

## **(Proposal of an ethical model for human resource management)**

### ***(Propuesta de un modelo ético de gestión de recursos humanos)***

**Abreu, J. L. and M. H. Badii \***

**Abstract.** An ethical model for human resource management is proposed which establishes that excellence in the organization can only be achieved by good thoughts, righteousness and justice. Several theories for Human Resource Management (HRM) in the organizations are studied, such as: virtue theory, theory of egoism, utilitarian theory, theory of normative, justice theory, kantian theory, empowerment theory, theory of sharing, theory of debate, and based on this study a zoroastrian model is defined for human resource management.

**Key words:** Virtue theory, theory of egoism, utilitarian theory, theory of normative, justice theory, kantian theory, empowerment theory, theory of sharing, theory of debate, zoroastrian theory

#### **Resumen**

Se presenta una propuesta de un modelo ético de gestión de recursos humanos que establece que la excelencia de la organización solamente puede ser alcanzada por el buen pensamiento, la rectitud y la justicia. Se estudian las siguientes teorías: teoría de las virtudes, teoría del egoísmo, teoría utilitarista, teoría de las normas, teoría del emotivismo, teoría de la justicia, teoría kantiana, teoría del empowerment, teoría de la ética del cariño, teoría del debate, y basados en este estudio se llega a la definición de un modelo zoroastriano para la gerencia del recurso humano.

**Palabras claves:** Teoría de las virtudes, teoría del egoísmo, teoría utilitarista, teoría de las normas, teoría del emotivismo, teoría de la justicia, teoría Kantiana, teoría del empowerment, teoría de la ética del cariño, teoría del debate, teoría zoroastriana

#### **Introduction**

The ethical approaches to HRM are diverse, so one of the interests of this study is to depict different ethical arguments for the management of human resources in the organization before making what the author considers the most viable proposal for the present and future times. The analysis will be centered in theories such as: Virtue Theory, Theory of Egoism, Utilitarian Theory, Rawlsian Theory, Kantian Theory and the Ethics of Care. Of course, these approaches are considered in relation to the HRM implications.

#### **Virtue theory.**

Aristotle (384-322 BC), is responsible for much of the thinking about the virtues one should cultivate. In his most important ethical treatise, the *Ethica Nicomachea* (Nicomachean Ethics), he sorts through the virtues as they were popularly understood in his day, specifying in each case what is truly virtuous and what is mistakenly thought to be so. Here, he uses the idea of the Golden Mean, which is essentially the same idea as the Buddha's middle path between self-indulgence and self-renunciation.

Courage, for example, is the mean between two extremes: one can have a deficiency of it, which is cowardice, or one can have an excess of it, which is foolhardiness. The virtue of friendliness, to give another example, is the mean between obsequiousness and surliness.

Aristotle does not intend the idea of the mean to be applied mechanically in every instance: he says that in the case of the virtue of temperance, or self-restraint, it is easy to find the excess of self-indulgence in the physical pleasures, but the opposite error, insufficient concern for such pleasures, scarcely exists. (The Buddha, with his experience of the ascetic life of renunciation, would not have agreed.) This caution in the application of the idea is just as well, for while it may be a useful device for moral education, the notion of a mean cannot help us to discover new truths about virtue. We can only arrive at the mean if we already have a notion as to what is an excess and what is a defect of the trait in question, but this is not something to be discovered by a morally neutral inspection of the trait itself.

We need a prior conception of the virtue in order to decide what is excessive and what is defective. To attempt to use the doctrine of the mean to define the particular virtues would be to travel in a circle.

Aristotle's list of the virtues differs from later Christian lists. Courage, temperance, and liberality are common to both periods, but Aristotle also includes a virtue that literally means "greatness of soul." This is the characteristic of holding a high opinion of oneself. The corresponding vice of excess is unjustified vanity, but the vice of deficiency is humility, which for Christians is a virtue.

Aristotle's discussion of the virtue of justice has been the starting point for almost all Western accounts. He distinguishes between justice in the distribution of wealth or other goods and justice in reparation, as, for example, in punishing someone for a wrong he has done. The key element of justice, according to Aristotle, is treating like cases alike--an idea that has set later thinkers the task of working out which similarities (need, desert, talent) are relevant. As with the notion of virtue as a mean, Aristotle's conception of justice provides a framework that needs to be filled in before it can be put to use.

