

Hiring Ethical People and Code of Conduct

To create an ethical organization, employers must hire ethical employees. Without ethical employees throughout an organization, it is difficult to promote an ethical work environment and build a reputation of excellence that attracts quality investors and customers. Fortunately, employers have several tools available to help them determine if job applicants are likely to make ethics a priority and practice ethical behavior on the job. This lesson will explain these tools and how they can help employers hire ethical employees.

Once employees are hired, employers must take actions to promote an ethical work environment that encourages employees to practice ethical behavior. One way to achieve this is through the use of codes of ethics and codes of conduct. This lesson will discuss these, explaining what they are and how they can be used to help an organization establish and maintain a work environment that makes the practice of good ethics a priority.

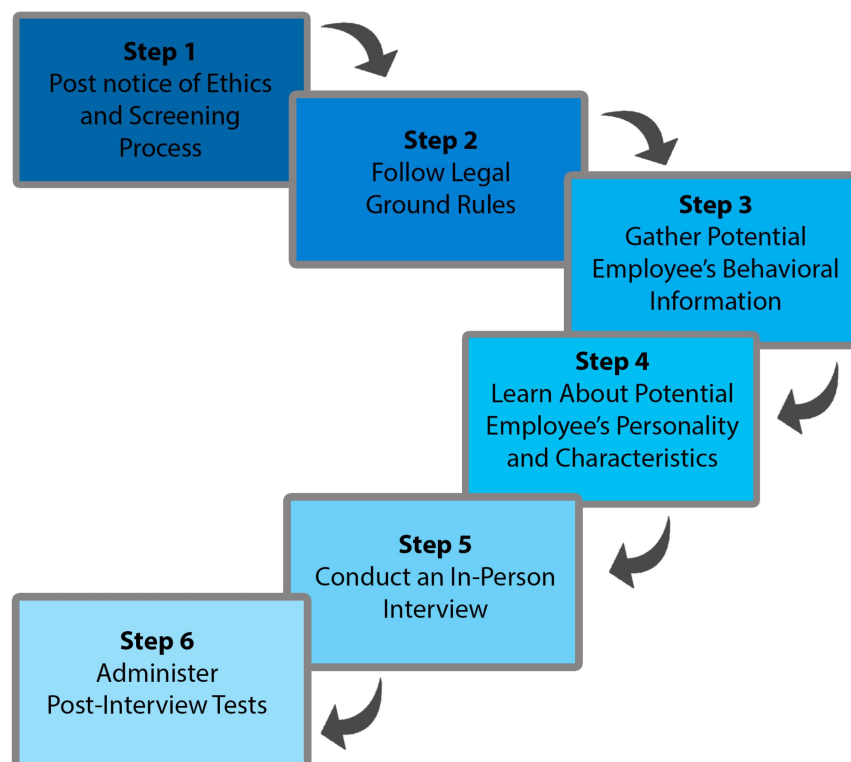
LEARNING OBJECTIVES:

- List the criteria managers use to make ethical hiring decisions.
- Compare the differences, importance and purpose of a code of conduct and code of ethics.

The Importance of Organizational Culture

Every organization has an organizational culture, which can be defined as “the system of shared actions, values, and beliefs that develops within an organization and guides the behavior of its members” (Schermerhorn, Hunt, and Osborn 2005, 436). To be ethical, an organization must have an organizational culture that values and promotes good ethics. Even individuals who would generally never practice unethical behavior may be inclined to be less than ethical if they are working in an organization that does not have a strong culture promoting ethical behavior.

How do organizations develop an ethical organizational culture? They begin by hiring ethical employees. And how do employers determine if a potential employee is ethical? Human resource specialists have identified a six-step process that will enable employers to establish the type of ethics a potential employee practices. Each step will be discussed in detail.



Step One: Post Notice of Ethics Screening Process

When employers post a job vacancy announcement for their organization, that notice should contain information about the organization's ethics screening process. This should include informing potential employees that the screening process will include both background and reference checks.

This step serves the purpose of discouraging individuals from applying for the job if they think that their record contains information that might disqualify them, causing them to fail a background and/or reference check. This eliminates some unethical employees from the application process without any further action on the part of the employer.

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Background checks involve reviewing a potential employee's confidential and public information to obtain their history. A background check will determine if an individual has a criminal history and also helps to confirm information the employee has provided, such as employment history.

Step Two: Follow Legal Ground Rules

When organizations conduct a hiring process, they must do so legally. This includes gathering information from job candidates without discriminating against them based on their race, color, gender, religion, national origin, age, or disability.

