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**ETHICS IN MODERN HR PRACTICES – A KEY TO SUCCESS  
OF SELECTED PUBLIC SECTOR INDUSTRIES IN  
CHHATTISGARH**

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### **ABSTRACT**

At any given time it was seen that almost every organization is facing several problems concerned with operations, stakeholders, vendors and management practices. Majority of these problems arises due to the factors which generally categorized under the term 'unethical'. The problem of unethical practices is more common in public sector companies of India, as attitude of management in these organizations is very dull in enforcing the moral values and laws. HR department being the central, rules formulating and enforcing, wing of any organization, it is their responsibility to formulate and enforce ethical practices within the organization.

This research is undertaken to know how sensitive the HR practices of public sector companies are and how ethics being the central theme, affect HR practices. This study also undertakes the fluctuating behavior of employees at workplace and at their home. Apart, knowledge with respect to the ethical values which is to be adopted by HR managers in public sector companies also needs to be explored.

**KEYWORDS:** Public Sector Industries, Ethics, Ethical Practices, Ethical Sensitivity, Human Resource Management.

### **1. INTRODUCTION**

**Ethics** is one of the important branches of philosophy. The roots of the ethics go back to Ancient Greek. Although the original meaning of the term "ethics" is character, custom; today ethics means the principles of conduct. Many ethical areas appeared under the name of Applied Ethics. Applied ethics examines the particular ethical issues of private and public life. Business ethics is one of the important branches of applied ethics. The subjects of business ethics are some ethical principles and moral problems that arise in a business environment.

Ethics in Latin language is called "Ethicus" & in Greek it is called "Ethicos". In fact, this word has originated from 'Ethos' meaning character or manners. Ethics is thus set to be the source of morals: a treatise on this: moral principal recognised rules of conduct. Ethics is commonly defined as a set of principles prescribing a behaviour code, explains what is good or wrong, or bad or wrong. It may even outline moral duties and obligations. There is a combination of full familiar words, namely business and ethics. Ethics is concerned with moral issues in business just as medical ethics are concerned with morality of medical practices and policies, or political ethics are concerned with the morality of political affairs (Krishna, Dangayach & Jain, 2011). According to concise Oxford Dictionary "Ethics are the principles of behaviour that distinguish between the rights from the wrong. Ethical conduct conforms to what a group or society, as a whole considers right behavior.

The term **human resource management (HRM)** has relatively adopted in business organizations in place of personnel management. HRM can be defined as “the management of activities under taken to attract, develop, motivate, and maintain a high performing workforce within the organization” (Harvey & Bowin, 1996). HRM involves following characteristics. First, it focuses on horizontal authority and reduced hierarchy. The second characteristic is that the role of human resource professionals is to support and facilitate line managers who have the direct responsibility of managing personnel. Thirdly, HRM is proactive and fused with corporate level planning. The fourth characteristic is that employees are seen as subjects who have potential to develop and grow. The purpose of HRM is to specify employee’s potential and develop it in line with the needs of the organization. Finally, HRM holds the view that the management and non-management have a common interest in the success of the organization (Krulis cited in Goss, 1994).

### 1.1.1. ETHICAL SENSITIVITY

Ethical sensitivity is the identification of salient aspects of a situation that involves the “good” and the “bad” of others. The central feature of ethical sensitivity is the ability to read a caring situation in order to respond with an ethical action, that is, a human conduct whereby the others’ benefits and loses are taken into consideration. As such, the primary assumption in research on ethical sensitivity is that something one might do or is doing can affect the welfare of someone else. Discerning that a situation requires a moral response is the first step in the process of moral action (Sirin et al. 2003).

### 1.1.2. ETHICAL PRINCIPLES FOR ORGANISATIONS

Ethical theories and principles are the foundations of ethical analysis because they are the viewpoints from which guidance can be obtained along the pathway to a decision. Ethical principles are the common goals that each theory tries to achieve in order to be successful.

- **Beneficence:** The principle of beneficence guides the ethical theory to do what is good. This priority to "do good" makes an ethical perspective and possible solution to an ethical dilemma acceptable. This principle is also related to the principle of utility, which states that we should attempt generate the largest ratio of good over evil possible in the world
- **Least Harm:** This is similar to beneficence, but deals with situations in which neither choice is beneficial. In this case, a person should choose to do the least harm possible and to do harm to the fewest people.
- **Respect for Autonomy:** This principle states that an ethical theory should allow people to reign over themselves and to be able to make decisions that apply to their lives. This means that people should have control over their lives as much as possible because they are the only people who completely understand their chosen type of lifestyle.
- **Justice:** The justice ethical principle states that ethical theories should prescribe actions that are fair to those involved. This means that ethical decisions should be consistent with the ethical theory unless extenuating circumstances that can be justified exist in the case.

### 1.1.3. COMBATING UNETHICAL HR PRACTICES

To combat unethical HR practices in the workplace, the HR professionals in line with top management could put in place:

- **Ethical Policies and Codes:** This is a document that spells out the standards the organisation expects its employees and management to adhere to. This code should incorporate the required standards and values in all HR practices in the organisation.
- **Ethical Training:** This is imperative to constantly remind them of management expectations as well as cultural values expected of them. Families, religious bodies and professional institutes are expected to play significant roles in this respect.
- **Whistle blowing Policy:** Whistle blowing can help reduce the occurrence of unethical behaviour on the part of employers. Whistle blowers are individuals usually employees who

use procedural or legal channels to report incidents of unethical behaviour to the public or legal authorities.

