

Human Resources Management In Context

**Lecture Title :-
Ethical & Sustainable HRM Practices**



Lecturer: Nathalie Xuereb Saydon

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Learning Objectives

- Define and critically assess ethical principles and sustainable practices in HRM.
- Examine how HR can support Corporate Social Responsibility (CSR) and organizational ethics.
- Recognize and evaluate ethical concerns in HR operations such as recruitment, performance management, and diversity.
- Examine the influence of ethical leadership on organizational culture and decision-making.
- Propose HR policies and practices aligned with sustainability, employee well-being, and long-term stakeholder value.



Group discussion

What does ethical HR mean to you?



“Ethical HRM refers to the application of moral principles and standards to the policies, practices, and decision-making processes involved in managing people in organizations. It emphasizes fairness, respect for individual rights, and responsibility to multiple stakeholders, including employees, the organization, and society at large” (Greenwood, 2013).



Ethical HRM

Ethical HRM matters because :

- HR decisions affect people's careers, livelihoods, and well-being.
- HRM is often where ethics meets operational power: hiring, firing, promotion, inclusion.

Ethical HR involves:

- Respect for human dignity and rights
- Commitment to fairness and non-discrimination
- Transparent, accountable decision-making
- Consistency between stated values and actual behavior



Ethical Foundations In HRM

Deontology (Kantian ethics)

- Focus: **Duty, rules, and intentions**
- Ethics is about **doing the right thing**, regardless of consequences.
- In HRM: Policies and procedures must respect rights (e.g., equal opportunity), even if an alternative might be more profitable.

Example in HR:

Not hiring a highly qualified candidate who lied on their CV — because honesty and integrity are non-negotiable duties, even if the candidate could bring short-term gains.



Ethical Foundations In HRM

Utilitarianism (Consequentialist ethics)

- Focus: **Outcomes and consequences**
- Ethical decision = greatest good for the greatest number.
- In HRM: Actions are judged by their impact on stakeholders — employees, company, society.

Example in HR:

Laying off 10% of staff to save the company and preserve jobs for the remaining 90% — justified if the overall good outweighs the harm



Common Ethical Dilemmas in HRM

Area	Ethical Dilemma
Recruitment	Bias (gender, race, disability), nepotism, dishonesty in job ads
Performance Management	Favoritism, lack of transparency, punishment vs. growth focus
Compensation	Pay disparity, gender wage gap, unequal access to bonuses
Privacy	Monitoring emails, social media screening, surveillance
Diversity and Inclusion	Tokenism, cultural insensitivity, "performative" diversity
Termination	Unfair dismissal, lack of due process, no just cause

Group discussion

What is sustainable HRM ?



Sustainable HRM refers to the strategic alignment of human resource practices with long-term goals that promote economic viability, social equity, and environmental responsibility.

It aims to balance:

- Organizational performance**
- Employee well-being**
- Broader societal and environmental concerns**



The Triple Bottom Line (TBL)

The triple bottom line is a concept that implies that corporations should be judged not just on their financial performance, but also on their social and environmental effect. It was popularized by John Elkington in 1994 and focuses on three important areas:

Dimension	HR Implications
People (Social)	Fair wages, inclusive practices, well-being, diversity, work-life balance
Planet (Environmental)	Green HRM practices (telecommuting, energy-efficient workplaces, reducing paper usage)
Profit (Economic)	Long-term value creation, ethical leadership, reduced turnover, sustainable productivity

Green HRM (GHRM)

Green HRM involves using HR policies and practices to promote **environmentally responsible behavior** among employees and across the organization.

Examples:

- **Recruitment & onboarding:** Hiring individuals committed to sustainability values
- **Training & development:** Environmental awareness, waste reduction, carbon literacy
- **Performance & rewards:** Incentives for green behavior (e.g. biking to work, paperless operations)
- **Work design:** Flexible work arrangements to reduce commuting

Sustainable Talent Management

Focuses on attracting, developing, and retaining talent in a way that supports long-term organizational and employee sustainability.