In an effort to prevent employers from discriminating against potential employees, the federal government has passed various laws that regulate the hiring process. These legal ground rules are important because they help ensure that employers handle the hiring process in an ethical manner. When employers are ethical, it is easier for them to attract ethical employees.

Here are some important federal laws.

[TITLE VII OF THE CIVIL RIGHTS ACT](#)

[PREGNANCY DISCRIMINATION ACT](#)

[THE EQUAL PAY ACT](#)

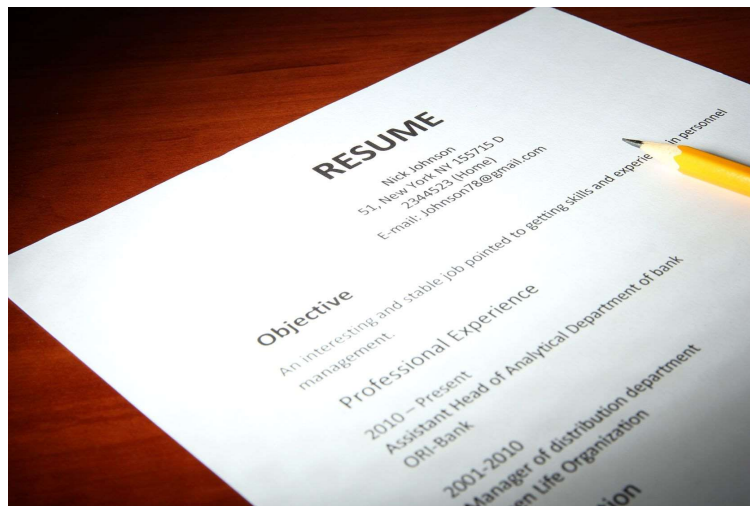
[THE AGE DISCRIMINATION IN EMPLOYMENT ACT](#)

Step Three: Gather Potential Employee's Behavioral Information

Once an employer completes steps one and two of this process and receives applications for the job vacancy, it is time to take a closer look at each applicant. The purpose of this closer review is to determine which applicants meet minimum job requirements and appear to be satisfactory candidates who should receive more serious consideration. During this step, the employer can begin to determine if each applicant's employment and other life history indicates that he or she is an ethical person who conducts his or her work in an ethical manner.

To complete this step, employers generally have three tools available to them—resumes, background checks, and reference checks. The following provides more information about each of these tools.

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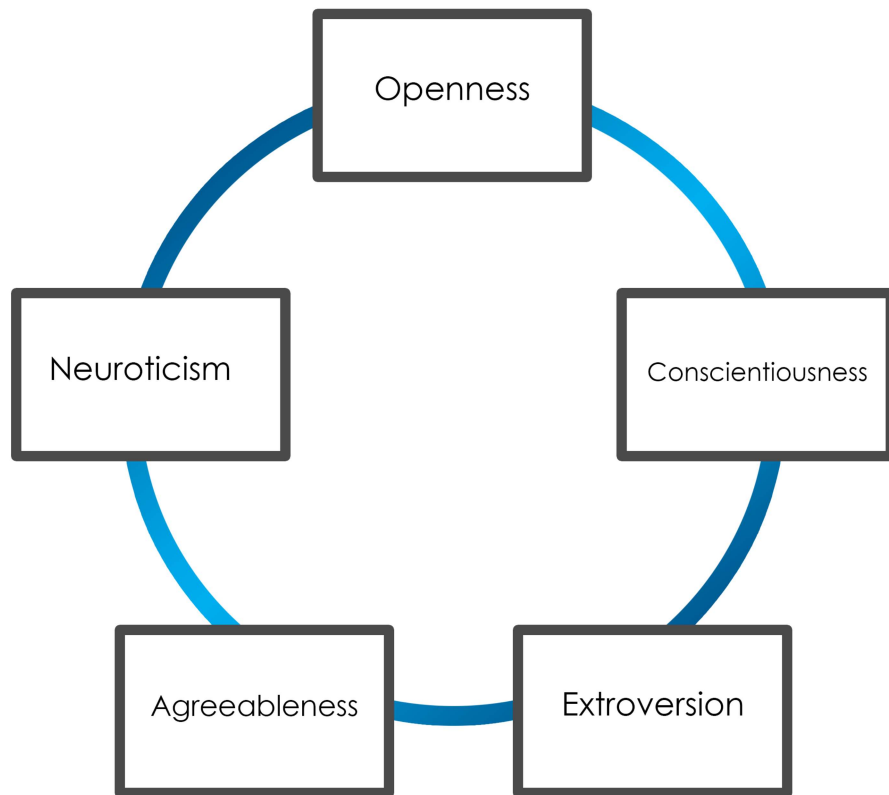
Resume – A resume is a written document that briefly provides information about a job applicant's educational attainments, professional work history, and other information such as volunteer work performed, professional certifications, and memberships in associations such as Toastmasters or the Rotary Club. A resume helps an employer understand what a job applicant has done in the past. It can also provide important details that indicate how ethical an applicant might be. For example, if an applicant worked in a specific job for a long period of time, this may indicate that this individual would be a loyal employee.

