

Ethical Issues in HR Profession: A Critical Assessment in the Context of Bangladesh

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Abstract : *This paper attempts to study the sources/forms of ethical misconducts that today's managers face in the organizational context. Because of the nature of the HRM function, HR-managers must frequently make and implement decisions with ethical implications. This explains why HR-managers want to make the HR-department the organizational locus of the responsibility for ethical behavior at work. During the process of making and executing HRM policies and practices, HR-managers however, are often torn as a result of strong conflicting pressures associated with the field. HR is partially about enhancing commitment and boosting control, training and manipulation, surveillance and upholding right to privacy, making provisions for 'whistle blowing' and policing disloyalty, empowerment and change, to mention a few. Other unethical issues involving favoritism in employment, inconsistencies in pay, sex and religious discrimination and breaches of confidentiality are faced by HR-managers on a regular basis. Downsizing and outsourcing often lead to problems in maintaining employee motivation and sense of well-being in the face of growing job insecurity. The fact is that they do face conflicts between morality and the motive for profit maximization. The motive for profit maximization induces the HR-professionals to violate ethical norms. These violations have most of the times been patronized by the employees of all levels of management, and even by the board or by directors individually and collectively. In particular, the paper argues that where regulatory compliances are sub-optimal, expecting ethical conduct is quite superfluous. There is no easy way to deal with these dilemmas. The regulatory authorities and other stake-holders should think seriously and take problem-specific measures in this area including the establishment of well thought out code of ethical conducts for businessmen as well as professionals in this field.*

Keywords: Ethics, Business Ethics, Ethical Misconducts, Ethical Codes.

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1. Introduction

The most conspicuous casualty in the emerging business scenario will be ethics - the moral values which will discriminate between what is desirable and what is undesirable and between what is acceptable and what is not acceptable. Ethics is defined as a system of moral values which prescribes moral standards that match a specific sphere in modern society: the business environment. It refers to the code of conduct that guides an individual in dealing with others - More contentious are questions such as where the first and foremost duty of management lies - to key stakeholders : investors, employees, customers, business partners, communities and/or the entire biosphere. Similarly if managers only act in an ethical fashion to stay out of trouble with the law or to placate consumers, are they really acting in an ethical fashion at all? These issues represent central themes in the contemporary literature in business ethics and indeed, in this paper. Questions of economic policy and business practice intertwine with issues in politics, sociology and organizational theory. Furthermore, business ethics is not just an academic study but also an invitation to reflect on our own values and our own response to hard moral choices that the world of business can pose.

Business Ethics conveys a perspective on business and what is important for being successful in business. The free-market philosophy of capitalism suggests that individuals pursue self interests which in turn may ultimately promote society despite initial personal intentions (Smith, 1776). Movement of economies towards capitalism could also be attributed to acceptability of unethical practice at macro-level, the effect of which has a spillover effect at micro-level. Unfortunately, legal and cultural constraints have made integrating an ethical component into organizations' decisions quite challenging. There is no doubt that organizations need to move from a corporate-centric to society-centric or even nature-centric approach. They need to deal with the sources of ethical misconducts to address the problem. A better understanding of ethical dilemmas faced by managers may help evolve a model code of conduct where stake holder relationships require viewing situations and decisions from a variety of stockholders' interests. The theory suggests that ethical behavior is influenced by the individual, the issue, social relationships (accountability) and the organization in which the employee is embedded. Whoever evolves the code, its purpose should be to provide guidance to managers and professionals when they encounter an ethical dilemma. The most effective codes are those drawn up with the cooperation and widespread participation of employees. An internal enforcement mechanism, including penalties for violating the code, adds teeth to the code.

The business education system in the Universities of Bangladesh as well as in the Institute of Chartered Accountants of Bangladesh and the Institute of Cost and Management Accountants of Bangladesh has not **yet** introduced any course of study on Business Ethics in Accounting and **Management** Curricula. The authors

of the present paper have not yet even heard of any seminars or workshops held in Bangladesh on Business Ethics education. A limited number of articles / research studies regarding the issue in the context of Bangladesh have appeared so far in the literature. So, the authors feel that there exists a gap of research in this area. This paper will present the ethical misconducts and unethical issues, which today's managers are facing in the organizational context.