#### **1.1.4. ETHICAL VALUES FOR HR MANAGERS**

For smooth functioning of department and to gain a win-win situation in between management and employees, some ethical values, a HR manager need to be adopted. These ethical values: Amicability, Caring, Character, Conduct in conformity with commitment, Devotion to work, Gratefulness, Gratitude, Honesty, Long term vision, Loyalty, Perseverance, Reliability, Transparency, and Truthfulness.

#### **1.2. COMPANY PROFILE**

The following public sector undertaking companies along with their HR practices are selected for the study:

##### **1.2.1. SOUTH EASTERN COALFIELDS LIMITED (SECL)**

SECL is the largest coal producing company in the country. It is one of the eight subsidiaries of CIL (A Govt. undertaking under Ministry of Coal). SECL, Coal India's premier coal company is operating its coal mines in the state of Madhya Pradesh and Chhattisgarh state which is also geographically located at the heart of the country. Chhattisgarh and Madhya Pradesh inhabited by simple minded and hardworking tribes with a rich cultural heritage. Chhattisgarh is not only the rice bowl of India but also rich in mineral resources with coal being the prime mineral resource that is being exploited commercially for about a century.

##### **1.2.2. NATIONAL THERMAL POWER CORPORATION (NTPC)**

National Thermal Power Corporation Limited (NTPC) is the largest thermal power generating company of India. It was incorporated in the year 1975 with the objective of planning, promoting, and organizing an integrated development of thermal power in the country. NTPC is a public sector company wholly owned by Govt. of India. Today NTPC has power generating capacity in all the four major power regions of the country.

##### **1.2.3. BHILAI STEEL PLANT (BSP)**

*Bhilai steel plant (BSP) is a unit of the steel authority of India limited (SAIL). Bhilai Steel Plant is a pulsating giant in the glorious industrial context of India. It came into existence on 10th June 1957 when concreting of the foundation of 1st Blast Furnace, but its original story started on 2nd February 1955 when the agreement with USSR government prove the possibility of dreams come true. BSP the functionary of SAIL is a symbol of Indo-Soviet Techno economic collaboration, is one of the 1st three integrated steel plant setup by the government of India to build up a sound base for industrial growth of the country. The agreement was signed on 2nd Feb, 1955 for 1 MT production capacity of crude steel, which rose to then 2.5 MT (1967), & then to 4 MT in 1988. On 4th February 1959, president, Dr. Rajendra Prasad dedicated Bhilai to the nation, by inaugurating the Blast Furnace no. 1 for production. Since then Bhilai has never looked back and has steadily grown and modernized day by day. Bhilai has all along been giving special attention to the employment to the weaker section.*

##### **1.2.4. CHHATTISGARH STATE ELECTRICITY BOARD (CSEB)**

The Chhattisgarh State was formed according the Madhya Pradesh Reorganization Act 2000. The President of India gave his consent to this Act on the 25th August 2000. The Government of India subsequently set the 1st November 2000 as the day on which the State of Madhya Pradesh would be bifurcated into State of Chhattisgarh and State of Madhya Pradesh. Chhattisgarh State Electricity

Board was formed in accordance with the Section 5 of the Electricity Supply Act 1948 as per the Notification published in the gazette of the Government of Chhattisgarh dated 15th November 2000. Chhattisgarh State Electricity Board (CSEB) became functional w.e.f. 01.12.2000. Chhattisgarh State Electricity Board has been reorganized into following five companies in accordance with the provisions contained in the Section 131-134 of Electricity Act 2003 by the Govt. of Chhattisgarh vide Notification dated 19.12.2008.

- The Chhattisgarh State Power Holding Company Limited
- The Chhattisgarh State Power Generation Company Limited
- The Chhattisgarh State Power Transmission Company Limited
- The Chhattisgarh State Power Distribution Company Limited
- The Chhattisgarh State Power Trading Company Limited

### **1.3. SIGNIFICANCE OF THE STUDY**

The major contribution of this study is to provide an improved guidelines with respect to ethical practices need to be adopted in public sector organizations. This study provides a broad understanding about the concept of ethics. This study briefly analyze the ethical values need to be incorporated by HR manger within their organization and in their behavior for smooth functioning and welfare of the society. This research provides insight about the sensitivity of public sector organization towards ethical values. This study provides valuable information about the reasons underneath the fluctuating behavior of employees at work place and at home. It also helps in understanding how principles of ethics can be used in crafting effective and efficient HR strategies.

### **1.4. SCOPE OF THE STUDY**

This research will help to know about the concept of ethics along with its various types and principles. This research answers the question about effectiveness of ethical principle over HR practices in public sector undertakings. It guides about the various unethical practices arises in the field of human resource management. This study is applicable only on the government undertaking organizations in Chhattisgarh and the result of its applicability may vary for other states, depending upon the organizational climate, working culture, personal and demographic characteristics of the employee, administrative, and management style of organization. This research guides about the various principles need to be adopted by HR manager and organizations for sustainable change, and for imparting ethical practices within organization, which may be different for different organization, subject to code of conduct of every organization.

