

Part IV: The Organization and the People in It

Chapter 8: The Workplace: Basic Issues

Chapter 9: The Workplace: Today's Challenges

Chapter 10: Moral Choices Facing Employees

Chapter 11: Job Discrimination

Chapter Eight: The Workplace – Basic Issues

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**THEN THE PUBLIC
learned that Republic's
owners were not quite
the innocent victims
they claimed to be.**

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Overview

- Chapter Eight examines the following topics:
 - (1) The state of civil liberties in the workplace
 - (2) The efforts of some successful companies to respect the rights and moral dignity of their employees
 - (3) Moral issues concerning personnel matters such as hiring, promotions, discipline and discharge, and wages
 - (4) The role and history of unions, and the moral issues raised by them

Introduction

- **Traditionally a business's single obligation toward its employees was to pay them for their work.**
- **Today's workplace philosophy is much more complex, involving social, political, and moral issues.**
 - **What are the obligations of an employer toward its employees?**
 - **How does American emphasis on civil liberties affect the workplace?**



“The sudden announcement of [Republic Windows and Doors]’s bankruptcy and the discovery that the recent recipient of a federal government bailout, Bank of America, had closed the company’s line of credit outraged many—as did the subsequent revelation that the company’s owners had planned to strip the factory and move its machinery to another plant.”

Civil Liberties in the Workplace

- **Authoritarianism at the workplace: David Ewing, formerly of *Harvard Business Review*, believes that too many corporations routinely violate the civil liberties of their employees. Historically, this authoritarianism stems from:**
 - (1) The rise of professional management and personnel engineering**
 - (2) The common-law doctrine that employees can be discharged without cause (“employment at will”)**

Civil Liberties in the Workplace

- Modifications to “employment at will” doctrine:
 - The Wagner Act of 1935 prohibited firing workers because of union membership or union activities.
 - The Civil Rights Act of 1964 and subsequent legislation prohibited discrimination on the basis of race, creed, nationality, sex, or age.
 - Public sector employees enjoy some constitutional protections on the job and can be fired only “for cause.”

Civil Liberties in the Workplace

- **Current trends**: The law seems to be moving away from the doctrine of “employment at will.”
- **But, some businesspeople support it as a desirable legal policy and embrace it as a moral doctrine.**
 - **They deny that employers have any obligations to their employees beyond those specified by law or by explicit legal contract.**
 - **They view employees as lacking any meaningful moral rights, seeing them as expendable assets, as means to an end.**

Civil Liberties in the Workplace

- Companies that look beyond the bottom line:
Those that respect employee rights and ensure a fair workplace tend to *outperform* others.
- Some successful companies have led the way in respecting employees' rights and human dignity.
- Examples include: *Polaroid*, IBM, Donnelly Mirrors, Delta Air Lines, and others

Hiring

- **Organizational conduct affects the welfare and rights of employees via personnel policies and procedures (*hiring, firing, paying, and promoting*).**
- **Fair policies and decisions evolve from criteria that are clear, job-related, and applied equally.**
- **Determining what is fair is not always easy.**
- **But, the hiring process may be fairly approached based on its principal steps – *screening, testing, and interviewing*.**

Hiring

- **Screening**: The first step of the hiring process, the pooling and ranking candidates with qualifications – when done improperly, it undermines effective recruitment and invites injustices into the process
 - A *description* lists the details of the job
 - A *specification* describes the required professional qualifications
 - Both must be complete and accurate

Hiring

- **Wrongful discrimination: A moral concern in which candidates are judged on physical or ethnic traits rather than qualifications.**
 - **Sex, age, race, national origin, and religion are generally not job-related and generally should not affect hiring decisions**
 - **Discrimination against the disabled is illegal**
 - **Considering language, lifestyle, appearance, ill-considered educational requirements, or gaps in work history may also be unfair**

Hiring

- **Testing**: Tests are an integral part of the hiring process, especially in large firms – often designed to measure the applicant’s verbal, quantitative, and logical skills.
- **Tests must be valid**: Validity refers to whether test scores correlate with performance in some other activity (i.e., whether the test measures the skill or ability it is intended to measure).

Hiring

- **Tests must be reliable**: Reliability refers to whether test results are replicable (i.e., whether a subject's scores will remain relatively consistent from test to test).
- Tests that lack *validity* or *reliability* are unfair.
- Tests may be unfair if they are culturally biased or if the skills they measure do not relate directly to job performance.

