Ethical Priorities of Managing Human Resources in Fahameh Engineering – Industrial Corporation

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Abstract: Problems such as lack of motivation among the staff, bribery or financial corruption etc, are all symptoms of poor ethics among the staff or lack thereof and more importantly, frail role of human resource management in the organization. Economic justice, transparency, discrimination, security and labor rights are all ethical subjects discussed regarding human resource management. Increased pressure in the workplace and rise in ethical problems in organizations have reformed the discussion of human resource management with an ethical approach and demand more and more attention from business managers and more specifically, human resource managers, since the most basic level of ethical improvement in an organization lies within the management of human resources. The goal of this paper, besides the study and recognition of ethical aspects of work and the human resources department, is to prioritize the standards for the management of human resources in the Fahameh Engineering Corporation with the approach of preventing ethical problems; and to reach this goal we have utilized the Analytic Hierarchy Process (AHP) and the DEMATEL method and the priorities have been set according to the views of four expert and experienced managers. Results of the AHP and DEMATEL methods suggest that "labor rights" and "preventing discrimination and pulling strings", "labor rights" and "job security and safety of records" have the highest priorities for ethical management of human resources in the Fahameh Corporation, respectively.

Keywords: Corporation ethics, ethical standards, human resources management, Analytic Hierarchy Process, DEMATEL method.

1. Introduction

The topics of justice and ethics in the workplace are the most important and challenging subjects of these days and many managers are engrossed by them; the more complicated the processes, functions, structures, units etc, get, managing them proves to get just as much more difficult and consequently the role of human resource management, as one of the most important and fundamental departments of the organization, becomes increasingly influential. Analyzing the organizational behaviors, it is absolutely essential to take ethics and ethical values into account. If we consider all daily situations such as demand, sales, production, product deficiencies and other daily events, we shall find out that ethical misconducts are a common theme not just in all these situations, but in the society as well. Observing the workplace in many organizations, one notices that many managers have no mutual respect for their staff and subordinates, blaming them in less than ideal times and treating them unjustly (Smedley , 2008).

2. Literature Review

Organizational ethics: An extract of the most important explanations regarding ethics given by various writers, are presented as follows. The science of ethics is the science of life or how to lead a life (Immortality and Ethics by Morteza Motahari – 1982). The science of ethics is the definition of a series of manners discussing human features, features regarding

a person's life force and humanity so by recognizing them one can gain virtues and break away from evil and commit beneficent acts demanded by the internal virtues within, thus enticing the praise and adoration of the human society and ensuring his redemption both pragmatically and theoretically (Tafsir al-Mizan – Tabatabayi 2001). Ethics is a series of spiritual and internal human features and as some scholars argue, it is action and behavior caused by one's nature (Gholami, 2009). Ethics is the personality flourishing in the way of a prudent life (Ja'fari Tabrizi 2009). Ethics is described as a system of values, beliefs, principles, basics, shoulds and should nots, according to which the good and the bad within the organization are defined and good deeds are distinguished from bad deeds (Alvani, 2009).

Work ethics is the act of committing the intellectual, mental and physical power of a person or group to the collective mentality in order to capture the internal power and ability of the group or person for the sake of progress, by any means (Khani Jazani2008). The two terms "morals" and "ethics" are applied differently, sometimes meaning behaviors, customary conduct or temper and sometimes referring to the science of discussing virtue versus evil or good behavior versus bad, work ethics is also interpreted in two ways: professional behavior and the science discussing the subject of professional behavior in business. Primarily, the concept of professional behavior was considered as work ethics and ethics in

different careers, and writers today also occasionally use this primary definition describing the term "work ethics" (Fredrik Hoffman 2001). Work ethics, as a branch of the science of management, came about at the same time as the social responsibility movement in 1960s. Dessler argues that if the staff believes that they are treated justly, they might be willing to undertake more workload (Dessler 2008).

2.1. Ethics and Human Resource Management

In today's competitive economics, the leader whose goal is set on innovation, flexibility and accountability, needs to shift his focus from increasing the efficiency of material resources to effectiveness of human resources and moral assets. Human resource management is concerned with policies, methods and systems affecting the staff's behavior, attitude and performance (Disiri et. al. 2008). Internal and external pressures have driven the human resource manager to expand his practices from functional and administrative tasks, such as evaluation and rewards, to coordinating his functions and responsibilities with the strategic objectives of the organization in order to become a strategic associate of the organization. (Farris et. al., 1999) Being a strategic associate is defined as the positive effect of the human resource functions on that of the organization (Rodriguez et. al. 2011). A 2010 survey of 1000 people working for Kenexa, a UK software company, indicated that the staff has a positive opinion of their superiors regarding the efforts of the company in the field of social responsibility, which in turn has a positive and impressive effect on their pride of the work, overall satisfaction and their interest in working in this environment (Everett 2010).
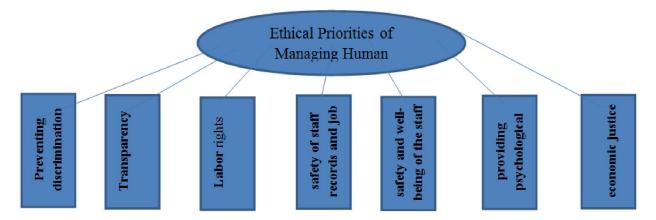
2.2. Framework of the Research

