

# HR Role in Promoting Ethical Leadership

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**ABSTRACT:** Human resource (HR) managers can provide significant value to their organizations by understanding the practices that develop HR systems, as well as the ethical implications of the work environment. However, there is a gap in the literature regarding the linkages between HR systems and ethical practices that govern workplace conduct. This study aims to fill this gap by demonstrating how past research has integrated HR systems and work ethics. We used a systematic literature review method to analyze the development of the field over the last decade. To synthesize a fragmented body of research and map out its relationships into a more integrated whole, we reviewed and analyzed 47 articles that met the selection criteria and extracted important information. Based on the findings, the relationships between HR systems and employee well-being are viewed from two contradictory points of view: mutual gain and a critical perspective. Our review also found that failing to adhere to ethical principles and values may result in numerous detrimental outcomes in the workplace, including poor performance, employee conflict, and a lack of moral conviction. Finally, we identified gaps in current knowledge and proposed actionable research directions to address these gaps in the literature.

**Key words:** Human Resource, Leadership, Promotion.

## INTRODUCTION

Business ethics is a moral procedure that govern company behaviour. Business Ethics proposes the behaviour of each individual categorized as good and evil. Applying ethics in the business space is one of the hard works for an organization [19]. A variety of personnel issues can be handled appropriately if the management policy includes appropriate ethical options in the regulations and codes of conduct that are enforced and tightly controlled in the workplace. With the help of business ethics, it enables the proper allocation and retention of employees in the workplace. Human Resource Management (HRM) is defined as “a strategic, integrated and consistent approach to the employment, development and welfare of people within an organization” (Armstrong, 2014). Basically, HRM conceptualization automatically raises ethical concerns because its core values are reflected in

ethical activities related to the Treatment of people (Greenwood, 2013) This overview of the role of human resource management in ensuring an ethical business environment includes social and global impacts as indicators of change that departments need and are addressing accordingly. As a result, business units can implement updated ethical parameters on an industry-by-industry basis. Before moving on to the review section, we need to elaborate on some of the background concepts described below to establish the importance of this study

## OBJECTIVES

1. To locate the lacking areas and future possibilities of HR ethical responsibilities that can be put together
2. To create healthy and sustainable business environment for local/international commercial units
3. To sort current/future problems present
4. To erupt in the concerned study area

## REVIEW OF LITERATURE

1. D. Ogwoka et al. (2017) investigated the straight forward influence of ethical human resource practises on the financial status (measured by ROA) in the chosen enterprises in Kenya. The associations were investigated using correlation and regression analysis, and a causal study design was used. Sixty-four CEOs from Kenya's publicly traded companies took part in the study by completing out online questionnaires, and the data was interpreted with Statistical Package for Social Scientists (SPSS) tools. Financial performance was shown to be high when companies followed labour regulations, recruitment techniques, and company policy while hiring people.
2. C. Caldwell et al. (2018) developed a system to ensure the ideal trend of ethical duties and rewards available to HRM departments when leaders and organizations uphold their commitments in both explicit and implicit ways. The authors clarified that human resource paradigm is both diverse and non-discrete and thus could not be absolutely defined.

Even then, pertaining to the current global demand they endeavoured to discuss the ethical and moral responsibilities owed by HRPs, such as, Competence Legal Compliance, Need to Inform Financial Balance Quality Assurance, etc.. The article also provided a platform to judge HR based business ethical functioning that Hosmer had developed. The analysis presented twelve ethical perspectives of Transformative Ethics, like, Code of Self-Interest, Ethic of Government Regulation, Ethic of Distributive Justice, Utilitarian Ethics, Ethic of Universal Rights, Virtue Ethics, Ethic of Economic Efficiency, etc.

3. S. Smith et al. (2018) (12) specifically signified the need of capable Human Resource Professionals (HRPs) to deal the business challenges and conflicts out of distrust or skepticism that most of the commercial units frequently suffer while managing the demands of their employees and customers. They emphasised HRP's awareness of ethical viewpoints and participation in ethical decision-making within the organisation, which may assist their organisations create value. The study focused on five ethical

	N	Minimum	Maximum	Mean	Std. Deviation
Gender	100	1	2	1.51	.502
Lacking Areas	100	1	5	3.09	1.364
Valid N (listwise)	100				

content facets from Hosmer's (1987) model that envisaged the space of human resource management (HRM) in the twenty-first century.

### RESEARCH METHODOLOGY

The survey responses are collected in Chennai city. A sample is a procedure of selection of people from a population for a research study. The sample so selected should ideally represent the whole population. The sample size for this study is 100 respondents. The data for this study research has been collected from both primary and secondary data. Primary data was collected from the users in Chennai. Data was collected through a structured questionnaire. Secondary data was collected through the previous year's research papers, journals, articles, newspaper reports, blogs, and conference proceedings.

