

### 3. WORK PLACE ETHICS

*It's the action, not the fruit of the action, that's important. You have to do the right thing. It may not be in your power, may not be in your time, that there'll be any fruit. But that doesn't mean you stop doing the right thing. You may never know what results come from your action. But if you do nothing, there will be no result."*  
**M K GANDHI...**

**Q.No.1. Write a short note on work place ethics. (C)**

**(SM)**

1. Ensuring the presence of sound values and ethics is a vital <sup>(=very important)</sup> and ongoing part of good governance in organizations and an integral <sup>(=important)</sup> part of good management practices.
2. "Workplace ethics" is how one applies values to work in actual decision making i.e. - a set of right and wrong actions that directly impact the people in the work place.
3. Workplace ethics are an extension of the personal standards of all the people who comprise the workplace
4. It is about making choices that may not always feel good or seem beneficial but are the "right" choices to make.

**SIMILAR QUESTIONS:**

1. "Work place ethics is the application of the values/ethics, to the decision concerning the employees in the organization" – comment  
 A. Answer: Refer the above.
2. What is the nature of workplace ethics?  
 A. Refer the above answer.

**Q.No.2. Answer whether the statement is correct or incorrect with brief reason:**

**Ethical behavior is not essential to working environment at the workplace. (B)**

**(SM, PM, M09 - 2.5M)**

**Incorrect**

Every organization, whether a business or a government agency, is first and foremost a human society. In all these setups, ethical behavior is essential to working environment.

If an employer does not take steps to create a fair and ethical working environment, some significant problems may arise **namely**:

- i) Increased risk of employees making unethical decisions.
- ii) Increased tendency of employees to report violations to outside regulatory authorities (whistle blowing) because they lack an adequate internal forum.
- iii) Inability to recruit and retain top people.
- iv) Diminished reputation in the industry and the community.
- v) Significant legal exposure and loss of competitive advantage in the market place.

Therefore ethical behaviour is essential to working environment at the workplace.

**SIMILAR QUESTIONS:**

1. Explain the importance of ethical behavior at the workplace.  
 A. Refer the above answer.
2. What problems may arise at work place when ethical behavior is not adopted?  
 A. Refer the above answer.

**Q.No.3. Describe the factors which influence the ethical behavior at work in an organization. (A) (PM, RTP - M17, N 14 - 4M)**

**ETHICAL DECISIONS IN AN ORGANIZATION ARE INFLUENCED BY THREE KEY FACTORS:**

- 1. Individual moral standards:** The ethical or unethical behaviour of an employee depends on his personal ethics and moral standards.
- 2. The influence of managers and co-workers:** The activities and examples set by co-workers along with rules and policies established by the firm are critical in gaining consistent <sup>(=uniform)</sup> ethical compliance in an organization.
- 3. The opportunity to engage in misconduct:** If a company fails to provide good examples and direction for appropriate conduct to the employees; confusion and conflict will develop among the employees and result in the opportunity for unethical behaviour.

**For example:**

- *If the boss or co-workers leave work early, one may be tempted to do so as well.*
- *If one sees co-workers making personal long-distance phone calls at work and charging them to the company, then others may also do the same.*

**SIMILAR QUESTIONS:**

1. What are the major factors influencing ethical behavior at work place? (Or) Briefly explain the major factors that influence the ethical behavior at the work place.

A. Refer the above.

**Q.No.4. Explain various socio-psychological factors responsible for developing negative attitude by an individual at workplace. (C) (PM)**

**SOCIO - PSYCHOLOGICAL FACTORS RESPONSIBLE FOR DEVELOPING NEGATIVE ATTITUDE BY AN INDIVIDUAL AT WORK PLACE:**

- a) An ethical issue is an identifiable <sup>(=special)</sup> problem, situation or opportunity that requires a person to choose from several alternatives which could be assessed as right or wrong.
- b) As individuals, our values are shaped by our personal beliefs and values. The decisions taken by the employee in his job shows the employee's understanding of ethical responsibility.

**VARIOUS SOCIO-PSYCHOLOGICAL FACTORS THAT COULD BE RESPONSIBLE WHY INDIVIDUALS COULD DEVELOP NEGATIVE ATTITUDES OR LOSE PERSONAL MOTIVATION ARE:**

- i) Negative work or life experiences.
- ii) Employees failing to respect each other's unique personalities.
- iii) Overly aggressive financial or business targets.
- iv) Pressures to perform and take quick decisions.