Hiring

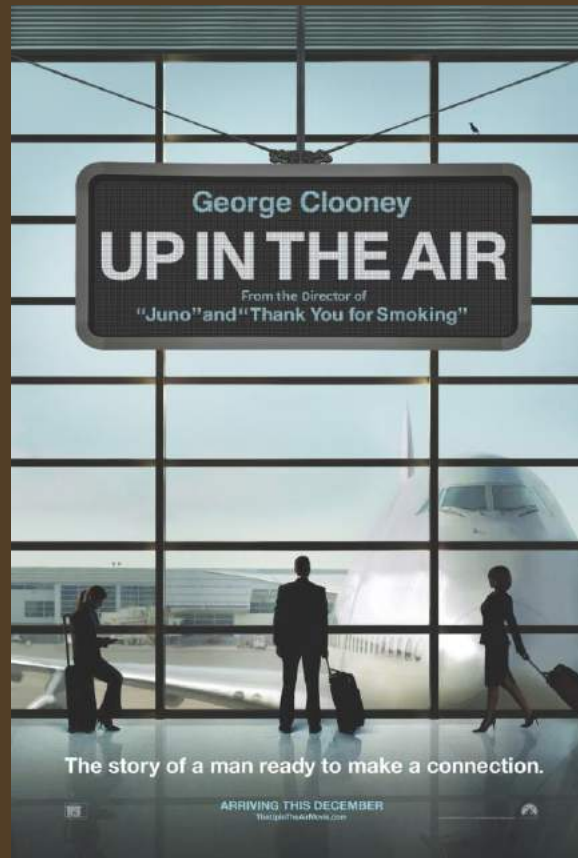
- **Interviewing**: Moral issues in interviews usually relate to the manner in which they are conducted.
- **Interviewers** should focus on the humanity of the candidate and not allow biases, stereotypes, and preconceptions to color the evaluation.
- **Situational interviews**: Those interviews in which job candidates must role play in a mock work scenario – some believe this makes it harder for a candidate to put on a false front.

Promotions

- **Inbreeding**: The practice of promoting exclusively from within the firm – it presents similar moral challenges as in the case of seniority.
- **Nepotism**: The practice of showing favoritism to relatives and close friends – it is not always objectionable (especially in family-owned businesses) but may affect managerial responsibilities, hurt morale, create resentment, or result in unfair treatment of other employees.

Discipline and Discharge

- Two basic principles in the fair handling of disciplinary issues:
 - *Just cause*: requires that reasons for discipline or discharge deal with job performance
 - *Due process*: refers to the fairness of procedures used to impose sanctions on employees
- Dismissing employees: Employers have the right to fire employees who perform inadequately – but should provide sufficient warning, severance pay, and sometimes displacement counseling.



“The 2009 movie Up in the Air relates the story of a corporate downsizer. What ethical obligations do you believe companies have to employees they terminate?”

Wages

➤ Salaries should reflect an employee's value to the business and be based on clear, publicly available criteria that are applied objectively. For example:

(1) What is the law?

(2) What is the prevailing wage in the industry?

(3) What is the community wage level?

(4) What is the nature of the job itself?

(5) Is the job secure?

(6) What are the employer's financial capabilities?

(7) What are other inside employees earning for comparable work?

Wages

- Two other factors in determining the wage level:
 - The employee's job performance
 - The fairness of the wage agreement terms
- A living wage is supported by moral grounds:
 - Utilitarian element promoting human welfare
 - Kantian principle of respect for human dignity
 - Commonsense view that some wages are so low as to be inherently exploitative
- Critics of living-wage laws believe they cost jobs

Labor Unions

- History of the union movement: Employers have opposed unions at almost every step.
- But, unions have increased the security and standard of living of workers and contributed to social stability and economic growth. Examples:
- The Knights of Labor: The first truly national trade union, established in 1869
- The American Federation of Labor (AFL): United the great national craft unions in a closely knit organizational alliance, founded in 1886

Labor Unions

- The National Labor Relations or (Wagner) Act (1935) prohibited employers from:
 - Interfering with workers trying to start unions
 - Attempting to gain control over labor unions
 - Treating union workers differently from others
 - Refusing to bargain with union representatives

Labor Unions

- The Taft-Hartley Act (1947) set several regulations:
 - Outlawed the *closed shop* (the requirement that a person must be a union member before being hired)
 - Permitted individual states to outlaw the *union shop* (the requirement that a person must join the union within a specified time after being hired)

Labor Unions

- Today 22 states are *right-to-work* states with *open-shop* laws on their books – they prohibit union contracts requiring all employees to either join the union or pay the equivalent of union dues.
- The plight of unions today: Unions are responsible, directly or indirectly, for many of the benefits employees enjoy today.
- But, a *changing economy, hostile political environment, and aggressive anti-union policies* have weakened them.

Labor Unions

- **Union ideals**: The protection of workers from abuse gives unions a voice in important matters.
 - They redefine power relationships, making employers more dependent on their workers
 - A rough equality or mutual dependence results
- **Collective bargaining**: Negotiations between representatives of organized workers and their employers regarding wages, hours, rules, work conditions, and participation in decision making that affects the workplace.

Labor Unions

- Union ideals: Critics charge that forcing workers to join unions infringes on *autonomy* and the *right of association* – and that union workers receive discriminatory and unlawful favoritism.
- In response, union sympathizers stress *fairness* and the importance of *solidarity*.



“This map shows the states (in green) where employees at unionized workplaces can be required to be members of the union (or to pay dues or fees to the union) as a condition of employment and the states where the law forbids this.”

Labor Unions

- Union tactics: To get demands met, unions resort to practices such as *direct strikes, sympathetic strikes, boycotts, or corporate campaigns* – but such actions often raise moral issues.
- Strike: An organized body of workers withholds its labor to force its employer to meet its demands.
Direct strike: May be justified when there is *just cause and proper authorization, and when it is called as a last resort.*

Labor Unions

- **Sympathetic strike**: Workers who have no particular grievance of their own, and may or may not have the same employer, decide to strike in support of others.
- **Primary boycott**: Union members and their supporters refuse to buy products from a company being struck.
- **Secondary boycott**: People refuse to patronize companies that handle the products of struck companies.

Labor Unions

- **Corporate campaign**: A tactic that enlists the cooperation of a company's creditors to pressure the company to unionize or comply with union demands.