2. Objectives of the study

A better understanding of ethical misconducts faced by HR-Professionals may assist in evolving a model code of conduct or other measures which will be helpful to refrain a business man from committing such misconduct. Thus the main objective of the present study is to explore the sources as well as various forms of conflicting ethical issues and misconducts taking place in the business organizations of the country. The business community is now focusing more attention on ethics. Increasingly, the notion is growing properly that good ethics is good for business (Desai and Rittenburg 1997). A more optimistic view is to raise more awareness about the ethical climate in the country. This study also aims at sustainable practice of ethics in the country and to induce individuals or corporate bodies to conform to an accepted standard of good behavior in a profession or business.

3. Methodology of the Study

Intensive research work has been carried out to attain the objective of the study. Convenient method for determining sample population size was used and stratified sampling procedure was introduced to select the concerned organizations. As the study is descriptive in nature, the major purpose is description of the state of affairs as it exists at present. The main characteristic of this method is that the researcher has no control over the variables; he can only report what has happened or what is happening. This study may include attempts by researchers to discover causes even when they cannot control the variables. The methods of research utilized in the descriptive research are survey methods of all kinds. Sample survey is appropriate in this case because many types of unethical behavior and misconduct that interest the researcher cannot be arranged in a realistic setting. The primary data were retrieved through direct in-depth interviews and questionnaires for the purpose of data rationality. As the data were actually perception based the researchers had to count the responses of surveyed questionnaires on cardinal measurement basis.

To be acquainted with the perception of the executives of the selected units, Questionnaire (with a set of semi-structured questionnaire) and Individual Interview were conducted. Ten RMG (Ready-Made Garment) factories, five commercial banks (including two government owned banks), five autonomous organizations and five service organizations (including two government owned) were purposively sampled to gather information through questionnaires and a

number of public and private service-holders were purposively selected for face to face interview. The study covers the above organizations only in Chittagong region. For the sampled units, a total of 155 questionnaires were sent to those in top and middle level management (President, CEO, and Managing Director or General Manager, Heads of

* Stratified sampling is a method of sampling from a population.

**In psychology, Perception is the process of attaining awareness or understanding of sensory information.

Human Resources, Departmental Heads/Managers, Supervisors or those in other positions responsible for the human resource functions). Of the 155 questionnaires, only 40 completed questionnaires were received with a 25.8 percent response rate. Due to slow and low rate of return of the duly filled in questionnaires, direct personal interviews involving the use of a set of predetermined questions (structured interviews) were conducted as alternative to the prior technique. So, concerning the ethics management, 110 service holders (Public Service holders - 45, Private Service holders - 65) were personally interviewed at their convenient time and places to have their responses to a list of different activities against ethical issues and misconducts at work place. Each interview lasted an average of half an hour. Types and distributions of sample organizations and respondents are stated in the following table:

Table -1: Types and distributions of sample organizations and respondents

Types of organization visited/ Persons interviewed	Organizations in number	Questionnaire sent to target respondents	Responses received from the respondents
1 RMG	10	82	20
2 Commercial banks	05	28	08
3 Autonomous organizations	05	20	05
4 Service organizations	05	25	07
5 Public Job holders	-	-	45
6 Private Job holders	-	-	65
	25	155	

3.1 Profile of the respondents

(i) Position: In the above table, most of the respondents appeared in the study were managers and performing HR-related functions of the organizations. They possess the positions of Foremen, supervisor, middle level managers and some of them are top-level executives. The interviewed personnel executives, (public service holders - 45 and private service holders - 65) also hold the posts of supervising and managing people of their respective organizations.

(ii) Educational Qualifications: Educational qualification of the managers was in the range of Bachelor to Master degree. But few of them did not have any formal education. Some of them were from disciplines other than commerce and completed EMBA or some other post graduate diploma in HRM from private institutions.

In order to collect factual and attitudinal data towards common practices of ethics in human resource management, two sets of respondents are determined: (a) Receiving questionnaire information from 40 executive respondents, (b) Interviewing 45 public service holders and 65 private service holders both holding supervising posts to be fully acquainted with the existing scenario. All the collected data were edited, coded and classified before making the analysis and interpreting them in the paper.

For the preparation of the paper secondary sources information are also used. Published books concerning the issues, newspapers and magazines have been extensively studied and used for the purpose. However various articles and research reports published in different journals and website are also studied and taken into consideration. Analyzing respondents' opinion and studying correlated information, overall understanding has been presented as the findings of the study.