Core elements:

- **Employee development** aligned with future skill needs and career sustainability
- **Workforce planning** that avoids burnout, stress, and high attrition
- **Succession planning** that builds internal capability, not just performance
- **Diversity, equity & inclusion (DEI)** to tap into broader talent pools
- **Well-being programs** that address mental and physical health

Key idea: It's not just about productivity today but about building **resilient and adaptable** human capital for the future.

Group discussion

- What does CSR stand for ?
- Can you give some examples of CSR initiatives?



“Corporate Social Responsibility is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (*European Commission, 2001*).

CSR includes:

- Environmental sustainability (e.g., reducing carbon footprint)
- Social equity (e.g., diversity, fair labor practices)
- Ethical governance (e.g., transparency, anti-corruption)

HR Contribution to CSR

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HR Function	CSR Contribution
Recruitment & Selection	Hire candidates who align with ethical and sustainability values
Onboarding	Introduce company CSR mission, ethical expectations, and volunteering opportunities
Training & Development	Provide learning on sustainability, diversity, inclusion, and ethical leadership
Performance Management	Evaluate and reward employees for CSR-aligned behaviors and contributions
Compensation & Rewards	Include incentives for environmental responsibility and social impact activities
Employee Engagement	Promote CSR participation through volunteering programs and internal campaigns
Workplace Culture	Embed CSR values in organizational culture through leadership and communication
Well-being Initiatives	Support physical, mental, and social well-being as part of responsible HRM
Policy Development	Create inclusive, fair, and sustainable HR policies aligned with CSR principles





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Ethical Leadership & Organisational Culture



What is Ethical Leadership?

Ethical leadership involves demonstrating normatively appropriate behavior through personal actions and relationships, and promoting such conduct among followers through communication, reinforcement, and decision-making.

Ethical leaders:

- Act with **honesty, fairness, and transparency**
- Hold themselves and others **accountable**
- Make decisions guided by **values**, not just results



What is Ethical Leadership?

Aspect	Transformational Leadership	Transactional Leadership
Focus	Inspiring values, vision, and change	Maintaining structure, compliance, and performance
Motivation	Intrinsic – aligning work with meaning and shared purpose	Extrinsic – based on rewards and penalties
Role in Ethics	Promotes ethical culture by modeling values and encouraging reflection	Enforces ethics through rules, monitoring, and consequences
Style of Influence	Idealized influence, inspirational motivation, intellectual stimulation	Directive, controlling, task-focused
Impact on Culture	Fosters trust, openness, and ethical reasoning	Promotes consistency but may discourage ethical questioning

Leadership Role in Shaping Ethical Culture

Organizational culture is the shared values, beliefs, and norms that influence how people act at work.

Leaders play a critical role in embedding ethics into that culture.

Ethical leadership promotes:

- **Psychological safety** – Employees feel safe to speak up about ethical concerns
- **Integrity norms** – Ethical behavior becomes the standard, not the exception
- **Consistency** – Ethics are reinforced through decisions, recognition, and accountability.
- **Role modeling** – Leaders "walk the talk"

Culture becomes ethical not just through policy, but through the daily example set by leadership.



Impact of Ethical Leadership on Ethical Decision-Making

Ethical Leadership Trait	Impact on Decision-Making
Role Modeling	Employees mirror leaders' integrity and apply ethical principles
Transparency	Decisions are based on open, honest communication and clear rationale
Accountability	Promotes responsibility for actions and ethical consequences
Empowerment	Encourages employees to speak up and challenge unethical practices
Long-term Vision	Shifts focus from short-term gains to sustainable, values-driven decisions
Trust Building	Creates a safe space for ethical reflection and disclosure
Consistency	Aligns words with actions, reinforcing organizational norms



THANK YOU!



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