Many applicants will not be dissuaded by the notice of the screening process issued in step one and will proceed to apply for the job. By following step three, doing a complete review of an individual's resume followed by thorough background and reference checks, employers have greater opportunities to identify any ethical issues that may exist with a potential employee. This enables the employer to eliminate such applicants from consideration early in the job search, wasting no further time on such employees and ensuring that they do not get hired.

Step Four: Learn About Potential Employee's Personality Traits and Related Characteristics

Once employers have completed the resume reviews, background checks, and reference checks for job applicants, they will narrow the pool of potential employees to a smaller number of candidates slated for more serious consideration. At this point, employers need to determine which candidates appear to be ethical individuals who possess the appropriate personality traits suited for the vacant job and should be considered even further in the hiring process. To do this, employers should learn about each candidate's personality traits and related characteristics.

Scholars spent years researching the psychological makeup and personalities of individuals to develop a theory of the dimensional levels of personality called the Big Five Personality Factors (OCEAN). The Big Five are broad categories of personality traits. Scholars have different ways of labeling and describing each category, but generally, they are as follows:



When employers post a job vacancy, they should have an understanding of the personality traits needed to successfully carry out the duties and responsibilities of the job. They should have a personality profile for the ideal candidate to fill the vacancy.

Various personality tests exist to determine an individual's level of each personality trait in OCEAN. Employers can administer one of these tests to job applicants to obtain an assessment of each applicant's personality. By matching this assessment with the personality profile for the vacancy, employers can narrow down the list of job applicants who appear to be suitable candidates for the job. As part of this personality assessment, employers can ensure that the candidates selected as suitable appear to be individuals who make ethics a priority.

Step Five: Conduct an In-Person Interview

If job applicants are still being considered as potential employees after steps one to four are completed, the employer should conduct in-person **interviews** with each candidate. Interviews are one-on-one conversations between job applicants and an employer's representative, or multiple representatives if an interview panel is used. Interviews allow an employer to get to know more about a candidate, such as his or her likes and dislikes in work environments, as well as personal information such as hobbies. In addition, interviews can be used to clarify questions an employer may have about an applicant's resume, background check, and/or reference check.

By learning more about a candidate and actually meeting him or her, gaining insight into his or her personal demeanor, interviews can be a useful tool to help an employer decide if an individual appears to be an ethical person who would practice ethical behavior on the job.

Interview questions are regulated by legal requirements so employers must ensure that their interviews include only questions that meet legal standards. For example, they cannot ask interviewees questions about their sexual orientation or medical history.



Step Six: Administer Post-Interview Tests

If a job candidate is still being considered for hire after completing steps one to five, employers have final checks they can do—drug tests and polygraph tests—to help ensure that an individual appears to be ethical and would be a suitable individual to receive a job offer.

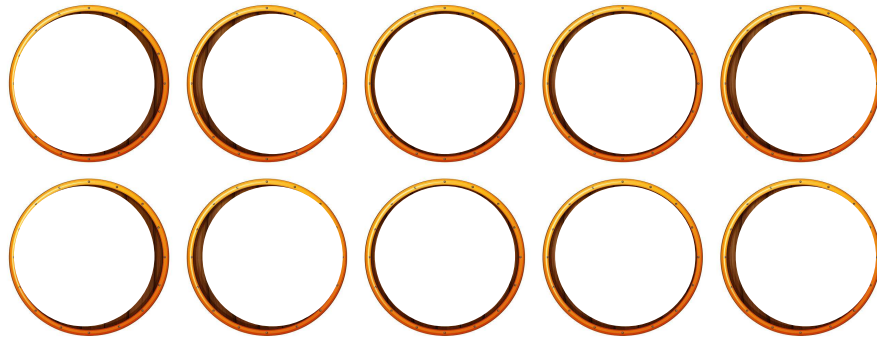


Drug Tests – For a drug test, job candidates provide a sample of their blood, urine, hair, or saliva. The samples are sent to a medical lab that does a technical analysis to determine if the sample shows evidence of illegal drugs. If the sample is positive for such drugs, the candidate is eliminated from consideration.

What Defines an Ethical Organizational Culture?