Aristotle distinguished between theoretical and practical wisdom. His concept of practical wisdom is significant, for it goes beyond merely choosing the means best suited to whatever ends or goals one may have. The practically wise person also has the right ends. This implies that one's ends are not purely a matter of brute desires or feelings; the right ends are something that can be known.

The ethical argument proposed by Aristotle that addresses individual characteristics and disposition or virtues has not received much attention neither from the HR academics nor from professionals, although a resurgence of interest in virtue ethics has been led by the work of Alistair MacIntyre (1985) and Robert Solomon (1992, 1993). It may be possible that the ancient scholastic origins of the theory make it hard to apply to a modern organizational concept.

Tom Morris (1998) in his book "If Aristotle ran General Motors", presents four points he considers that Aristotle would concentrate if he had to advice in achieving excellence for the individuals and the organizations: truth, beauty, goodness and unity. This talented writer exposes that corporative excellence is a form of human excellence, because it is

produced by the people that believe in what they are doing. He also assures that the organizational success and personal satisfaction require of abundant doses of those four virtues. Finally, he mentions that the basic virtues proposed by Aristotle that allow people to work together in a good way are: Courage, temperance, liberality, magnificence, pride, good temper, cordiality, truthfulness, justice, astuteness.

Virtue is not something that is done, it is more like a way of being. It causes difficulties to apply virtues in HRM practices. Thus, it even suggests the impossibility for the organizations to adopt this ethical position. Solomon (1992, 1993) promotes the Aristotelian view of virtue to present a contemporary approach of virtues for business ethics. He suggests six virtues: community, excellence, role identity, holism, integrity and judgment.

In virtue ethics integrity is a main issue for HRM (Pearson, 1995) and shows up in the discussions about professional codes of practice in the world, however the academic community affirms that it has been markedly absent in contemporary HRM (Legge, 1995a, 1995b; Woodall, 1996).

It is easy to elaborate a list of virtues and apply them in the organization but they have to be immersed in the contemporary social, economic or political context, in order to be included in ethical frameworks.

### **Theory of egoism**

This approach is based on the thought of Thomas Hobbes (1588-1679), He is an outstanding example of the independence of mind that became possible in Protestant countries after the Reformation. Hobbes started with a severe view of human nature: all of man's voluntary acts are aimed at self-pleasure or self-preservation. This position is known as psychological hedonism, because it asserts that the fundamental psychological motivation is the desire for pleasure. Like later psychological hedonists, Hobbes was confronted with the objection that people often seem to act altruistically.

Hobbes's account of "good" is equally devoid of religious or metaphysical premises. He defined good as "any object of desire," and insisted that the term must be used in relation to a person--nothing is simply good of itself independently of the person who desires it. Hobbes may therefore be considered a subjectivist. Remarkably, this unpromising picture of self-interested individuals who have no notion of good apart from their own desires serves as the foundation of Hobbes's account of justice and morality. Starting with the premises that humans are self-interested and the world does not provide for all their needs, Hobbes argued that in the state of nature, without civil society, there will be competition between men for wealth, security, and glory.

The ensuing struggle is Hobbes's famous "war of all against all," in which there can be no industry, commerce, or civilization, and the life of man is "solitary, poor, nasty, brutish and short." The struggle occurs because each individual rationally pursues his or her own interests, but the outcome is in no one's interest.

Hobbes was, in effect, a supporter of absolute sovereignty, and this has been the focus of much political discussion of his ideas. His significance for ethics, however, lies rather in his

success in dealing with the subject independently of theology and of those quasi-theological or quasi-Aristotelian accounts that see the world as designed for the benefit of human beings. With this achievement, he brought ethics into the modern era.

When this theory is applied to HRM, it supports mainly the enlightened self-interest of the employer and neglects the rights of the employees. This is a frequent case occurring in the practice of HRM now days, in which the interest of the business is always superior to social justice.

### **Utilitarian theory**

This theory is based on the reasoning made by Jeremy Bentham (1748-1832), properly considered the father of modern Utilitarianism. It was he who made the Utilitarian principle serve as the basis for a unified and comprehensive ethical system that applies, in theory at least, to every area of life. Never before had a complete, detailed system of ethics been so consistently constructed from a single fundamental ethical principle.