**SIMILAR QUESTIONS:**

1. How does personal values and society influence the employee at the workplace?

A. Refer the above answer

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**Q.No.5. How can we classify the ethical issues faced by an individual in the work place?  
(B) (SM, M 09 - 5M, N 10, N 12 - 4M)**

Ethical issues are quite common for an employee in work place. They are of various types. They could be classified as follows:

**1. RELATIONSHIP WITH BUSINESS ASSOCIATES:**

- a) Ethical behavior within a business involves:
- i) Keeping company secrets, meeting obligations and responsibilities.
  - ii) Avoid undue pressure, which may force others to act unethically.
- b) The behavior of business enterprises towards customers, suppliers and others in their work place may generate ethical concerns.
- c) The managers can force employees to behave unethically by using their position and authority.



**2. CONFLICT OF INTEREST:**

- a) A Conflict of Interest arises, when a employee has to choose between his personal interest and organizational interest. For Example, bribe is a conflict of interest,
- b) To avoid the conflict of interest, the employees must be able to separate their personal and financial interests from their business dealings.



**3. FAIRNESS AND HONESTY:**

- a) Fairness and Honesty forms the heart of business ethics. Every business has to follow them.
- b) Some aspects of 'Fairness and Honesty' include the disclosure of negative side effects, caused by product use. It also includes avoiding illegal monopolistic practices.

**4. COMMUNICATION:**

- a) False and misleading advertising, as well as deceptive personal selling tactics, could damage the interest of the consumer.
- b) This can lead to the failure of the business. So, communication is a key area, where ethical concerns may arise.
- c) Truthful Disclosures on product safety and quality are important, for the customers.
- d) Product labeling is another area related to communication, which can raise ethical concern.



**For example**, it is mandatory to cigarette manufactures to indicate clearly on the packing, that smoking cigarette is harmful to the smoker's health.

**SIMILAR QUESTIONS:**

1. An employee has to face multiple ethical issues in a work place – comment.  
A. Refer the above answer.
2. Describe the various aspects that control / regulate the ethical behavior in a work place.  
A. Refer the above answer.
3. Explain the factors that influence ethical behavior of an employee.  
A. Refer the above answer.

**Q.No.6. State some examples of ethical issues faced by an individual at the workplace (Or) State the ethical issues which are being faced by an individual at the workplace of an industrial organization. (A) (SM, PM, RTP - M17, M 09 - 5M, N 10, N 12 - 4M)**

**SOME EXAMPLES OF ETHICAL ISSUES FACED BY AN INDIVIDUAL AT THE WORKPLACE ARE:**

a) Relationship with suppliers and business partners like:

- i) Bribery and immoral entertainment
- ii) Discrimination between suppliers
- iii) Dishonesty in making and keeping contracts



b) Relationship with customers like:

- i) Unfair pricing
- ii) Cheating customers
- iii) Dishonest advertising
- iv) Research Confidentiality

c) Relationship with employees like:

- i) Discrimination in hiring and treatment of employees,
- ii) Lack of good behaviour with employees

d) Management of resources like:

- i) Misuse of organizational funds
- ii) Tax evasion

**SIMILAR QUESTIONS:**

1. What are the probable areas that an employee come across with regard to workplace ethics?

A. Refer the above answer

**Q.No.7. What do you understand by the term 'Discrimination' in employment as sometimes found in an establishment? Explain the basic elements of 'Discrimination'. (Or) State the elements which create discrimination in employment in the business organisations. (A)**

**(SM, PM, RTP N - 15, RTP M - 15, M11 - 8M, M14 - 4M, M15 - 4M, M16, N16 - 4M)**

**DISCRIMINATION:**

- a) The word Discriminate means "**to distinguish one object from another**".
- b) Employment Discrimination means treating one person better than another because of their age, gender, race, religion or other protected class of status.
- c) Discrimination is to treat people differently.
- d) It is usually intended to refer to the wrongful act of making difference in treatment or favour on a basis other than **individual merit**.

**ELEMENTS OF DISCRIMINATION:** The elements which create discrimination may be summarized as follows:

- 1. If the decision against one or more employees is taken which is not based on individual merit, such as the ability to perform a given job, seniority or other morally legitimate qualification.

2. If the decision has been derived solely from racial or sexual prejudice, false stereotypes (=classification) other kind of morally unjustified attitude.
3. If the decision has a harmful or negative impact on the jobs, pay and promotions.