### **1.5. OBJECTIVES OF THE RESEARCH**

- To identify the principles of ethics that effect HR practices.
- To determine the level of ethical sensitivity of public sector industries.
- To study the behavior of an individual in work situation as against their behavior in the family and society.
- To identify the values that a manager should honour to facilitate the smooth working of an organization.
- To analyze how principles of ethics helps HR professionals for crafting the HR strategies.

### **1.6. HYPOTHESIS**

The hypotheses have been formulated based on literature review and understanding of the HR practices and ethical values in PSUs. The null hypotheses to be tested are listed below.

**H01:** Respondents belonging to different status in organizational hierarchy do not differ in their opinion on values of leaders.

**H02:** Respondents belonging to different status in organizational hierarchy do not differ in their opinion on values of managers

**H03:** Respondents belonging to different tenure in service do not differ in their opinion on values on leaders.

**H04:** Respondents belonging to different tenure in service do not differ in their opinion on values of managers.

**H05:** Respondents belonging to different status in organizational hierarchy do not differ in their opinion on organizational values.

**H06:** Respondents belonging to different status in organizational hierarchy do not differ in their opinion on professional values.

**H07:** Respondents belonging to different tenure in service do not differ in their opinion on organizational values.

**H08:** Respondents belonging to different tenure in service do not differ in their opinion on professional values.

### **1.7. DELIMITATIONS OF THE STUDY**

The present study is limited to HR practices in the organization.. It can be summarized that this study will include the field of HRM, and the concept of Ethics. For study purpose public undertakings of Chhattisgarh region has been selected with the assumption that similar practices are used in public undertakings throughout India.

- As in large industrial organizations, employees all level work together. So it may be difficult to measure the Ethical sensitivity in the organization.
- This concept of Ethics not directly related to HR practices followed by organizations so it might be difficult for the management to use such concept in crafting HR policies for the employees.
- There is a possibility of providing biased or wrong answers by the respondents as this is a controversial concept so people may not want to indulge themselves in such matters.
- There is possibility of occurring errors in selection of sample, collecting responses from respondents and interpretation of the collected responses.

## **2. RESEARCH METHODOLOGY**

Research in common parlance refers to a search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. In fact, research is an art of scientific investigation. This chapter deals with method and procedure of the study, which is presented under the following headings.

### **2.1. POPULATION OF THE STUDY**

'Population' refers to the total of items about which information is desired. The attributes that are the object of study are referred to as characteristics and the units possessing them are called as elementary units. The aggregate of such units is generally described as population. This study is based on selected public sector undertakings in Chhattisgarh, all the employees working in these organizations constitute as population of this study.

## **2.2. SAMPLING DESIGN**

In this study, sample is selected using Non-Probability sampling techniques from the population. A quota is selected from each selected public sector undertaking and respondents selected to get the data was based on convenient of the researcher.

## **2.3. SAMPLE SIZE**

The sample size of the present study is restricted to 400 sample respondents of selected public sector undertakings in Chhattisgarh by dividing these organizations in four quotas. A sample of 100 respondents from each quota has been chosen on the ease of convenience of the researcher.

## **2.4. RESEARCH DESIGN**

Research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement, and analysis of data.

1. Exploratory Research Design: Exploratory research design has been adopted in the present study with an aim to fulfill the research objectives with the formulation of more precise working hypothesis. It makes the work of the researcher flexible in terms formulating and testing hypothesis.
2. Descriptive Research Design: Descriptive research design is concerned with the description of facts and ideas. The researcher adopted this design as it is the most basic and useful design for primary data survey in social sciences research.

## **2.5. RESEARCH INSTRUMENT**

A self-structured questionnaire was prepared under the guidance of supervisor which contains five sections. First section contains the questions related to demographic and organizational details. Second section asked based on ethical values important for individual and organization. Third section contains ten organizational and individual values, asking to provide respondents opinion. Fourth section contains questions related to work life situation. Last section constitutes question related to leadership, and team building attributes in organization. A pilot study was conducted to test the questionnaire. Biased and unwanted elements were removed after the pre-test of questionnaire and final draft of the questionnaire was done which contains 68 elements. The reliability of the questionnaire was found to be 0.6.

## **2.6. METHODS OF DATA COLLECTION**

For this study, both primary and secondary data was collected. Primary data was collected through pre-designed and self-administered questionnaire. Extensive field work is done to collect the primary data from respondents through field survey. Data were collected by face to-face contact with the persons. Questions were asked pertaining to the survey to collect the desired information. Along with the survey, secondary data was collected from the various resources such as research paper published in the various journals related to the field of study, articles from magazines and websites. Books related to consumer behavior and research methodology were also referred for this study.

## **2.7. STATISTICAL TOOLS USED IN THE STUDY**

Primary data obtained through research survey were entered into SPSS 20.0 Version (Statistical package for Social Science). Encoding and recoding of the data was performed to eliminate the biased factor. After the successful execution of the data set the test were carried out to arrive at a result.

