of unfairness in the business world, which lead to the creating of the Dodd-Frank Act in 2010 (Verschoor, 2018), which required top management to be responsible for the reporting of their businesses' financial reports. While this was an important step in ensuring accountability from those in control, this did not guarantee companies and individual employees would still act ethically. A 2018 survey found that employees who had noticed some form of ethical misbehavior (e.g., accepting bribes, stealing, sexual harassment, offering products that failed specifications, etc.) was at an all-time high of 69% (Verschoor, 2018). This does not bode well for the future of not only workplace ethics, but also the trust from the public that companies are actually doing the right thing.

Certainly, companies and individuals acting unethically is frowned upon, but one could conceivably not realize the entire toll actions like these have on the general working population. Research has shown that cheating can cripple companies (Walter, Ruddick & Farrel, 2015). Business leaders who behave unethically can create a cascading effect that leads to a lack of commitment from workers (Mitonga-Monga & Cilliers, 2015), which further leads to an erosion of the current and future customer base (Giacalone & Promislo, 2014), which obviously has downstream effects on more than just those involved in the unethical act.

Examples like those listed above are not new, nor are they isolated to certain industries or specific situations. Due to the nature of businesses to need to make a profit to be sustainable and the design of certain pay structures to (largely unintentionally) incentivize unethical behavior, acts such as these have always been prevalent, yet their profound impact on the larger whole has only recently began to be recognized. Therefore it is imperative we equip tomorrow's business member and leaders with the proper ethical foundation so that when faced with these tough ethical dilemmas and ethically questionable practices, they can make a decision that is not myopic and only benefitting the few, but instead is beneficial for the greater good.

Course information (SHRM 200: Strategic Human Resource Management)

At the time of this project, Strategic Human Resource Management was a required course for all business students. The overarching goal of this course is to shed light on the day-to-day functions taken on by human resources departments and how they affect daily, yearly, and the career lives of employees. From my experiences, this course is eye-opening to many students as they have a

limited (usually negative) view of what human resources do. The main objectives for this course are:

- Students will be able to analyze and understand the strategic use of HRM.
- Students will gain an understanding of HRM's leadership role in organizations.
- Students will gain an appreciation for and understanding of laws governing workplace behavior.
- Students will be versed in the rationale and processes of recruiting workers and selecting employees.
- Students will learn the policies, best practices, and considerations of setting wages.
- Students will become aware of the processes for evaluating employees' performance.
- Students will gain an understanding of the processes for establishing & managing benefits.
- Students will gain insight into techniques used for training & developing employees as well as how to measure the success of these programs.
- Students will be made aware of steps the company can go through to provide employee health and safety.
- Students will become aware of the many laws and policies driving labor relations.
- Students will gain an understanding of the various issues to consider when dealing with international human resources.

Course Content Related to Ignatian Leadership

Since arriving at Xavier, I have heard the term 'Ingatian' and had developed a cursory understanding of its meaning but never had a full grasp of it in totality. For this project, I made it a point to gain a more holistic understanding of what it means to be an Ignatian Leader. From my readings, I have gleaned that, in a broad sense, to be an Ignatian Leader is to be one who makes good decisions (Mooney, Retrieved from https://www.xavier.edu/mission-identity/trustees/ignatian-leadership-mission-statement/leadership-in-the-ignatian-tradition, May 29, 2020). But what is a good decision? It is a decision that, first comes from inner truths that mirror God's will. Second, it is a decision that seeks to benefit those around us who are affected by said decision. A good decision on the behalf of others can arise when we seek to take the perspective of others to give us a more innate understanding of how our decisions will affect others.

As this process relates to this course, management should strive to lead, grow, and encourage their employees. Human resources can be a cog in this process by giving managers the tools to more accurately evaluate and reward employees for their objective and subjective performances in such a way that employees are encouraged to make their own good decisions that lead to the greater good benefiting, which is usually the opposite effect of an unethical decision. Additionally, management should make decisions that also improve situations for the greater good (i.e., not making decisions or taking on risks that could bankrupt the company and force all employees to lose their job).

Cura personalis

Throughout this course, we discuss the importance of the individual employee. Indeed a main component of human resources is the 'human' factor, that your main focus should be people and not products or strategies. This is done in human resources by ensuring the employee has the correct training to accurately perform their job, they have the correct pay that reflects their contribution to the company, they are given the best working conditions so that they are safe, healthy, and free from distractions so their productivity can be at its highest, and they have legal protections in the workplace. Finally, they are appraised of their performance in such a way that is free from bias and rewards and recognizes their hard work.