**CONCLUSION:**

- a) Discrimination in employment is wrong because it violates the basic principle of justice.
- b) It is done by differentiating people on the basis of characteristics (race or sex) that are not relevant to the tasks they must perform.
- c) Looking to these aspects law has also been changed to conform to these moral requirements and to minimize the discrimination in employment in this respect.

**SIMILAR QUESTION**

1. Write a short note on 'Employment Discrimination', in the context of work place ethics?
  - A. Refer the above
2. What do you mean by 'Employment Discrimination'? Explain the elements and effects of employment Discrimination'?
  - A. Refer the above
3. What are the constitutional provisions in India to prevent employment Discrimination?
  - A. Refer the above
4. State the elements which create Discrimination in employment in the business organizations. (PM, M 11 - 8M, M 14 - 4M, M 15 - 4M)
  - A. Refer the above.

**Q.No.8. List out the commonly recognised employment discrimination practices. (B)  
(SM, PM, M11 - 8M, N15 - 4M)**

**DISCRIMINATORY PRACTICES IN EMPLOYMENT:**

- a) Discrimination (=bias) in employment is wrong because it violates the basic principle of justice (=fairness and equality).
- b) Differentiating between people on the basis of Characteristics (race or sex) that are not relevant to the jobs they must perform is unethical.
- c) It is therefore understandable that the law has gradually been changed to follow these moral requirements.

**FOLLOWING ARE SOME OF THE PRACTICES THAT ARE WIDELY RECOGNIZED AS DISCRIMINATORY IN NATURE:**

1. **Recruitment Practices:** Firms that rely solely on the referrals of present employees to recruit new workers tend to recruit only the recommended candidates which may be biased.
2. **Screening Practices:**
  - Job qualifications are discriminatory when they are not relevant to the job to be performed (e.g., requiring a high school diploma or a credential for an essentially manual task.).
  - Job interviews are discriminatory if the interviewer routinely disqualifies certain class of people basing on gender and race.
3. **Promotion Practices:** Promotion, job progression, and transfer practices are discriminatory when employers place males on job tracks separate from those open to women and minorities. When promotions rely on the subjective (=biased) recommendations of immediate (=close) supervisors.

4. **Conditions of Employment:** Many times wages and salaries are discriminatory, that equal wages and salaries are not given to people who are doing essentially the same work. Another issue is related to fair wages and treatment to workers.
5. **Dismissal:** Firing an employee on the basis of his or her race or sex is a clear form of Discrimination.

**Q.No.9. Write a note on harassment at workplace. (A) (SM, PM, RTP - N16, N 10 - 4M)**

1. **MEANING:**

- a) Harassment means 'tormenting' <sup>(=torturing)</sup> or disturbing, by subjecting to constant interference or intimidation <sup>(=pressure / threat)</sup>.
- b) All acts and conducts, which create a hostile or offensive working environment, amounts to harassment.
- c) Harassment can be done by superiors, colleagues or subordinates.
- d) The reasons could be many, like jealousy, hatred to persons of particular caste / group/ ideology etc., sadistic pleasure, bias and so on.

2. **HARASSMENTS CAN BE IN MANY FORMS:**

- a) Using abusive language.
- b) Insulting before others.
- c) Intentionally denying leave.
- d) Constantly finding fault with the work of an employee.
- e) Pressurizing for extra work and extra working hours.
- f) Giving some 'urgent' work in the evening, just before leaving the office.
- g) Sexual harassment.

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3. **EMPLOYER'S RESPONSIBILITY:**

- a) **Fair working atmosphere:** The employer is responsible for ensuring a fair working atmosphere i.e. it should be free from any sort of harassments.
- b) **Prohibition of sexual harassment:** Sexual harassment is prohibited. For all the sexual harassments, engaged in by the employees, the employer is held responsible. This is regardless of:
- Whether the employer knows or had known that the harassment was occurring.
  - Whether it was 'forbidden' by the employer.
- c) **Redressal system:** A good 'Redressal System' and 'Complaint Mechanism' should be established in the working place. This could help in reducing harassment. Employee counseling will also help.
- d) **Appropriate disciplinary action:** The employer should initiate immediate and appropriate disciplinary actions, if such conduct amounts to misconduct, as defined by the relevant Service Rules.
- e) **Lodging a complaint with appropriate authorities:** The employer should make a complaint with the appropriate authorities if anything occurs which amounts to an offence under the Indian Penal Code (IPC), etc.