With regard to the theoretical background of the survey as well as consulting with the experts of the Fahameh Corporation, the ethical standards of human resource management and the effective role of ethics in human resources are presented in seven sections as follows: Preventing discrimination and pulling strings, transparency, labor rights (insurance, warranty, etc.), safety of staff records and job security, safety and well-being of the staff, providing psychological counseling, and economic justice.

Table 1. Ethical Priorities of Managing Human Resources	
C1	Preventing discrimination and pulling strings
C2	Transparency
C3	Labor rights (insurance, warranty, etc.),
C4	safety of staff records and job security
C5	safety and well-being of the staff
C6	providing psychological counseling
C7	economic justice

3. Evaluation methods

3.1. AHP

The analytic hierarchy process (AHP) is a structured technique for organizing and analyzing complex decisions, based on mathematics and psychology. It was developed by Thomas L. Saaty in the 1970s and has been extensively studied and refined since then. It has particular application in group decision making, and is used around the world in a wide variety of decision situations, in fields such as government, business, industry, healthcare, and education. Rather than prescribing a "correct" decision, the AHP helps decision makers find one that best suits their goal and their understanding of the problem. It provides a comprehensive and rational framework for structuring a decision problem, for representing and quantifying its elements, for relating those elements to overall goals, and for evaluating alternative solutions.

3.2. Experts

1. PHD, industrial engineering with more than 34years executive experience in Foundry Industry, Glass production plan

Float Glass Company of Iran

2. Industrial engineering with more than 28 years executive experience Expert Consulting and research firm serving the construction industry.

3. Bachelor of Human Resource Management with more than 28 years executive experience the head of the Iranian Offshore Oil Company personnel data, Director formulation and coordination of administrative regulations and employment Iranian Offshore Oil Company.

4 Industrial engineering with more than 13 years executive experience. Manager of Human Resource To

come to a conclusion using the Analytical Hierarchy Process and the DEMATEL Method, we applied the EXCEL software.

Table2. Saati Spectrum	
Important	Defenition
1	Rather equally
3	Partial Rather
5	High Rather
7	Stronger Rather
9	Extremely Rather

Table 3. paired comparison

AHP1	C1	C2	C3	C4	C5	C6	C7
C1	1	7	0.333	3	3	7	0.333
C2	0.143	1	0.2	0.2	0.333	3	0.2
C3	3	5	1	3	3	5	5
C4	0.333	5	0.333	1	3	1	3
C5	0.333	3	0.333	0.333	1	3	3
C6	0.143	0.333	0.2	1	0.333	1	0.333
C7	3	5	0.2	0.333	0.333	3	1

Table 4. Final paired comparison

AHP(Result)	C1	C2	C3	C4	C5	C6	C7
C1	0.126	0.266	0.128	0.338	0.273	0.304	0.026
C2	0.018	0.038	0.077	0.023	0.030	0.130	0.016
C3	0.377	0.190	0.385	0.338	0.273	0.217	0.389
C4	0.042	0.190	0.128	0.113	0.273	0.043	0.233
C5	0.042	0.114	0.128	0.038	0.091	0.130	0.233
C6	0.018	0.013	0.077	0.113	0.030	0.043	0.026
C7	0.377	0.190	0.077	0.038	0.030	0.130	0.078

Table 5. Final result		
Rank	Final weight	Indicators
1	0.310	Labor rights
2	0.209	Prevent discrimination
3	0.141	Security personnel record
4	0.131	Economic justice
5	0.111	Health and safety of employee
6	0.047	Work honesty

As you can see, according to the experts the third standard, being labor rights, is regarded as the most important of the ethical standards in management of human resources, followed by the first standard, being prevention of discrimination and pulling strings.

3.3. DEMATEL

1- Identifying the elements constituting the subject

See table 1-1

2- Defining the relationship between the elements

The investigation of the elements and their relationships may be evaluated several times in order to reach a coherent structure; the final relationship between the elements would be defined according to the joint opinion of the experts.