4. Limitations of the study

It is obviously quite difficult to know the real scenario of unethical conduct committed by seniors in an organization as nobody wants to disclose the real facts directly to an unknown person for want of which the manuscript could not be prepared in its expected form. The another drawback is that the authors could not include larger number of samples for better representation because: (a) the study was undertaken at the personal initiative of the authors, (b) a wide survey and investigation would entail a huge expenditure which was not available, (c) limited time and capacity of the authors and (d) the results and implications are limited to generalization to all business communities in Bangladesh.

5. Literature Review and Theoretical Aspects of Business Ethics

Business Ethics refers to the application of ethics to business. The word 'ethics' is derived from the Greek word 'ethos' which means 'character'. In functional terms, ethics refers to justification between what are morally right or wrong, good or bad, and fair and unfair. Business ethics is, quite simply, an attempt to apply the tools and concepts developed by philosophers to distinguish 'right' from 'wrong', the 'desirable' from the 'undesirable', in the corporate world. Ethics is a division of philosophy, which includes studies of the nature, the origin and the field of good and bad, right and wrong, justice and related concepts (Lamsa 1999). Business ethics is the study of business from an ethical point of view (Mellahi and Wood 2003).

Ethics is closely related to and dependent on integrity, which must come from within, it can never be successfully imposed from outside. Ethics is complementary to law and helps to achieve its goals in search of truth. According to the New Webster's Dictionary of the English Language, Ethics is a system relating to morality of behavior, where individuals or corporate bodies conform to an accepted standard of good behavior in a profession or business.

It may be useful to draw a distinction between ethics and moral codes; the latter are specific, and confined to particular sets of social circumstances (Singer 1995). Ethics can be seen as a more general term, denoting both ethical theories and day-to-day moral beliefs, although many make a more detailed distinction (Beauchamp and Bowie 1997). Thus, moral codes differ greatly from society to society, for example, restrictions on sexual conduct or the use of particularly vulnerable categories of labor such as children. In contrast, ethics, which is universal, central to the human existence is some notion of 'good' and 'evil' and certain social taboos which are common to all societies. Self-interest and good ethics coincide, as it is often in one's interests to act morally (Singer 1995). In deciding what constitutes ethical business conduct, it is even more difficult to draw firm distinction between 'right' and 'wrong'. Perhaps all that can be hoped for is to make people more comfortable when faced with moral complexities and to be better equipped to deal with them. This is particularly important in that all business decisions do have some or other ethical dimension (Solomon 1992).

Ethics is a sensitive issue. The importance of ethical behavior in business is especially important since business depends as much on reputation as on performance (Brickley et al, 2002). A respectable business is expected to have honesty, integrity, social responsibility, accountability and fairness. Two of the core disciplines of the management sciences - economics and accountancy - are centered on the basic assumption that all social actors (individuals and collectives) are 'utility maximizers', in other words, seeking to maximize the material benefits accruing to themselves; always looking after their own interests (utility can best be understood as the sum of benefits an individual may derive from a particular action). However, certain contradictions are inherent in these assumptions, the most obvious being the clash of interests between principles and agents, between the owners of the firm and their paid agents, be the latter senior management or the most junior hourly-paid worker. Although it is possible to argue that the clash between personal and corporate interests can be reconciled, and/or that any differences that may arise can be simply factored into the formula, in practice, this issue is often neglected. However, ethical conduct in the business world will, at some stage, inevitably involve a casting aside of conventional wisdom and taking the interests of others, rather than the firm or the person of the manager, first (Bowie 1991).