**SIMILAR QUESTIONS:**

1. Write a short note on 'Harassment', in the context of work place ethics
  - A. Refer the above.
2. Write about employer's responsibility in harassment situations.
  - A. Refer point No 3.employer's responsibility in the above question.

**Q.No.10. Explain the concept of "Sexual harassment" in relation to work place. (A)  
(PM, N 11- 4M)**

**CONCEPT OF SEXUAL HARASSMENT:**

- a) Sexual harassment is a situation in which an employee is coerced (=forced) into giving into another employee's sexual demands by the threat of losing some significant job benefit, such as a promotion, raise, or even the job.
- b) This kind of degrading coercion exerted on employees who are vulnerable (= helpless) and defenceless cause great psychological harm to the employee.
- c) It damages the employee's most basic right to freedom and dignity. Employer cannot use his power in unfair ways towards the employee in matters of sexual discrimination.
- d) Sexual harassment is prohibited, and an employer is held responsible for all sorts of sexual harassments engaged in by employees.

**SIMILAR QUESTIONS:**

1. Write a short note on 'Sexual Harassment', in the context of work place ethics. What are its consequences? (Or) What do you mean by sexual harassment? What are its consequences?
  - A. Refer the above answer.

**Q.No.11. What are the basic reasons for ethical dilemmas in work place? Give examples of ethical issues, faced by individuals in the work place. (C)**

As Ethical principles are common, Ethical dilemmas are also common in work places.

**THE ETHICAL ISSUES ARISE DUE TO THE FOLLOWING REASONS / CONFLICTS.**

1. **Course of Study:** In between his relations and the responsibilities at the work place, an individual has to make choices among the alternatives. When there are no clear guidelines, he has to fall in ethical Dilemma. The individual does not know which alternative to be selected.
2. **Hierarchy:**
  - a) This is when an individual identifies that there is a conflict between the values of individuals and those of his superiors.
  - b) For example, an employee, who believes it as unethical to steal the secrets of the company, is forced to do so, by his superior.

**SOME EXAMPLES OF UNETHICAL ISSUES FACED BY AN INDIVIDUAL IN THE WORKPLACE ARE:**

Refer to question "State some examples of ethical issues faced by an individual at the workplace"

**Q.No.12. Explain in brief the measures to ensure ethics in the Work place. (or) State in brief the guidelines for managing ethics and to prevent the need for whistle - blowing in the work place. (B) (PM, RTP N15, M07 - 5M, M11 - 4M, M13 - 8M, M16 - 4M)**

**1. MANAGING ETHICS AND PREVENTING WHISTLE - BLOWING:**

- a) The most important quality of ethical management in an organisation is to focus on core values and sound ethics, in order to ensure the long term effectiveness of governance structures and procedures and to avoid the need for whistle blowing in the work place.
- b) Employers, who understand the importance of work place ethics, provide their employees an effective support and guiding principles of personality to be followed and tackle ethical issues as they occur in the work place .

**2. THE GUIDELINES FOR MANAGING ETHICS AND TO AVOID THE NEED FOR WHISTLE - BLOWING IN THE WORK PLACE MAY BE SUMMARIZED AS FOLLOWS:-**

- a) **Codes of Conduct and Ethics:** A code of ethics specifies the ethical rules of operation in an organization.
- b) **Establish Open Communication:** Instead of just creating and distributing an ethics policy, it is important that take time to explain and communicate it to employees to avoid any confusion.
- c) Make **ethics decisions in groups**, and make these decisions public. This usually produces better quality decisions and increases the credibility of the decision process.
- d) **Integrate ethics management with other management practices.** When developing the values statement during strategic planning, include ethical values preferred in the workplace.
- e) **Use of cross-functional teams** when developing and implementing the ethics management program. It's vital that the organization's employees feel a sense of participation and ownership in the program if they are to follow its ethical values.
- f) **Appointing an ombudsperson:** The ombudsperson is responsible to help coordinate development of the policies and procedures to institutionalize moral values in the workplace.
- g) *This establishes a point of contact where employees can go to ask questions in confidence about the work situations they confront and seek advice.*
- h) *Creating an atmosphere of trust is also critical in encouraging employees to report ethical violations they observe.*
- i) *Regularly update policies and procedures to produce behaviours preferred from the code of conduct, job descriptions, performance appraisal forms, management-by-objectives expectations, standard forms, checklists, budget report formats, and other relevant control instruments to ensure conformance to the code of conduct..*
- j) Include a grievance policy for employees to use to resolve disagreements with supervisors and staff.
- k) **Set an example from the top:** *Executives and managers not only need to endorse strict standards of conduct, but should also ensure that they follow it themselves.*