Bentham's ethics began with the proposition that nature has placed human beings under two masters: pleasure and pain. Anything that seems good must either be directly pleasurable, or thought to be a means to pleasure or to the avoidance of pain. Conversely, anything that seems bad must either be directly painful, or thought to be a means to pain or to the deprivation of pleasure. From this Bentham argued that the words right and wrong can only be meaningful if they are used in accordance with the Utilitarian principle, so that whatever increases the net surplus of pleasure over pain is right and whatever decreases it is wrong.

Bentham then set out how we are to weigh the consequences of an action, and thereby decide whether it is right or wrong. We must, he says, take account of the pleasures and pains of everyone affected by the action, and this is to be done on an equal basis: "Each to count for one, and none for more than one." (At a time when Britain had a major trade in slaves, this was a radical suggestion; and Bentham went further still, explicitly extending consideration to nonhuman animals as well.) We must also consider how certain or uncertain the pleasures and pains are, their intensity, how long they last, and whether they tend to give rise to further feelings of the same or of the opposite kind.

Bentham did not allow for distinctions in the quality of pleasure or pain as such. He never thought that the aim of Utilitarianism was to explain or justify ordinary moral views; it was, rather, to reform them.

It can be said that the utilitarian ethical framework for HRM is very concerned with the outcomes or ends. Its objective is to maximize profits and two strategies are used:

- (1) The manager plans to achieve the greatest benefit; and
- (2) The rules in the organization for the workers are fashioned on utilities. These strategies may cause conditions of stress and anxiety in the personnel because the managerial perspective assumes that the individual right in terms of privacy or fairness is contrary to on the benefits to the organization. However, there are obstacles on predicting the potential outcomes of the different individual utilities.

## **Theory of norms**

Normative ethics seeks to set norms or standards for conduct. The term is commonly used in reference to the discussion of general theories about what one ought to do, a central part of Western ethics since ancient times. Normative ethics continued to hold the spotlight during the early years of the 20th century, with intuitionists such as W.D. Ross engaged in showing that an ethic based on a number of independent duties was superior to Utilitarianism.

With the rise of Logical Positivism and emotivism, however, the logical status of normative ethics seemed doubtful: Was it not simply a matter of whatever one approved? Nor was the analysis of language, which dominated philosophy in English-speaking countries during the 1950s, any more congenial to normative ethics. If philosophy could do no more than analyze words and concepts, how could it offer guidance about what one ought to do? The subject was therefore largely neglected until the 1960s, when emotivism and linguistic analysis were both on the retreat and moral philosophers once again began to think about how individuals ought to live.

A crucial question of normative ethics is whether actions are to be judged right or wrong solely on the basis of their consequences. Traditionally, those theories that judge actions by their consequences have been known as teleological theories, while those that judge actions according to whether they fall under a rule have been referred to as deontological theories. Although the latter term continues to be used, the former has been replaced to a large extent by the more straightforward term consequentialist. The debate over this issue has led to the development of different forms of consequentialist theories and to a number of rival views.

## **Theory of emotivism**

Proposed by A.J. Ayer in his manifesto *Language, Truth and Logic* (1936), in which proclaimed that moral judgments are not statements at all. When we say that something is wrong, we are expressing our feelings of disapproval toward it.

This view was also developed by Charles Stevenson in *Ethics and Language* (1945). As the title suggests, the attention was on language and to the different ways in which it could be used. Stevenson distinguished the facts a sentence may convey from the emotive impact it is intended to have. Moral judgments are significant, he urged, because of their emotive impact. In saying that something is wrong, we are not merely expressing our disapproval of it, as Ayer suggested. We are encouraging those to whom we speak to share our attitude. This is why we bother to argue about our moral views, while on matters of taste we may simply agree to differ. It is important to us that others share our attitudes on important issues.

This view is more known as subjective naturalism because it makes the truth of moral judgments depend on a natural and subjective fact. The emotivists agreed that no definition of "good" in terms of facts, natural or unnatural, could capture the emotive element of its meaning. Yet, this affirmation fails to confront the real misgivings behind the charge of subjectivism: the concern that there are no possible standards of right and wrong other than one's own subjective feelings.

## Theory of justice

In the early 60's, John Rawls's formulated the Theory of Justice, which is for the most part centred on normative ethics. It has had some impact in metaethics as well. To argue for his principles of justice, Rawls uses the idea of a hypothetical contract, in which the contracting parties are behind a "veil of ignorance" that prevent them from knowing any particular details about their own attributes.