Beauchamp and Bowie (1997:11) argue that **there are** three basic approaches to studying business ethics: Descriptive (describing practices, moral codes and

beliefs); Prescriptive (an attempt to formulate and defend basic moral norms); and Conceptual study of ethics (e.g. analyzing central ethical terms, such as right, good, justice, virtue; an attempt to distinguish what is moral and what is immoral). The Utilitarian belief is that good for some people is better than that for none. The morally right action is the one that achieves the greatest total amount of happiness for everyone concerned. The perfectionism model of ethics based on Greek teachings asserts that ethical behavior arises from the development of personal virtues such as truthfulness, fairness and courage. If people learn these virtues, they will act morally and ethically. Because, if a person tries to be good virtuous in his decision-making, he will make ethically sound decisions. A third model is that ethics is based on rules that come from God and men learn these rules in their religious education. The theory of moral unity essentially advocates the principle that business actions should be judged by the general ethical standards of society. There exists only one ethical standard which applies to business and to non-business situations. Business should not try to evolve its own principles to justify what is right and wrong. Employees and employers may be tempted to apply special or weaker ethical rules to business situations. But society does not condone or permit such an exception. People who are in business are bound by the same ethical principles that apply to others. Rachels, J (1999) argues that principles of ethical behavior and morality must come from an appreciation of reality in mankind's behavior. It doesn't call for an individual to become a saint, but stresses the importance of being good, and the underlying principle is being ethical and moral.

Smith (1776) states that the distinction between the two polar views rests in the belief in the maximization of one's own interests versus the maximization of the interests of the group, the free-market philosophy of capitalism suggests that individuals pursue self interests which in turn may ultimately promote society despite initial personal intentions. Frederick et al. (1988) identified a number of reasons why ethical problems occur in business including competitive pressures; individual values in conflict with organizational goals; managers' values and attitudes; and personal gain. Srivastava et al (2005) identified five factors of which societal context, Profit maximization as a super ordinate goal are dissimilar from the study of Frederick et al. while competitive pressures; individual values in conflict with organizational goals; managers' values and attitudes; and personal gain are similar previous study. Carse (1999) states that accepting bribes in return for loans lending to connecting parties, cheating customers would be claimed as ethical by no bank. Ethical values are still not firmly entrenched and followed in banking sector (Azad 2005). A number of empirical studies (Baumhart, 1961; Carroll, 1975; Brenner and Molander, 1977; Posner and Schmidt, 1984) have consistently found that the attitudes and behavior of one's immediate supervisor and peers play the role of influential factors affecting unethical decision making.

Misconducts & Unethical Issues Facing Managers: A Real situation (Findings & Analysis)

Bangladesh is lacking in ethical conduct of business. The adverse ethical situation is aggravated further due to aggressive appetite of business firms for making high profits. In Bangladesh, in the early seventies, many private and public sector enterprises were found to use an unsound job analysis program. Casual visit to public and private sector enterprises in Bangladesh shows that the subject has not attracted adequate attention for which many times labor-management relations become bitter. Human Resource Managers of enterprises face ethical dilemma in performing their managerial and directive function starting from recruitment to all HR-functions. HR functions have generally been categorized into four dimensions: Acquisition, Development, Motivation and Maintenance (Decenzo & Robbins 2002). Within the confines of the four functional dimensions, this study will observe within the business sector, the misconducts of HR-Professionals, which are considered illegal corporate activities.

6. Unethical Issues regarding Acquisition

The acquisition function begins with HR planning. This includes the estimation of demand and supply of labor, the recruitment, selection and socialization of employees. While observation is being made for the purpose of preparing this paper, it is found that many firms neither formulate systematic HR plan nor rely on sound hiring practices. Some of them do not issue and circulate formal notices for new recruitment. Many potential and qualified candidates miss the circulation. Private sector firms are not always in favor of advertising job vacancies in the public media and they rather prefer friends, relations and wards of top executives. Private firms normally follow secretive policy as regards recruitment. Many of their activities are concealed. So formal and verbal statement about the actual fact regarding recruitment and selection procedure could not be gathered from the responsible authorities (in some cases) while interviewing the persons concerned face to face. It seems that HR-managers so far did not get themselves free from nepotism, favoritism and the undue influences of the influential. Internal environment is influenced by the attitude of top management and owners.