- Descriptive statistics including frequency charts and histograms on sample characteristics i.e. gender, gross income, designation, status in organizational hierarchy and response to ethics audit.
- Cross Tabulations to understand the employee understanding and preferences for ethical practices in public sector enterprises from the perspective of an employee and manager.
- Factor Analysis to understand the principles of ethics influencing HR practices both at work place and in the family and society at large.
- Cluster Analysis to help design the HR practices on ethics based on cluster profiles.

Sample size of 400 was chosen based on convenience sampling method and response was collected through a questionnaire which the respondents were supposed to fill and return at their leisure. While the number of questionnaires distributed was 475, response was received for 400 at a response rate of 84%.

### **3. DATA ANALYSIS & INTERPRETATION**

This chapter presents the detailed analysis and interpretation of the data collected through questionnaire from survey done in the select public sector units.

#### **3.1. INTERPRETATION**

The detailed interpretation of the analysis of data is given below:

##### **3.1.1. Descriptive Statistics of Personal & Organizational Data (Section A)**

- Majority of respondents working in public sector units were male (86.80%) whereas only 13.30 % of the respondents were female.
- Except for AE at 15.8% none of the other designations account for more than 10% of the sample (nearest being SE at 8% and OS at 6.5%).
- Organizational hierarchy indicates that Non Managerial at 44.8% followed by middle management (27%) and then junior management at 20.3%. The composition of top management and senior management combined is at 7.8% indicating a pyramid structure in the hierarchy.
- Majority of respondents have gross income in between 2 to 4Lakhs (36.30%) whereas 28.8% of the respondents have their gross income below 2 Lakhs, 23.50% falls in the group of 4 to 6 Lakhs and only 11.50% were above 6 Lakhs showing that majority of respondents were belonging to the middle class.
- 92.5% was positive and only 30 respondents expressed that their respective PSUs did not have an ethics departments
- However when the respondents were tested whether ethics audit was important the percentage was even more in affirmative at 98.5% and only 6 respondents expressed against it.

##### **3.1.2. Cross Tabulations Between Personal & Organizational Data (Section A)**

Following analysis was carried out using cross tabulations.

- I. Gender vs. Status in Organizational Hierarchy: Analysis reveals that close to 50% of male respondents are in the non-managerial class whereas in case of females, the skew is towards junior and middle management level accounting for about 63% of the 53 female respondents.
- II. Gender vs. Tenure in Service: Analysis reveals that 44.1% of male respondents are in experience bracket of greater than 10 years, whereas in case of female respondents the 2-5

years accounts for 56.6% and 5-10 years is 18.9%. Only 11.3% of females have greater than 10 years' experience for females. Within tenure in service, females have account for 30.6% of 2-5 years bracket with males having the balance.

- III. Gender vs. Gross Income: Analysis reveals that about 88% of male respondents are in the salary bracket of below 2 lakhs to 6 lakhs with the highest proportion being in the 2-4 lakhs range (32.9%). Females gender skew is in the 2-6 lakhs range accounting for about 80% with 58.5% in the 2-5 lakhs salary bracket. Females account for 21.4% of the 2-4 lakhs bracket, while males lead with a share of 93.5% in above 6 lakhs, 92.2% in below 2 lakhs and 89.4% in the 4-6 lakhs range.

### 3.1.3. Factor Analysis of Values of Leaders & Managers (Section B)

Factor Analysis was carried out to understand the principles of ethics influencing HR practices both at work place and in the family and society at large. The objective of this analysis was to understand that which are those factors considered important by PSU employees that drive ethics in HR practices in organizations.

**Result:** The principles of ethics that help drive ethics in HR practices are *"Vision and Integrity", "Commitment", "Empathy", "Honesty" and "Amicability"*.

### 3.1.4. Frequency Analysis of Organizational & Professional Values (Section C)

Frequency analysis was carried out to assess the values that a manager should honour to facilitate the smooth working of an organization.

#### (a) Organizational values

- About 39.75% felt that being honest and trustworthy would be difficult to maintain though 23.25% felt that it could be done with strong willpower.
- 36.75% of the respondents felt that causing harm to others should not be considered as an organizational value for smooth working.
- Being transparent and promoting transparency was also considered by 31.25% as not a value to be promoted which is again a reflection of the culture in PSUs. However 28.75% felt that it can be promoted with will power.
- Contribution to society and human well-being, healthy competition at work place, promoting family values, working selflessly and honoring human and property rights of others were all considered to be critical and could be practiced with strong will power and at the same time had an equal response on not to be considered as an organizational value. This is mainly driven from the fact that in PSUs the sense of security is low and hence respondents are critical of having strong ethics as work practices.
- However suppression of conscience and discrimination on caste, sect, creed etc were very strongly recommended as not to be considered as organizational values driving ethics at work place.
- Another significant observation of the findings is the confidence of the respondents on top management support to practice the values is not significant which indicates that there is less percolation of support and trust for top management in PSUs to encourage a healthy and ethical environment.

#### (b) Professional values

- Commitment to professional ethics more than to owner and rejecting ones organization as bigger than life at the cost of career were expressed as non-values by respondents with 13% and 36.25% respectively. Similarly more than 50% also felt that they can be pursued with will power and may be difficult to practice.
- Striving to achieve highest quality was felt to be difficult to pursue by 26.5% whereas more than 35.25% felt that it could be done with strong will power.