Thus one cannot try to benefit oneself by choosing principles of justice that favor the wealthy, the intelligent, males, or whites. The effect of this requirement is in many ways similar to Hare's idea of universalizability, but Rawls claims that it avoids, as the former does not, the trap of grouping together the interests of different individuals as if they all belonged to one person. Accordingly, the old social contract model that had largely been neglected since the time of Rousseau has had a new wave of popularity as a form of argument in ethics.

The other aspect of Rawls's thought to have metaethical significance is his so-called method of reflective equilibrium--the idea that a sound moral theory is one that matches reflective moral judgments. In *A Theory of Justice* Rawls uses this method to justify tinkering with the original model of the hypothetical contract until it produces results that are not too much at odds with ordinary ideas of justice.

To his critics, this represents a reemergence of a conservative form of intuitionism, for it means that new moral theories are tested against ordinary moral intuitions. If a theory fails to match enough of these, it will be rejected no matter how strong its own foundations may be. In Rawls's defense it may be said that it is only our "reflective moral judgments" that serve as the testing ground--our ordinary moral intuitions may be rejected, perhaps simply because they are contrary to a well-grounded theory.

If such be the case, the charge of conservatism may be misplaced, but in the process the notion of some independent standard by which the moral theory may be tested has been weakened, perhaps so far as to become virtually meaningless.

The Rawlsian theory of justice is similar to the approach of utilitarianism but the difference is with it lies in the attempt to allow individual interests greater weight in argument. This Theory points out two principles:

- (1) The individual has an equal right to basic liberty, and
- (2) Inequalities in distribution are to the benefit of all.

This is a contract based approach that is based on two ethical elements: Fairness and equality. Wilson (1997) assure that "It has certainly not been used in either academic or professional HR circles, although there is the potential for it to be used in complex pay and remuneration negotiations, for example with relation to the compensation philosophy of Ben and Jerry's pioneering ice-cream business in the US, which reduced pay differentials between senior management and the shop floor to a ratio of seven to one". However, Robert Nozick (1974) has the notion that more important than protecting the rights of some workers, it is far beyond more important to protect the right to liberty. Thus, Nozick argues

that the ethical principle should be to support liberty and not redistributive justice to impose greater equality.

### **Kantian theory**

Immanuel Kant (1724-1804) acknowledged that actions resulting from desires cannot be free. Freedom is to be found only in rational action. Moreover, whatever is demanded by reason must be demanded of all rational beings; hence, rational action cannot be based on a single individual's personal desires, but must be action in accordance with something that he can will to be a universal law.

Kant's most distinctive contribution to ethics was his insistence that our actions possess moral worth only when we do our duty for its own sake. He first introduced this idea as something accepted by our common moral consciousness and only then tried to show that it is an essential element of any rational morality. In claiming that this idea is central to the common moral consciousness, Kant was expressing in heightened form a tendency of Judeo-Christian ethics and revealing how much the Western ethical consciousness had changed since the time of Socrates, Plato, and Aristotle.

Kant was equally opposed to those who see benevolent or sympathetic feelings as the basis of morality. Here he may be reflecting the moral consciousness of 18th-century Protestant Germany, but it appears that even then the moral consciousness of Britain, as reflected in the writings of Shaftesbury, Hutcheson, Butler, and Hume, was very different. The moral consciousness of Western civilization in the last quarter of the 20th century also appears to be different from the one Kant was describing.

Kant's ethics is based on his distinction between hypothetical and categorical imperatives. He called any action based on desires a hypothetical imperative, meaning by this that it is a command of reason that applies only if we desire the goal. For example, "Be honest, so that people will think well of you!" is an imperative that applies only if you want people to think well of you. A similarly hypothetical analysis can be given of the imperatives suggested by, say, Shaftesbury's ethics: "Help those in distress, if you sympathize with their sufferings!" In contrast to such approaches to ethics, Kant said that the commands of morality must be categorical imperatives: they must apply to all rational beings, regardless of their wants and feelings.

To most philosophers this poses an insuperable problem: a moral law that applied to all rational beings, irrespective of their personal wants and desires, could have no specific goals or aims because all such aims would have to be based on someone's wants or desires. It took Kant's peculiar genius to seize upon precisely this implication, which to others would have refuted his claims, and to use it to derive the nature of the moral law.