Recruitment has problems in an unemployment-ridden country like Bangladesh. When advertised posts are five only, hundreds of applications are submitted, even from candidates who do not satisfy the minimum requirement. Processing of this huge number of applications is time consuming. Often organizations require people with experience for which many talented and capable candidates cannot apply. This sometimes may encourage least-qualified candidates to apply and start lobbying. Lobbying has started **emerging** as a social disease. Many responsible job candidates have been found **submitting** false job experience

certificates. Bangladesh is a labor surplus economy where millions of unemployed people roam in search of jobs. The selection committee faces numerous complexities, and above all, undue pressures from influential groups such as recommendations and requests for particular candidate(s) from top level elites or social leaders. Sometimes it is found that the Head of the selection committee keeps himself out of the chairmanship position of the selection committee. The summary of the findings is exhibited in the following table:

Table-2: Acquisition Function of HRM & unethical issues thereof (Respondents' opinion)

Organization types	No. of respondents	Your organization follows sound job analysis program					Systematic and fair recruitment/ selection followed				
		Always	Often	Occasionally	Rarely	Never	Strongly agree	Agree	Un-decided	Dis-agree	Strongly dis-agree
RMGs	20	-	1	3	7	9	-	1	2	6	11
Commercial Banks	08	2	4	1	1	-	1	3	-	4	-
Autonomous Organizations	05	2	2	-	1	-	1	2	-	1	1
Service Organizations	07	2	2	1	2	-	2	2	1	1	1
Public service Holders	45	6	7	17	15	-	5	15	9	9	7
Private Service Holders	65	8	13	17	15	12	7	10	18	21	9

Source: Field Investigation

Misconducts regarding Developmental / Motivational and Other Administrative Practices of HRD

The motivation function creates an inner urge to perform and begins with the recognition that individuals are unique and that motivation techniques must reflect the needs of each individual. (Khan and Taher, 2009). Within the motivation function, alienation, job satisfaction, performance appraisal, behavioral and structural techniques for stimulating workers' performance, linking rewards to performance, compensation and benefits administration, and handling employee problems are reviewed.

Development refers to those learning opportunities designed to help employees grow (Bernardin and Russell, 1993). Training and development refer to the imparting of specific skills, abilities, and knowledge to an employee. Efforts towards development often depend on personal drive and ambition. Development activities such as those supplied by management developmental programs are generally voluntary (K. Aswathappa, 2005).

The survey being conducted showed that 75 percent of the HR-professionals reported that they felt pressure from influential elites (both internal and external)

to compromise with their interests regarding selection, promotion, transfer and other HRM-practices in the organization (Percentage calculation shown in the Appendix section). They can neither keep themselves in a standard of ethical conduct in order to achieve business objective nor ignore unethical pressures due to the existing overall environment (Resisting threats, Saving jobs, Advancing own career, Rationalizing that others do it, etc.) Nepotism and favoritism reportedly takes place in the organizational life / culture in exchange of money or some other personal give and take arrangements.

The present survey found that 73 percent of the HR-professionals surveyed had observed workplace conduct that broke the law and/or violated the organization's standard of ethical business conduct (Percentage calculation shown in the Appendix section). The most common were lying to supervisors, lying on reports or falsifying records and conflicts of interests. It is found that most of them who observed misconduct did not report it to management fearing that corrective action would be taken.

The decline in the standard of ethics in the business sector of the country is both a cause and effect of similar degradations in almost every walk of life. In Bangladesh, management philosophy among senior and junior managers, is not clearly spelled out and understood. Lack of appropriate motivation makes managers avoid responsibility. Some prior research studies show how human development perspective is neglected. It may be noted that the general decline in ethical norms in Bangladesh has its origin in the breakdown of political norms. Politicization has reduced the effectiveness of union leadership in educating and training of the employees as effective partners of the production process. Lobbyists influence financial reforms. The worry is that the money used for lobbying could lead politicians to back down on their promises for reform. RMGs (Ready Made Garments) are found to urge strong lobbying for their interest ignoring viable needs of minimum wage earners. The NGWF (National Garments Workers Federation) demanded the fixation of minimum wage at Tk. 5,000 a month so that the families of 25 lakh garment workers may have two square meals a day whereas the minimum wage of workers is only Tk. 1,662 (in 2011 the amount increased to Tk. 3000) in the country while the World Bank says that those earning Tk. 4,200 a month are living below the poverty line.