3- Determining the intensity of the relationships

The intensity of the relationships between the elements is determined by paired comparison method. The intensity is defined as points between 0 and 4 or 0; the mean point for every pair of elements is determined

and considered as the final point for intensity of relationships (collective agreement).

Table 6.

definition	grade
No effect	0
Very low impact	1
Low impact	2
High impact	3
Extremely effect	4

Table 7. Direct relationship

Dematel	C1	C2	C3	C4	C5	C6	C7
C1	0	2	1	2	2	2	2
C2	0	0	1	1	1	2	2
C3	4	3	0	3	2	1	2
C4	3	2	2	0	3	2	3
C5	2	1	2	2	0	2	1
C6	1	1	2	2	2	0	3
C7	2	4	1	3	2	2	0

4- Constituting the matrix for intensity of direct relationships

Table 8. Normalized matrix

Matris X	C1	C2	C3	C4	C5	C6	C7
C1	0.000	0.133	0.067	0.133	0.133	0.133	0.133
C2	0.000	0.000	0.067	0.067	0.067	0.133	0.133
C3	0.267	0.200	0.000	0.200	0.133	0.067	0.133
C4	0.200	0.133	0.133	0.000	0.200	0.133	0.200
C5	0.133	0.067	0.133	0.133	0.000	0.133	0.067
C6	0.067	0.067	0.133	0.133	0.133	0.000	0.200
C7	0.133	0.267	0.067	0.200	0.133	0.133	0.000

(I-X)	C1	C2	C3	C4	C5	C6	C7
C1	1.000	-0.133	-0.067	-0.133	-0.133	-0.133	-0.133
C2	0.000	1.000	-0.067	-0.067	-0.067	-0.133	-0.133
C3	-0.267	-0.200	1.000	-0.200	-0.133	-0.067	-0.133
C4	-0.200	-0.133	-0.133	1.000	-0.200	-0.133	-0.200
C5	-0.133	-0.067	-0.133	-0.133	1.000	-0.133	-0.067
C6	-0.067	-0.067	-0.133	-0.133	-0.133	1.000	-0.200
C7	-0.133	-0.267	-0.067	-0.200	-0.133	-0.133	1.000

12	C1	C2	C3	C4	C5	C6	C7
C1	0.382	0.544	0.372	0.540	0.517	0.496	0.548
C2	0.268	0.294	0.273	0.353	0.334	0.373	0.412
C3	0.734	0.738	0.402	0.725	0.645	0.564	0.684
C4	0.687	0.691	0.526	0.567	0.702	0.620	0.738
C5	0.494	0.468	0.413	0.522	0.383	0.473	0.474
C6	0.480	0.523	0.442	0.569	0.540	0.394	0.621
C7	0.572	0.737	0.435	0.673	0.598	0.576	0.522

5- Constituting the relative intensity of direct and indirect relationships

Table 9. Final result

Indicators	Total of Rows	Total of Columns	D+R	D-R
C1	3.399	3.615	4.399	-0.216
C2	2.308	3.995	4.308	-1.688
C3	4.491	2.863	7.491	1.628
C4	4.530	3.949	8.530	0.581
C5	3.227	3.719	8.227	-0.493
C6	3.569	3.495	9.569	0.075
C7	4.113	4.000	11.113	0.114

3	Affect
4	
7	
6	
1	Impressionable
5	
2	

Figuer1. Rating final paragraph

As you can see, according to the experts, the third standard, being labor rights, and the fourth standard, being safety of staff records and job security, are identified as the most important factors.

4. Conclusion

Ethics bears personal, social and organizational aspects and the organizational aspect of it, is in close connection with human resource management. Promoting an organizational culture based on ethics in the office is the responsibility of the human resources manager. Increased pressure in the office has turned the management of human resources with an ethical approach, to a more serious subject, attracting the attentions of managers and more specifically human resource managers more than ever. In this paper, we presented a framework for ethical management of human resources with seven principal standards which could be used as a guide for all human resource managers. The results of studying these standards via Analytic Hierarchy Process showed that Fahameh Private Corporation needs to put more emphasis on labor rights of its entire personnel, thus giving a more important role to the human resource manager in assisting the staff to achieve their labor rights, factors such as arranging reasonable contracts and offering insurance.

Another factor identified as ethically important in human resource management by this method, was preventing discrimination and pulling strings in ethical management of human resources in Fahameh Corporation. The manager of human resources could devise a new system of supervision and motivation and modify the administrative rules in accordance with prevention of such problems. The results of studying these standards via the DEMATEL Method suggested that labor rights and safety of staff records and job security are the most effective standards; organizational counselors argue that job security is among the most important factors generating job satisfaction thus demanding more attention from the managers in general and more specifically the manager of human resources.

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