Workplace ethics surveys, results, and student reflections

For my ethics-based activity, I employed a test-retest with a treatment study design. Early in the semester I provided the students with the Time 1 extra-credit survey asking a variety of business ethics-related questions. Then, during the semester, they were required to find a current article that discussed various ethical or unethical business practices examples of actual companies. They were to reflect on these articles, noting any unethical decisions, actions, or outcomes. Then they were to recommend actions, based on their knowledge of ethical treatment of employees throughout this course, of what they would do if they were in charge of this company. The purpose of this was to help them see that unethical decisions are not always due to some malicious intent (though it can be), and sometimes well-meaning policies and plans can have adverse effects. This report ideally gave them a good perspective of how, in a competitive environment, sometimes ethical anchors are broken free and businesses and individuals make decisions, they think are in their or the company's best interest (to make a profit so they can pay employees and remain sustainable), yet they end up having deleterious effects on the surrounding employees or the company at-large (the opposite of cura personalis). Finally, the students took the Time 2 survey which was identical to the Time 1 survey with the exception of adding two open-ended questions that asked about how this class and this ethics project helped them learn more about ethics or changed the way they viewed ethics in the workplace. The ideal result would be that the Time 1 survey would show students are more driven by financial outcomes, such as profit, than ethics. Then, through this course and, in particular, this ethics report assignment, they see the needs for overt ethical considerations and how ethics and financial success do not have to be at odds.

Survey items

In an attempt to capture students' ethical viewpoints, I selected a few ethically-related constructs for testing. All constructs were measured using a 7-point Likert –type scale (from Strongly disagree to strongly agree unless otherwise noted). These constructs are as follows:

Bottom-line mentality. This four-item scale is one that seeks to measure an individual's proclivity to focus on a financial bottom-line above and beyond anything else in the organization (Greenbaum Mawritz, Eissa, 2012). A sample item is, "I care more about profits than employee well-being."

Ethical risk-taking. This 4-item scale was developed from research from Blais and Weber (2006). It looks to see how willing an individual may be to take an ethical risk. The stem of, "Please indicate the likelihood that you would engage in the described activity or behavior if you were to find yourself in that situation" was followed by an item such as, "Claiming more travel expenses than you actually had." This scale was measured on a 7-point scale ranging from "Extremely Unlikely" to "Extremely Likely".

Ethical perceptions. This ten-item scale was developed by Froelich and Kottke (1991) and Cole and Smith (1995) to measure how students and employees (one scale for each) perceive various ethical occurrences in the workplace. For the employee, the stem of, "Please indicate your degree of agreement to the following statement as you believe the typical businessperson (mid- or upper-level manager at a large company) would respond." was provided. A sample item is, "The employee may need to lie to customers/clients to protect the company. For the student, the stem of, "Please indicated your degree of agreement to the following statement as *you* believe to be the ethical response (not only legal, but also honest, honorable, fair, responsible and socially acceptable)." The same sample item is, "The employee may need to lie to a coworker to protect the company."

Unethical decision-making. This nine-item scale was developed by researchers looking to see how likely students would engage in various unethical scenarios (Trevino & Youngblood, 1990). Students are provided with the prompt, "How likely is it that you would engage in the behavior described?" A sample scenario is, "You get the final exam back from your professor and you notice that he's marked correct three answers that you got wrong. Revealing his error would mean the difference between an A and a B. You say nothing". This scale was measured on a 7-point scale ranging from "Extremely Unlikely" to "Extremely Likely".

Unethical workplace behavior. This seven-item scale was developed by researchers to see the frequency in which employees have partaken in various unethical practices in the workplace (Moore, Detert, Treviño, Baker, & Mayer, 2012). A sample item is, "Discussed confidential company information with an unauthorized person". This scale was measured on a 7-point scale (1 = "never" to 7 = "very often")

T1

For the Time 1 survey, with 37 students' responses, the results were as follows:

Mean response for Bottom-line mentality (M = 3.54). Mean response for Ethical risk-taking (M = 2.5). Mean response for Ethical-perceptions (typical business person; M = 2.89), (student; 2.26). Mean response for Unethical decision-making (M = 3.94). Mean response for Unethical workplace behaviors (M = 1.43).

The open-ended responses are as follows:

Briefly, please describe, in your own words, what it means to do business the "Jesuit" way?

- *To do business with the upmost integrity. Follow Jesuit practices to not only improve quality of the business but the community as well.*
- *Ethical and even if it sacrifices profit or money, to do what is right*
- *it means to be ethical, honest, and morally responsible, looking to help the greater good more than oneself*

Do you believe courses within the Williams College of Business address ethics? Please briefly explain.