- Similarly non-involvement of spouses in parties and social gatherings, receiving bribes, proper utilization of organizational resources and identifying social responsibility were all considered as necessary values but difficult to maintain in the range of 10-20%; necessary values to be pursued with strong will power in the range of 25-40% and should not be considered as values in the range of 25-40%.
- 14% and in excess felt that top management does not support values like creating competencies, honouring contracts at the cost of personal liberty and believing in work as offering to divine. This indicates the lack of trust and confidence of respondents on top management to create an ethical work environment.

### 3.1.5. Cross Tabulation and Frequency Analysis of Work Situation (Section D)

Cross Tabulation and frequency analysis was carried out on Section D responses to determine the level of ethical sensitivity in PSUs. The findings are discussed below.

- Results of frequency analysis on all the eight items under Section D indicate an improvement on all aspects i.e. personal health, domestic life, sustainability of ethical standards, relationship with superiors, management and colleagues etc which indicates a positive work environment in the PSUs.
- Except for personal health (at 10.5%), for the rest of the items respondents have expressed deterioration in condition in the range of 18-25%, with the highest being for domestic life.
- The condition has remained unchanged for about 25-35% of the respondents in most of the cases.
- Highest improvement has been observed for the item personal health at 61.5%, while the least is for domestic life at 39.5%. The other items have indicated an improvement at around 40%.
- All the cross tabulation tests are statistically significant with Pearson Chi-Square coefficient being less than 0.05 significance level. This indicates that the relationships analyzed are statistically valid.
- There is a strong correlation between improved sustainability of ethical standards and improved relationship with superiors and management and improved relationship with subordinates at 74.4% and 75.6% respectively. The vice-versa is 61.6% and 66.7%. Similarly about 21% have expressed a deterioration in relationship with seniors and management while have indicated and improvement in sustainability of ethical standards.
- Ability to cope with frustration has also improved with improvement in sustainability of ethical standards (at 76.2%) which indicates that as work environment gets ethical, the ability to handle frustration among employees in PSUs improves.
- Similarly as above ability to introspect and ability to work for its sake have also indicated a similar response pattern with improvement in sustainability of ethical standards at 72.6% and 73.2% respectively.

### 3.1.6. Cluster Analysis of Attributes of Leadership & Team Building (Section E)

Cluster Analysis is carried out to segment the respondents and draw inferences for design of HR strategy. Ranking data of various attributes on Leadership and Team Building has been considered for the analysis. Hierarchical Cluster Analysis using Ward's Linkage Method was used to segment the sample into 2, 3 and 4 clusters using Squared Euclidian Distance.

#### (i) Leadership

- The cluster membership table for 4 clusters indicates cluster 3 having least number of cases while cluster 2 has maximum number of cases.

- Clusters 4 is characterized by technical staff that is in the junior to senior management level and have preference for high ethical standards. This cluster is the one which shall drive and lead ethical practices for the organization and should form the core team to lead ethical practices in the firm. HR managers should find champions in this cluster to drive change in the organization.
- Cluster 1 is characterized by respondents having tenure either between less than 2 years or in the range of 5-10 years. This cluster also belongs primarily to the middle management layer in terms of organizational hierarchy and has very clear directions regarding personal and organizational classification of ethical values. This cluster shall be difficult to mold by the HR department, but nevertheless shall be one of the proponents of the rightful moves made by the organization.
- Cluster 3 is the grand old segment with most respondents in the service tenure of more than 10 years. This segment shall comprise the members which shall have maximum resistant to change for any new HR practices. Hence HR department while crafting strategy should necessarily keep this segment in mind.
- Cluster 2 is by far the largest cluster with most number of cases and hence shall form the mass and the band of followers. They need to be driven by segment 1 and 4 which hold key in devising the HR strategy.

#### (ii) Team Building

- The cluster membership table for 4 clusters was analyzed and cluster 4 seemed to indicate the minimum number of cases.
- Cluster 4 comprises of the segment that are basically non managerial staff and have relatively a longer tenure in the organization. They perform secretarial duties and shall fit into basically most teams with a non-leadership role and with very limited aspirations. Some of the cluster cases are also managerial staff with a longer tenure in the organization and hence are non-problem creators and shall follow the organization diktat.
- Cluster 2 includes cases that have a longer tenure in the organization with a senior position in the organizational hierarchy and drawing a gross income mostly in excess of 4-6 lakhs. This cluster shall be the influential cluster while crafting HR strategies.
- Clusters 3 and 1 have similar demographic profile with the largest number of cases.

### 3.2. TESTING OF HYPOTHESIS

The hypotheses of this study were tested with one-way ANOVA test using SPSS 20.0. The results of tests are discussed below in detail.