Many private and public sector enterprises were found using unsound and inappropriate performance appraisal method. Promotion, rewards and other incentive providing HRM-functions are greatly hampered. That is why, Labor turnover in the textile industry, Faculty turnover in private and public universities and Executive turnover in Banking sectors and in other professions are very high. Unethical actions in this regard as opined by the respondents are shown in the following table 3(A) and table 3(B):

Table: 3(A) Motivational, Developmental & Other Administrative Practices of HRD and unethical actions there of

Organization types	No. of respondents	Sound Appraisal procedure Exists and practiced					Motivational Incentives are					Administrative functions like Promotion, Transfer etc are ethically & legally performed				
		Strongly agree	Agree	Undecided	Disagree	Strongly disagree	Excellent	Good	Average	Below Average	Poor	Al-ways	Often	Occa-sion-ally	Rare-ly	Never
RMG	20	-	2	4	6	8	-	2	5	5	8	-	-	6	7	7
Commercial Banks	08	2	4	1	1	-	4	2	1	1	-	3	3	1	1	-
Autonomous Organizations	05	2	1	1	1	-	-	1	2	2	-	1	2	1	1	-
Service Organizations	07	1	2	2	2	-	-	2	3	1	1	1	2	1	2	1
Public service Holders	45	7	18	6	10	4	6	12	12	10	5	8	17	10	5	5
Private Service Holders	65	12	12	12	19	10	10	15	20	13	7	6	18	14	15	12

Source: Field Investigation

Table: 3(B) Motivational, Developmental & Other Administrative Practices of HRD and unethical actions thereof

Organization types	No. of respondents	Feel Pressure from influential elites					Violation of Ethical standard					Disciplinary Actions Taken by your Organization				
		Al-ways	Often	Occa-sion-ally	Rare-ly	Never	Al-ways	Often	Occa-sion-ally	Rare-ly	Never	Al-ways	Often	Occa-sion-ally	Rare-ly	Never
RMG	20	5	7	6	2	-	7	6	5	2	-	5	6	4	3	2
Commercial Banks	08	3	2	1	1	1	1	1	2	3	1	1	2	3	2	-
Autonomous Organizations	05	1	2	2	-	-	-	2	1	1	1	1	1	1	1	1
Service Organizations	07	1	2	2	1	1	1	1	3	1	1	2	1	2	1	1
Public service Holders	45	6	19	8	6	6	7	20	9	8	6	3	10	9	12	11
Private Service Holders	65	8	20	17	12	8	7	19	18	13	8	10	13	22	11	9

Source: Field Investigation

6.1 Maintenance Functions of HRM and Unethical Issues/Misconducts Thereof

The maintenance function is concerned with providing those working conditions that employees believe are necessary in order to maintain their commitment to the organization (Khan and Taher, 2009). This requires that the organization provide safe and a healthful working conditions and satisfactory labor relations or trade union movements.

Labor movement in Bangladesh is very under-nourished and un-organized and the trade union movement is dominated by leaders having political interests. Distrust of general workers about trade union leaders has created a depressing situation. Powerful trade unions are controlled and utilized by almost every government in several ways. In countries like Bangladesh, where democracy is yet to take root, introduction of or amendment(s) to laws sometimes have taken place to suit the interests of a particular person or to meet the interests of the party in power. The attitude of managers in RMG sector seems to be autocratic and bureaucratic and they act for the interests of the owners. Unethical actions in this regard as opined by the respondents are shown in the following table:

Table: 4 Maintenance Functions of HRD and Unethical Issues/Misconducts Thereof

Organization types	No. of respondents	Safety measures and Initiatives taken to make work environment congenial					Your Organization has positive attitude to union or employee organization			Employee movement/ trade union activities or responses are appropriate		
		Very Good	Good	Average	Bad	Very Bad	Yes	Undecided	No	Yes	Undecided	No
RMG	20	-	2	6	7	5	-	6	14	-	18	2
Commercial Banks	08	3	2	2	1	-	2	4	2	1	6	1
Autonomous Organization	05	-	1	2	1	1	3	1	1	1	2	2
Service Organization	07	1	1	2	2	1	2	3	2	2	3	2
Public Service Holders	45	5	7	10	15	8	14	13	18	8	12	25
Private Service Holders	65	6	10	18	17	14	15	35	25	6	32	27

Source: Field Investigation

Unethical Issues in Finance Sector

The significance of ethical conduct in the financial sectors is especially important since business depends as much on reputation as on performance (Brickley et al, 2002). Banking sector being an intermediary between the depositor and creditor must be more sensitive to the ethicality of its transactions. Accepting bribes in return for loans lending to connected parties or cheating customers should not be claimed as ethical by any means. Bribery corruption and loan default culture have been the root causes of banking problems (Azad, 2005).