- *Yes, all classes I have taken within the WCB has spoken on the topic of ethics specific to the subject of each class, giving me a well rounded idea of what is and is not ethical.*

- *Yes. All of the courses I've been a part of within the Business school have addressed ethics and business examples in the real work that happen on a day-to-day basis.*

- *Yes, I do believe there are various courses within the business school that touch the topic of ethics. In almost every business course I have taken, every professor has mentioned the importance of ethical business. They discuss the repercussions if unethical decision making in business, and how it not only affects the organization but people who have invested their time in that organization.*

Briefly discuss if ethics education has affected the way you view and approach ethical dilemmas? If applicable, as it pertains to conducting business (both real and via class simulations)?

- *Ethics education has more than anything made me understand that ethics is very complex, and has made me more careful in approaching issues that may have ethical ties.*

- *It has not really changed how I deal with ethic dilemmas. I still mainly base the decision on my religion and values.*

- *It somewhat has and I always think about the end result during difficult situations. While my action is legal in terms of the law, it might not be the ethical and moral thing to do.*

The results from this first survey were intriguing as the open0eneded questions showed that most students had a strong grasp of ethics and their value in the workplace. The unethical scale averages did not seem to be overly high, which was encouraging.

T2

For the Time 2 survey, with 36 students' responses, the results were as follows:

Mean response for Bottom-line mentality (M = 3.58). Mean response for Ethical risk-taking (M = 2.32). Mean response for Ethical-perceptions (typical business person; M = 2.88), (student;

2.13). Mean response for Unethical decision-making (M = 3.83). Mean response for Unethical workplace behaviors (M = 1.53).

The additional open-ended questions for the Time 2 survey are as follows:

Please explain if your views on ethics in the workplace have changed this semester. Why or why not? If they have, was there anything in particular?

- *I would not say my view has changed because I had a large wealth of ethical knowledge before the semester. It is always a good reminder to discuss ethical issues, however.*

- *Yes, throughout this semester I have learned that everything that happens unethical will come to light eventually.*

- *Yeah, I understand that companies feel the need to conduct unethical behavior because of the competition. I could imagine how difficult it is to play fair in an unfair game. I think my views have changed on this because I used to find it easy to agree with the saying if you cant beat them, join them. I think now, quite differently, that a company can succeed very well without being overly greedy and succumbing to such behavior.*

For this class, you were required to write a report on ethics in HR. Did the process of writing this report (reading about ethical commitments, unethical decisions) change your views on ethics in the workplace? Please explain.

- *The HR report did not change my view on ethics for business as a whole, but it did make me rethink the ethics of the tech industry. A lot of big tech companies are towing the line between ethical and unethical, which you never really hear about. All you every hear is how great big tech companies are and how great their products are.*

- *Yes. I did a report on Wells Fargo and how their unethical work has effected them for years after the event took place. They lost the trust of their customers and of ultimately the American people by trying to make money the "easy way." This ultimately cost their company millions of dollars and had thousands of people lose their jobs because they wanted to get a leg up on their competition. The study made me want to try to be a model of business ethics when I graduate from Xavier next year, and hopefully grow to become a business leader in whatever profession and industry I choose.*

- *This report on ethics allowed me to reflect on how I view ethics in human resources. By partaking in this activity, I was able to see how I view these ethical situations and choose how to act when faced with them.*

- *Being a Healthcare Administration major, the ethics report really helped me see how management of healthcare organizations are always faced with ethical decision making.*

It is a process that is not easy and that a lot of people may be upset with, but when looking out for the overall health of communities, these decisions are made to eventually make a difference. It definitely gives me a lot more sympathy for healthcare organizations and management, and gave me some insight on dilemmas that may arise in the near future.

Conclusion

In analyzing the differences in average responses for the Time 1 and Time 2 scales, while there was some variability, none of the changes were statistically significant across the total population. Ideally, all the unethical scenarios would have decreased due to the topics we covered in class and going through the process of writing the ethical report, however, this did not occur. This may have been for a few reasons. First, our sample size was fairly small, with only 37 students at Time 1 and 36 students at Time 2. Second, analyzing the open-ended responses indicates that most students are highly aware of ethics and their workplace impact, either from their own personal background or classes taken at Xavier which have presented ethics in a new light. To this point, none of students sampled were freshmen, so they have likely all been exposed to ethics in some form in one of their classes at Xavier.

While I would have been excited to see the scores from these unethical surveys drop dramatically due to my teachings and my ethics report assignment, it was encouraging that the scores were already fairly low to begin with. This suggests that students enroll at Xavier with a high level of ethical knowledge and understand and this is only bolstered from their classes at Xavier. Hence, I feel out students are ripe to enter the workforce with the spirit of St. Ignatius and be strong Ignatian Leaders, who make good decisions, those decisions that will generate the greatest good for all involved, above and beyond the pull to be solely focused on making a profit in the corporate world. To be clear, making a profit and running a business do not have to be at odds as many studies have shown that when ethics is a priority within the culture and employees are treated in an ethical manner, companies can not only be sustainable, but also thrive (Davis, 1994).

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