- One-way ANOVA was tested on H01 with 10 attributes of Leader and except for 1 attribute i.e. TRUTHFULNESS for which the null hypothesis was rejected for F value at 7.989 (significance level of 0.05) indicating that respondents having different status in organizational hierarchy differ as far as TRUTHFULNESS as a value of a Leader is concerned, but across other values i.e. TRANSPERENCY, RELIABILITY, GRATEFULNESS, CARING etc.
- One-way ANOVA was tested on H02 with 10 attributes of manager and the null hypothesis was accepted for all the values since the F statistic failed to pass the significance level of 0.05. This indicates that as far as organizational hierarchy is concerned, all the groups have similar opinion on all the values evaluated for the manager, and there is no difference between groups.
- One-way ANOVA was tested on H03 with 10 attributes of Leader with Tenure of Service as the factor and the results were similar to the findings in case of H01. Null hypothesis was accepted for all the attributes, except for TRUTHFULNESS for which the null hypothesis was rejected indicating difference between respondent groups based on service tenure. While for other values of the leader, there was no difference between the responses on the basis of service tenure as far as leader's values are concerned.

- One-way ANOVA was tested on H04 with 10 attributes of Manager with Tenure of Service as the factor and null hypotheses was rejected for 2 values i.e. MANAGER HONOURS INTEGRITY and PERSEVERANCE. Null hypothesis was accepted for rest of the manager values indicating no difference in response behavior based on tenure of service.
- One-way ANOVA was tested on H05 with 10 attributes on Organizational Values with status in organizational hierarchy. Null hypotheses were accepted for all values except for HONESTY AND TRUSTWORTHY, CONTRIBUTION TO SOCIETY AND HUMAN WELL BEING and PROMOTING VALUES OF RESPECTING AGE AND EXPERIENCE AT WORK.
- One-way ANOVA was tested on H06 with 10 attributes on Professional Values with status in organizational hierarchy. Null hypotheses were rejected for 4 values (i.e. COMMITMENT TO PROFESSIONAL ETHICS IS MORE IMPORTANT THAN THAT TO THE OWNER; STRIVE TO ACHIEVE THE HIGHEST QUALITY, EFFECTIVENESS AND DIGNITY IN BOTH THE PROCESS AND PRODUCTS OF PROFESSIONAL WORK; NOT INVOLVING SPOUSES IN SOCIAL GATHERING AND MID NIGHT PARTIES TO PROMOTE BUSINESS INTEREST; HONOUR CONTRACTS AGREEMENT AND ASSIGNED RESPONSIBILITY EVEN IF THAT MEANS CURTAILMENT OF INDIVIDUAL LIBERTY AND RIGHTS), while for 2 cases the F statistic score was at 0.05 (i.e. REJECTING THE PROJECTION OF “BIGGER-THAN-LIFE” IMAGE OF ONE’S ORGANIZATION; OFFERING ALL WORK TO THE DIVINE). For rest of the professional values, null hypothesis was accepted indicating no difference between responses based on organizational hierarchy.
- One-way ANOVA was tested on H07 with 10 attributes on Organizational Values with tenure in service. Null hypotheses were rejected for all professional values except 2 ( i.e. BE FAIR AND DO NOT DISCRIMINATE ON RACE, SEX, RELIGION, COLOUR OF SKIN, COUNTRY OF ORIGIN, ECONOMIC BACKGROUND AND SOCIAL STANDING; PROMOTE FAMILY VALUES OF RESPECTING AGE AND EXPERIENCE IN WORK SITUATION). This indicates that there is a fair bit of difference between respondents with different tenure in service while evaluating organizational values.
- One-way ANOVA was tested on H08 with 10 attributes on Professional Values with tenure in service. Null hypotheses were rejected for all professional values except 3 (i.e. NOT BRIBING OTHERS NOR RECEIVING BRIBES OR SUBSTANTIAL GIFTS FOR PROMOTING BUSINESS INTEREST; IDENTIFY SOCIAL RESPONSIBILITY AND ACT AS RESPONSIBLE MEMBER OF THE SOCIETY AND JUST AS AN EMPLOYEE OF THE ORGANIZATION; HONOUR CONTRACTS AGREEMENT AND ASSIGNED RESPONSIBILITY EVEN IF THAT MEANS CURTAILMENT OF INDIVIDUAL LIBERTY AND RIGHTS). This indicates that there is a fair bit of difference between respondents with different tenure in service while evaluating organizational values.

#### **4. FINDING, SUGGESTIONS, AND CONCLUSION**

The findings of the study based on the research objectives may be summed up in the following section.

##### **4.1. FINDINGS**

- It was found that majority of respondents working in public sector units were male and females accounts for very less percentage.
- While studying the organizational hierarchy it is revealed that all organizations have pyramid structure hierarchy.
- Majority of respondents working in public sector organizations belongs to middle income group having the average salary ranging from 2 to 4 lakhs.
- All the four organizations under study have ethics department and almost all the employees agrees that ethics audit is necessary
- It was found that female’s do not accounts senior or top level management in all the PSU’s under study. Analysis reveals that majority of females were junior and middle management level.