Table: 5 Banking Practices and Unethical Actions Thereof

Organization types	No. of respondents	All transactions are made ethically					Accepting bribes in sanctioning loans or lending to only connected parties					Loan default situation			Customers/clients are cheated				
		Al-ways	Often	Occasionally	Rarely	Never	Al-ways	Often	Occasionally	Rarely	Never	High	Average	Low	Al-ways	Often	Occasionally	Rarely	Never
Commercial Banks	8	4	2	-	1	1	1	1	4	1	1	3	3	2	-	-	2	2	4
Public Bank Service Holders	12	6	3	1	1	1	2	2	4	3	1	6	3	3	-	-	3	4	5
Private Bank Service Holders	15	7	6	1	1	-	2	2	5	4	2	1	6	8	-	-	2	4	9

Ethics in the workplace is a two-way traffic. Both the obligations of employers towards employees and the obligations of employees towards employers are viewed with equal emphasis. From employers' standpoint, employees, or at least core employees should give their loyalty and commitment to their organization.

7. Conclusion and Recommendations

Businesses are often confronted with ethical dilemmas. Ethics and morals are constantly being discussed and debated. In our society, we believe ethics is 'knowing the difference between right and wrong and doing what is right'. Now, in an age of flexibility and downsizing, the psychological contract between employee and the firm has been greatly weakened. Jobs are no longer for life; conversely firms can no longer expect the same degree of loyalty from employees. Moreover there has been an increasing divergence between managerial and employee pay (in the context of Bangladesh); the latter has tended

to stagnate. In contrast in many industries (ranging from transport to higher education), managerial pay increased exponentially, whatever one's view on the matter, it is clear that the social question within the firm has returned to the agenda.

Managers are facing many situations that require ethical judgments, and often there are no easy answers. Managers especially top managers, do have a responsibility to create an organizational environment that fosters ethical decision making by institutionalizing ethics. This means applying and integrating ethical concepts with daily actions. This can be accomplished in three ways: (1) by establishing an appropriate company policy or a code of ethics, (2) by using a formally appointed ethics committee, and (3) by teaching ethics in management development programs. The code must contain provisions to override conflicting terms in business. The code of Ethics will serve as a model and remain free so that additional measures, if required, can be integrated into the existing codes. The government can introduce code of Legislative Ethics prohibiting legislators from attempting to influence a business or a state agency in direct contravention of the public interest at large. It is also to be ensured that directors, share holders, distributors and employees uphold the ethical principles. Besides, a code of ethics incorporating the basic principles can supplement legal as well as prudential regulatory requirements. For successful introduction and sustainable practice of ethics in business in Bangladesh, ethical conduct from the demand side - the customers, civil society, business community, government agencies, the media and the stake-holders is essential.

Ethical perfection is illusory. We live in a normally complex civilization with profuse rules, norms, obligations and duties existing like road signs that generally point in the same direction, but some times do not. Realization of the fact that there can be no ethical perfection helps a manager considerably. In recent times,

research in business ethics attracted the researchers. It indicates an optimistic outlook for the business in Bangladesh. A more optimistic view may be expressed that awareness about ethical climate in Bangladesh has continued to expand, which is highly desirable.

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Appendix Section

Appendix - A

Questions interviewed on the HR professionals surveyed

Name: (Not necessary to mention)

Designation:

Organization's Name:

The respondents are requested to express their well thought reply to the following questions. Their opinions are then tabled and shortly classified into HR functional dimensions for making the analysis easier.

1. Do you think that your organization follows a sound job analysis program?
2. Labor-management relation that exists in your workplace is quite good, moderate, or bitter?
3. While recruiting new employees, Is internal environment influenced by the attitude of top management and owners?
4. Does your organization issue and circulate advertisement or notices for new recruitment in formal way (uses public media)? Yes, always/Yes, sometimes/ No, never.
5. Do you receive any complain from a job candidate who miss any such circulation?

6. (Your information will be kept secret) Do you think that the employees working in your workplace are assumed to be friends, relatives or wards of top executives/owners?

7. Does your firm normally follow the policy of secrecy as regards recruiting?

8. Have you ever found in your tenure of service, the existence of nepotism, favoritism, and undue influences practiced by the influential group in conduction of HR- function?