**NOTE: It is sufficient to write side headings if the above question is asked as short answer question.**

**SIMILAR QUESTIONS:**

1. Explain a few guidelines for managing ethics in the work place.
- A. Refer the above.



2. How can be the ethical principles managed at the work place.
  - A. Refer the above.
3. State How far a Sound Ethical Environment in a Company may be created and Corporate Scandals may be avoided.
  - A. Refer the above.

**Q.No.13. Explain the importance of Ombudsperson in the workplace? (C) (PM)**

1. The ombudsperson is responsible to help and coordinate development of the policies and procedures to institutionalise moral values in the workplace.
2. This establishes a point of contact where employees can go, to ask questions in confidence about the work situations they confront and seek advice.

**Q.No.14. Elaborate 'Communication as an ethical issue'. (C) (PM)**

1. Communications is another area in which ethical concerns may arise.
2. False and misleading advertising, as well as deceptive personal-selling tactics, anger consumers and can lead to the failure of a business.
3. Truthfulness about product safety and quality and product labeling are also important to consumers.

### APPLICATION ORIENTED QUESTIONS

**Q.No.15. State with reasons whether the following statement is correct or incorrect: Fairness and honesty are the pillars of success in business. (A) (PM, RTP - M15)**

**Correct:**

1. The success of the business depends very much on fairness and honesty in the business.
2. Fairness and honesty are at the heart of the business ethics and relate to the general values of decision makers.
3. At a minimum, business professionals and persons are expected to follow all applicable laws and regulations.
4. Even then, they are expected not to harm customers, employees, clients or competitors knowingly through deception, misrepresentation, coercion or Discrimination.
5. One aspect of fairness and honesty is related to disclosure of potential harm caused by product use.
6. Another aspect of fairness relates to competition. Although numerous laws have been passed to foster competition and make monopolistic practices illegal, companies sometimes gain control over markets by using questionable practices that harm competition.

**Q.No.16. Answer whether the statement is correct or incorrect with brief reason: Promotion policies based on individual merit and not purely on the basis of seniority is discriminatory. (B) (PM)**

**Incorrect:** Discrimination is action based on prejudice resulting in unfair treatment of people. Distinctions between people which are based just on individual merit (such as personal achievements, skill or ability) are generally not considered discriminatory. So seniority alone cannot be the deciding factor for promotion, if the senior person is not fit for the job.

**Q.No.17.State with reasons whether the following statements are correct or incorrect:  
 "Creation of proper ethical environment requires a proper understanding of the reasons  
 which lead to an unethical behaviour" (C) (M11 - 2M)**

**Correct:** In order to manage ethics in workplace proper code of conduct has to be laid down to create an ethical environment. And that requires a proper understanding of the reasons which lead to an unethical behaviour.

### TEST YOUR KNOWLEDGE

1. You are the head of HR department. You are going to recruit some people in your organization. What steps do you take to avoid Discrimination?
2. Now days, sexual harassment is spoiling the image of many organizations. And it leads to collapse of organizations. As the head of department, what measures do you take to prevent sexual harassment in your organization?
3. Although an organization doesn't follow workplace ethics, it has ability to recruit and retain efficient people. Do you agree or not?
4. What steps do you take in your organization to avoid harassment?
5. Mr. Raju is working in ABC ltd Company as a chartered accountant. Is there any significant role of the management and co-workers on Raju's ethical behavior?
6. You are the CEO of XYZ company. Your employees often do mistakes. You always have tolerance and their mistakes were forgiven. In fact, is it correct strategy? If not, what is realistic strategy?
7. In ABC Company, HR selected an employee on the basis of Caste but not merit. How can you name this?
8. If the job qualifications are not relevant to the job to be performed, then they are discriminatory. What is the name of this kind of Discrimination?
9. You are working in an organization as an employee. Your colleague (woman employee) has been suffering from Commenting; unwelcoming touching, requests/demands for sexual favors etc. what is the name of this harassment?

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**THE END**