- Analysis reveals that on an average males working in PSU's have more experience in comparison to the females.
- It was found that within the middle income class, females working in PSU's have higher salary than males. In high income class, males dominated the larger salary bracket.
- It was observed that the principles of ethics that help drive ethics in HR practices are Vision and Integrity, Commitment, Empathy, Honesty and Amicability.
- Majority of employees felt that being honest and trustworthy would be difficult to maintain and it could be done with strong willpower.
- It was found that for smooth working, causing harm to others should not be considered as an organizational value.
- Being transparent and promoting transparency was also considered as not a value to be promoted which is again a reflection of the culture in PSUs and it can be promoted with will power.
- It was revealed that in PSUs the sense of security is low and hence respondents are critical of having strong ethics as work practices.
- It was found that there is less percolation of support and trust for top management in PSUs to encourage a healthy and ethical environment.
- Commitment to professional ethics more than to owner and rejecting ones organization as bigger than life at the cost of career were expressed as non-values can be pursued with will power and may be difficult to practice.
- Striving to achieve highest quality was felt to be difficult to pursue and felt that it could be done with strong will power.
- Majority of respondents felt that noninvolvement of spouses in parties and social gatherings, receiving bribes, proper utilization of organizational resources and identifying social responsibility should not be considered as professional values.
- Majority of employees felt that top management does not support values like creating competencies, honouring contracts at the cost of personal liberty and believing in work as offering to divine. This indicates the lack of trust and confidence of respondents on top management to create an ethical work environment.
- An average improvement in working environment was found with respect to personal health, domestic life, sustainability of ethical standards, and relationship with superiors, management and colleagues etc.
- Majority of employees reported a high degree of deterioration with respect to the domestic life while highest improvements were reported for personal health.
- A strong correlation was found between improved sustainability of ethical standards and improved relationship with superiors and management and improved relationship with subordinates
- Ability to cope with frustration has also improved with improvement in sustainability of ethical standards (at 76.2%) which indicates that as work environment gets ethical, the ability to handle frustration among employees in PSUs improves.
- PSU employees have indicated a higher level of ethical sensitivity of their organizations as most of the behavioral aspects have shown an improvement during the work life. A strong correlation in improved sustainability in ethical environment at work place with the different dimensions was also found.
- It was found that technical staff which belongs to the junior to senior management level and have preference for high ethical standards.
- It was found that middle management layer in terms of organizational hierarchy has very clear directions regarding personal and organizational classification of ethical values.

- It was revealed that employees working for more than 10 years shall have maximum resistant to change for any new HR practices.
- It was found that segment of basically non managerial staff having relatively a longer tenure in the organization, performs secretarial duties and shall fit into basically most teams with a non-leadership role and with very limited aspirations is non-problem creators and shall follow the organization diktat.
- It was revealed that employees having a longer tenure in the organization with a senior position in the organizational hierarchy and drawing a gross income mostly in excess of 4-6 lakhs shall be the influential cluster while crafting HR strategies.
- It was found that respondents belonging to different status in organizational hierarchy differ as far as truthfulness as a value of a Leader is concerned, but across other values i.e. transparency, reliability, gratefulness, caring etc. Do not differ in their opinion on values of leaders.
- It was found that as far as organizational hierarchy is concerned, all the groups have similar opinion on all the values evaluated for the manager and there is no difference between groups.
- It was revealed that respondents belonging to different tenure in service differ as far as truthfulness as a value for leader while for other values of the leader; there was no difference between the responses on the basis of service tenure as far as leader's values are concerned.
- It was found that respondents belonging to different tenure in service do not differ in their opinion on values of managers except for the two values i.e. Manager honours integrity and Perseverance.
- Respondents belonging to different status in organizational hierarchy do not differ in their opinion on organizational values except three values i.e. Honesty and trustworthy, contribution to society and human well-being and promoting values of respecting age and experience at work.
- It was found that respondents belonging to different status in organizational hierarchy do not differ in their opinion on professional values except four values i.e. honesty and trustworthy, contribution to society and human well-being and promoting values of respecting age and experience at work.
- It was found that respondents belonging to different tenure in service differ in their opinion on organizational values and does not differ the two values i.e. be fair and do not discriminate on race, sex, religion, colour of skin, country of origin, economic background and social standing; promote family values of respecting age and experience in work situation.
- It was found that there is a fair bit of difference between respondents with different tenure in service while evaluating organizational values.

#### 4.2. SUGGESTIONS

- It is recommended to all HR managers to conduct an ethical audit time to time which helps to sort out the unethical practices and values practiced in the organization and helps in smooth functioning and better working environment for the employees.
- As PSU employees believe that whether it is workplace or society at large, vision and integrity is key to build ethical HR practices. Leader, managers and employees need to have vision and integrity to instill ethical work practices.
- PSU employees believe that managers, leaders and employees as individuals need to demonstrate commitment to build an ethical environment whether at work place, family or society. Therefore, HR managers have to create an environment where every employee and leaders were committed to build Ethical environment.