### DATA ANALYSIS AND INTERPRETATION

1.To understand Correlation analysis between Gender and Lacking Areas

	Pearson Correlation	Sig. (2-tailed)	95% Confidence Intervals (2-tailed) <sup>a</sup>	
			Lower	Upper
Gender - Lacking Areas	.124	.219	-.075	.312

a. Estimation is based on Fisher's r-to-z transformation with bias adjustment.

		Gender	Lacking Areas	
Gender	Pearson Correlation	1	.124	
	Sig. (2-tailed)		.219	
	N	100	100	
	Bootstrap <sup>a</sup>	Bias	0	.000
		Std. Error	0	.000
		95% Confidence Interval		
	Lower	1	.124	
	Upper	1	.124	
Lacking Areas	Pearson Correlation	.124	1	
	Sig. (2-tailed)	.219		
	N	100	100	
	Bootstrap <sup>a</sup>	Bias	.000	0
		Std. Error	.000	0
		95% Confidence Interval		
	Lower	.124	1	
	Upper	.124	1	

a. Unless otherwise noted, bootstrap results are based on 100 stratified bootstrap samples

The correlation coefficient between Gender and Lacking Areas is 0.124, indicating a weak positive relationship. The p-value is 0.219 < 0.05. This

indicates that the correlation is not statistically significant.

2.To Understand the CHI-Square Test of Independence Analysis

**Case Processing Summary**

	Valid		Cases Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * Create healthy / sustainable environment for commercial units	100	100.0%	0	0.0%	100	100.0%

**Age \* Create healthy / sustainable environment for commercial units Crosstabulation**

Count

		Create healthy / sustainable environment for commercial units					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
Age	15-20 YRS	8	6	9	4	10	37
	20-30 YRS	6	4	15	3	3	31
	30-35 YRS	1	3	0	6	3	13
	Above 35 YRS	0	6	8	5	0	19
Total		15	19	32	18	16	100

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)	Monte Carlo Sig. (2-sided)		Monte Carlo Sig. (1-sided)		
				Significance	95% Confidence Interval		Significance	95% Confidence Interval
				Lower Bound	Upper Bound		Lower Bound	Upper Bound
Pearson Chi-Square	31.032 <sup>a</sup>	12	.002	.000 <sup>b</sup>	.000	.030		
Likelihood Ratio	38.660	12	<.001	.000 <sup>b</sup>	.000	.030		
Fisher-Freeman-Halton Exact Test	31.288			.000 <sup>b</sup>	.000	.030		
Linear-by-Linear Association	.041 <sup>c</sup>	1	.840	.900 <sup>b</sup>	.841	.959	.440 <sup>b</sup>	.343 .537
N of Valid Cases	100							

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is 1.95.  
 b. Based on 100 sampled tables with starting seed 299883525.  
 c. The standardized statistic is .201.

The Pearson Chi-Square Value is 31.032 with a p-value <0.05, This indicates that there is a statistically significant association between the variables being tested.

3. To Understand the ANOVA Analysis of Occupation and Effect size

**Descriptive Statistics**

	Statistic	Bias	Std. Error	Bootstrap <sup>a</sup>		
				95% Confidence Interval		
				Lower	Upper	
Occupation	N	100	0	0	100	
	Minimum	1				
	Maximum	4				
	Mean	2.21	.00	.00	2.21	2.21
	Std. Deviation	1.122	.000	.000	1.122	1.122
Sort current /future problems	N	100	0	0	100	
	Minimum	1				
	Maximum	5				
	Mean	3.12	.00	.00	3.12	3.12
	Std. Deviation	1.402	.000	.000	1.402	1.402
Valid N (listwise)	N	100	0	0	100	

a. Unless otherwise noted, bootstrap results are based on 100 stratified bootstrap samples

ANOVA					
Occupation	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	18.592	4	4.648	4.166	.004
Within Groups	105.998	95	1.116		
Total	124.590	99			

**ANOVA Effect Sizes<sup>a,b</sup>**

Occupation		Point Estimate	95% Confidence Interval	
			Lower	Upper
Occupation	Eta-squared	.149	.019	.253
	Epsilon-squared	.113	-.022	.221
	Omega-squared Fixed-effect	.112	-.022	.219
	Omega-squared Random-effect	.031	-.005	.066

a. Eta-squared and Epsilon-squared are estimated based on the fixed-effect model.

b. Negative but less biased estimates are retained, not rounded to zero.

There is a statistically significant difference between occupational groups ( $p = 0.004$ ).

**CONCLUSION**

HR plays a pivotal role in promoting ethical leadership within organizations by establishing a culture of integrity, accountability, and transparency. Through strategic practices such as ethical training, fair recruitment processes, Clear Communication of values, and it robust mechanisms for reporting misconduct, This helps ensure that ethical behavior is ingrained in the organizational DNA, HR professionals serve as role models, guiding leaders to make decisions that balance organizational goals with ethical considerations. By supporting leaders in navigating complex ethical dilemmas and fostering an environment that rewards ethical conduct , HR contributes to long-term sustainability and success, strengthening the organization's for the reputation and trust with both employees and external stakeholders.

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