

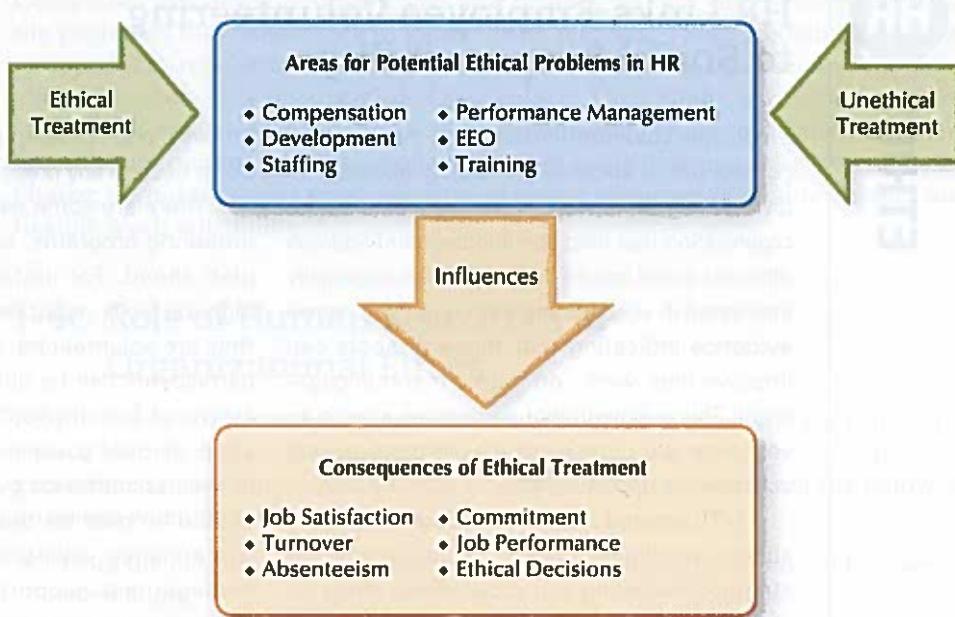


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FIGURE 1-8 HR and Organizational Ethics



1-6a Ethical Culture and Practices

Writers on business ethics consistently stress that one of the primary determinants of ethical behavior is a positive organizational culture, which, as mentioned earlier, involves the shared values and beliefs that are embedded within an organization. Every organization has a culture, whether it is newly created or well developed, and that culture influences how executives, managers, and employees make organizational decisions. For example, if meeting objectives and financial targets is stressed as a cultural characteristic, then executives and managers may feel encouraged to falsify numbers or doctor cost records. However, when an ethical culture exists in an organization, employees are often more motivated to behave according to appropriate ethical standards. If trustworthiness is emphasized as a cultural value and is upheld by ethical managers, then a company can develop an enhanced image, and its employees can feel more engaged in the workplace.⁶²

Companies often rely on a number of programs to increase employees' awareness of ethical issues. For instance, when the following programs exist, an ethical culture often develops, and ethical behavior is encouraged:

- A written code of ethics and standards of conduct
- Training on ethical behavior for all executives, managers, and employees
- Advice to employees on ethical situations they face, often given by HR
- Systems for confidential reporting of ethical misconduct or questionable behavior

Companies can also develop programs related to corporate social responsibility that focus on the enhancement of stakeholder interests and the advancement of social good. There is growing awareness that socially responsible business practices are artifacts of cultural values and can prompt positive employee outcomes.⁶³ Firms



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