- HR managers need to impart the feeling of empathy among employees to keep their morale and bonds which ultimately drive the ethical work practices.
- HR managers need to practice the value of honesty, themselves and among employees, which was found one of the most important drivers of ethical practices at work place, family and society.
- The quality and value of amicability in every individual employee need to be imparted by the managers and leaders so that they are easily approachable and help fellow workers and compatriots to establish an ethical work place.
- The policies and practices harming others in some way cannot be accepted as organizational values and a manager have to take care of these things. Apart, HR managers need to be very transparent in all aspects of working and should promote transparency in their organization which builds confidence of employees in management functions.
- Contribution to society and human wellbeing, healthy competition at work place, promoting family values, working selflessly and honoring human and property rights of others were all considered to be critical and could be practiced with strong will power. So it is recommended to HR managers and leaders to help their employees in developing strong will power.
- It is strongly recommended to the HR managers that suppression of conscience and discrimination on caste, sect, creed etc were not to be considered as organizational values driving ethics at work place.
- It was highly recommended that top management need to percolate full support and trust among employees in PSUs to encourage a healthy and ethical environment. Top management need to support professional values like creating competencies, honouring contracts at the cost of personal liberty and believing in work as offering to divine.
- HR managers need to incorporate professional values in which involvement of spouses in social gathering and mid night parties to promote business interest and social gatherings, Bribing or substantial gifts for promoting business interest, were considered unethical and should be followed by strict actions. Proper utilization of organizational resources, identifying social responsibility, commitment to professional ethics more than to owner, and rejecting ones organization as bigger than life at the cost of career should be considered as necessary professional values.
- HR managers continuously need to work on improvement of quality of work life of employees. Issues related to personal health, domestic life, sustainability of ethical standards, and relationship with superiors, management and colleagues etc. need to be sort immediately.
- Special counseling sessions need to be organized at regular intervals which help employees to overcome from frustration, build the ability to introspect and ability to work's sake.
- To drive change in organization and maintaining ethical standards, HR managers have to choose their technical staff which belongs to the junior to senior management level as role models and examples for employees as they have preference for high ethical standards. They are the one which shall drive and lead ethical practices for the organization and should form the core team to lead ethical practices in the firm.
- For imparting ethical values within organization HR managers need to put these responsibilities to the employees belonging to middle management layer in terms of organizational hierarchy, having service tenure less than 2 years or in between 5-10 years have very clear directions regarding personal and organizational classification of ethical values.
- While imparting ethical practices within the organization, HR managers need to craft innovative methods to impart change among the segment of employees working for more than 10 years as they shall have maximum resistant to change for any new HR practices.

### 4.3. CONCLUSION

This study was focused on the Ethics in modern HR practices in selected public sector undertakings. This research thoroughly reviewed the concepts of Ethics and Modern HR practices and an attempt was made to know how ethical practices can be taken as a key for effective HR practices in public sector organizations. Accordingly, ethical issues in the workplace can be resolved if proper procedures for the same are in place in a given organization.

It also presents a timely warning to organizational management that they need to more closely address their HRM policies and practices on the matter of ethics in HRM. Author stated that Human Resource professionals are exclusively involved to observe the ethical issues whether, it's right or wrong, good or bad also HRM plays a major role in order to foster the better working environment. Apart from the ethics and compliance office, there is no other department as critical to the development of an organization's ethical culture as HR. The value of this research can be adapted to the study of organization ethical responsibilities. The author concluded that the basic aim of bringing ethical practices in human resource management is to reduce the unsatisfactory performance and misconduct of employees.

As an implication of findings of this research, both Advance ethical practice and human resource management should be taken into account when organizations manage their human resources effectively. Researcher recommended that HR management should be the starting point for conducting any ethical program. It could be a core component, when we are willing to achieve our goals with respect of promoting justice and fairness in the organization. An organization who failed to foster fairness in the HR can destroy the organization endeavors to encourage ethical behavior throughout the workplace.

In the view of researcher, HR department must follow the code of ethics and committed it to maintaining the ethical standards. The study suggested that the organization have to set up procedures that make the work place be seems fair to employees and, also suggested that management must focus on employees' perceptions of fairness, ethical leadership at all levels, to create a successful ethical culture and invoke fairness to control organizational harmony. This study further suggested that top management of public sector companies need to work on maintaining trust among employees by adopting transparency in their working procedure and helps them to adopt the right professional and organizational values. Empathy being the key value need to be adopted by the management which solves many problems of the employees, boost their morale and making their bonds stronger. Amicability helps employees to be together and coordinate well by helping each other in their work. Therefore, HR professionals need to be work synergistically with ethics and employees mentality while crafting HR strategies in the organization.

### 5. FURTHER RESEARCH SCOPE

The author of this research attempted to examine the effectiveness of different ethical principle on HR practices in selected Public undertakings in Chhattisgarh. Not much research has been conducted in the field of Ethics and especially regarding its effectiveness on business practices, there is lot of areas remaining which need to be explored. Some of the considerations that future researchers should have in mind, as proposed by the authors of this research, are the following:

- This research is based on HR practices in selected public sector organizations of Chhattisgarh and there are wide opportunities for the researchers' to explore the possibilities in other public sector organizations within the state as different organizations have their own code of conduct and working culture.
- One can also further explore the degree of effectiveness of ethical practices on HRM by making comparison between public and private sector companies working environment.

- The author of this research tried to identify the ethical principles critical to the HR manager and organizations. Future researchers could use same or different principles on other field of business operations like Marketing, Production etc which can provide more insights on the effectiveness of ethical practices on the business as a whole.
- In case future researchers conduct field experiments as well, they can use larger samples and a bigger time frame to make the results more significant. The influence of context factors can be alleviated, decreasing the risk of the results being significantly affected without intervening to the environment of the experiment.
- This research was based on quantitative data as it is believed that this approach could function as an effective and accurate for measuring the effectiveness of each method. Future researchers can use, apart from quantitative methods, qualitative as well. That will offer the opportunity for triangulation that can boost the credibility of the results and guarantee a safer deduction for conclusions to be made.

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