Once an organization hires its employees, even if those individuals are ethical people, the organization still must promote an ethical organizational culture if it expects its employees to practice ethical behavior. As Schermerhorn, Hunt, and Osborn (2005) point out, even employees who otherwise behave as “individual saints” can become unethical if they become part of a group working in an unethical environment (Schermerhorn, Hunt, and Osborn 2005, 438).

To determine if an organization has an ethical culture, Ethics Quality Inc. has provided a list of ten questions that organizations should answer using yes or no. The more questions that can be answered with “yes,” the more likely it is that the organization has an ethical organizational culture. The questions are as follow (Schermerhorn, Hunt, and Osborn 2005, 438):



Creating an Ethical Organizational Culture

How do organizations create an organizational culture focused on practicing good ethics that enables them to answer the majority of these questions affirmatively? They should start with a **management philosophy** to set the tone and manage their organizational culture. Management philosophy can be defined as a philosophy that links the organization’s goals and objectives with its work processes to develop guidelines for how the organization will function. To create an ethical organizational culture, ethics should be a consideration during the development of the management philosophy. Two tools to help with these efforts are codes of ethics and codes of conduct.

[CODE OF ETHICS](#)

[CODE OF CONDUCT](#)

[ENFORCING CODES OF ETHICS AND CODES OF CONDUCT](#)



Lesson Overview

Using the six-step process to screen potential employees for ethics shows applicants and current employees that the organization is committed to ethical behavior. The codes of conduct and ethics are the organization's values and principles which show prospective and current employees that unethical behavior is not tolerated.



Knowledge Check

Susie is a very ethical person who has always been a model employee. But lately, Susie is not living up to her previous standards. She works with people who are frequently late for work, submit work that is incomplete, and spend a lot of time gossiping about their co-workers and managers. At first, Susie refrained from joining her co-workers in these activities. But lately, she has begun showing up late for work, does not always finish her work, and she has participated in conversations that focused on gossip. What is negatively impacting Susie, causing her to behave this way?

☐ Organizational Culture

☐ Management Philosophy

☐ Agreeableness

☐ Code of Conduct

Ralph learns of a job opening at a local graphics design firm. He recently completed a degree in marketing, and he has experience in graphics design. He decides to apply for the job. However, once he obtains the application packet, he decides not to pursue it. When Ralph was a sophomore in college, he was arrested for selling drugs, and he was sentenced to jail for six months. Most likely, what was it about the application packet that dissuaded Ralph from applying for the job?

☐ Title VII of the Civil Rights Act

☐ Conscientiousness

☐ Background Check

☐ Polygraph Tests

Janice is applying for a job as a welder. She is concerned because she will be the only female on the crew. She has heard complaints from other women who worked jobs that were dominated by men, and they claimed that the men were treated differently from the women, especially regarding their rate of pay, even though all of them were doing the same work. Janice is also aware that there is a federal law that is supposed to prevent women from being treated differently from men when they perform the same work. Which law is Janice thinking of?

☐ Title VII of the Civil Rights Act

☐ The Equal Pay Act

☐ Pregnancy Discrimination Act

☐ The Age Discrimination in Employment Act

Stuart has recently applied for a job with a local police department. He completed the initial application process, including doing a one-on-one interview with a representative of the police department. He then appeared before a panel of individuals screening applicants on the police department's behalf. Now, he has been asked to return to the department for post-interview tests.

He will be placed in a small room and hooked up to a machine that will measure his body's physiological responses when he is asked certain questions. What type of test will Stuart be taking?

☐ Background Check

☐ Extroversion

☐ Resume

☐ Polygraph Test

Jennifer is attending orientation for her new job as an accountant for an engineering firm. During this process, she spends two hours in training that explains the written rules outlining the specific types of behavior that she is expected to practice in her position. What company document was Jennifer trained on?

☐ Code of Conduct

☐ Code of Ethics

☐ The Equal Pay Act

☐ Management Philosophy

Key Terms

THE AGE DISCRIMINATION IN EMPLOYMENT ACT

AGREEABLENESS

BACKGROUND CHECKS

CODE OF CONDUCT

CODE OF ETHICS

CONSCIENTIOUSNESS

DRUG TESTS

THE EQUAL PAY ACT

EXTROVERSION

INTERVIEWS

MANAGEMENT PHILOSOPHY

NEUROTICISM

OPENNESS

ORGANIZATIONAL CULTURE

POLYGRAPH TESTS

PREGNANCY DISCRIMINATION ACT

REFERENCE CHECKS

RESUME

TITLE VII OF THE CIVIL RIGHTS ACT