9. Do you find someone in your organization recruited who does not fulfill the minimum requirements / someone promoted to higher position without fulfilling the stated requirements?

10. Do you feel undue pressure regarding job related works / responsibility?

11. How many candidates per post naturally apply while job advertisement is circulated? Mention approximate number.

12. Do you think someone recruited at your office through any kind of persuasion who is less qualified?

13. Have you accorded, while scrutinizing job candidature materials, any false statement/documents submitted by them?

14. What kind of complexities do you face while you are in the key personnel of choosing and selecting right candidates for advertised posts?

15. Please, clearly mention the problems / complexities you face while discharging your HR- activities such as approving various types of leaves, incentives, promotions / transfers of employees, conducting disciplinary actions, union conversation, employee development programs and grievance handling?

16. Are the influential elites, you feel pressure from them, internal or external?

17. Do you think that you can always keep yourself in a standard of ethical conduct at your workplace?

18. Are you able to ignore undue pressure? Which one you prefer most:

- a) Resisting threats
- b) Saving jobs
- c) Advancing own career
- d) Adapting yourself with the environment

19. In your organization, do you think, there exists in the organizational culture, an exchange of money or some other personal give and take arrangement to pursue somewhat. Your reply will be kept confidential.

20. Do you agree with the argument that inappropriate motivational incentives make a manager to avoid responsibility? Are you satisfied with the compensation you are offered?

21. Do you agree the statement that our trade unions / organizations are highly

politicized?

(If you are in a public organization, please mention how political lobbyists influence?)

22. The attitude of managers in RMG sectors seems to be more autocratic and they act only for the interest of the owner. What is your opinion?

23. If you are a Bank- executive, please discover what type of misconducts you face and tell details with a high level of trust on me:

re all transactions made ethically?

b) Accepting bribes in return or sanction for loans?

c) Lending to only connecting parties?

d) Customer/clients are cheated some while?

e) Loan default situation you have experienced?

24. In your organization, labor turnover/faculty turnover/executive turnover is high/medium/low.

25. Your employees' level of loyalty or commitment to organization is high/medium/less than your expectation.

26. As an HR-manager did you observe following conducts not ethically sound happened:-

i) Violating organizational laws/standards

ii) Conflicts of interests

iii) Lying on reports/ to supervisors

iv) Falsifying

v) Misconducts observed but not reported to the management

vi) Disciplinary actions or corrective actions are not taken after properly reported. (please mention the reasons if you know)

Appendix - B

STATISTICAL ANALYSIS

(a) Determination of Percentage of HR-Professionals feeling undue pressure from influential elites) to compromise with their interests regarding selection, promotion, transfer and other HRM-practices in the organization

Shown in the Table 3(B):

Organization Types	No. of respondents	Respondents Feel Pressure from influential elites				
		Always	Often	Occasionally	Rarely	Never
RMG	20	5	7	6	2	-
Commercial Banks	08	3	2	1	1	1
Autonomous Organizations	05	1	2	2	-	-
Service Organizations	07	1	2	1	1	-
Public Service Holders	45	6	19	8	6	6
Total Service Holders	150	24	32	30	12	8

The respondents feeling rarely and never pressure are excluded,

Total number of respondents = 150

The number of respondents feeling pressure (always, often, occasionally)

$$= 24+52+36$$

$$= 112$$

$$112$$

% of respondents feeling pressure = $\frac{112}{150} * 100$

$$150$$

$$= 75\% \text{ (approx)}$$

(b) Determination of Percentage of HR-Professionals violating ethical standards regarding HRM-practices in the organization

Shown in the Table 3(B):

Organization Types	No. of respondents	Violation of Ethical standard				
		Always	Often	Occasionally	Rarely	Never
RMG	20	7	6	5	2	-
Commercial Banks	08	1	1	2	3	1
Autonomous Organizations	05	-	2	1	1	1
Service Organizations	07	1	1	3	1	1
Public Service Holders	45	7	20	9	8	6
Private Service Holders	150	23	49	38	13	8

The respondents agreeing with rarely and never violation are excluded,

Total number of respondents = 150

The number of respondents agreeing with always, often, and occasionally violation

$$= 23+49+38$$

$$= 110$$

$$110$$

% of respondents observing violation of law = $\frac{110}{150} * 100$

$$150$$

$$= 73\% \text{ (approx)}$$