Because nothing else but reason is left to determine the content of the moral law, the only form this law can take is the universal principle of reason. Thus the supreme formal principle of Kant's ethics is: "Act only on that maxim through which you can at the same time will that it should become a universal law."

Kant still faced two major problems. First, he had to explain how we can be moved by reason alone to act in accordance with this supreme moral law; and, second, he had to show

that this principle is able to provide practical guidance in our choices. If we were to couple Hume's theory that reason is always the slave of the passions with Kant's denial of moral worth to all actions motivated by desires, the outcome would be that no actions can have moral worth.

To avoid such moral skepticism, Kant maintained that reason alone can lead to action. Unfortunately he was unable to say much in defense of this claim. Of course, the mere fact that we otherwise face so unpalatable a conclusion is in itself a powerful incentive to believe that somehow a categorical imperative must be possible, but this is not convincing to anyone not already wedded to Kant's view of moral worth.

At one point Kant appeared to be taking a different line. He wrote that the moral law inevitably produces in us a feeling of reverence or awe. If he meant to say that this feeling then becomes the motivation for obedience, however, he was conceding Hume's point that reason alone is powerless to bring about action. It would also be difficult to accept that anything, even the moral law, can necessarily produce a certain kind of feeling in all rational beings regardless of their psychological constitution. Thus this approach does not succeed in clarifying Kant's position or rendering it plausible.

One thing that can be said confidently is that Kant was firmly opposed to the Utilitarian principle of judging every action by its consequences. His ethics is a deontology. In other words, the rightness of an action depends on whether it accords with a rule irrespective of its consequences.

In one essay Kant went so far as to say that it would be wrong to tell a lie even to a would-be murderer who came to your door seeking to kill an innocent person hidden in your house. This kind of situation illustrates how difficult it is to remain a strict deontologist when principles may clash. Apparently Kant believed that his principle of universal law required that one never tell lies, but it could also be argued that his principle of treating everyone as an end would necessitate doing everything possible to save the life of an innocent person.

Another possibility would be to formulate the maxim of the action with sufficient precision to define the circumstances under which it would be permissible to tell lies, meaning that we could all agree to a universal law that permitted lies to people intending to commit murder. Kant did not explore such solution. From the discussion on the Kantian Theory, considered as a right based framework for HRM it can be inferred that there are two principles:

(1) What is right for one person is right for everyone, so it is necessary to do unto other as you would be done by (law of universality and reversability). And

(2) The principle of respect for people, in which they have to be treated as ends in themselves and not as means to an end. This is a deontological ethical approach to business ethics due to its focus on duty, and this is a perspective that links ethics to things that are good in themselves.

The theory of Kant proposes several rights that concern the following issues:

- 1) The fundamental right to life and safety.
- 2) The human rights to privacy.
- 3) Freedom of conscience.
- 4) Freedom to speech
- 5) Freedom to private property.

At the present time, the rights-based models still continue to be relevant to HRM in some areas that has to do with personnel selection, occupational testing, equality, working schedules, employee development, etc. However, in general at the HRM level these approaches are not being completely applied because they are identified as not practical and not profitable for the organization.

### **Empowerment theory**

The notion of empowerment is associated to the thought of Rosabeth Moss Kanter (Abreu, 2000) and represents one of the most powerful organizational concepts that have risen lately, it is a new approach for managing people and a business orientation that is intrinsically attached to the internalization of concepts such as total quality, organizational nets, management for change and the provision of strategies of optimal quality in customer service. This perspective is centered in the idea that only the organizations capable of giving their personnel the power to act according to their own initiative will have the opportunity to win during the next decade.

Empowerment, which is an English word used for the concept of power delegation, is also discussed with respect to issues that have to deal with re-structuring, changes of the traditional hierarchical structures and delimitation of managerial levels in the organization. Delegating is the key word to jump into a qualitative performance to obtain profits and it is a culture that is designed to learn from mistakes.

The process of empowerment or giving other people the authorization to make decisions can help in re-designing a company to step into a qualitative performance and profits. Power delegation and re-structuring mean to change the processes of a company and even its culture to obtain spectacular improvements in effectiveness.

Although the information on power delegation is abundant in management literature, the topic is often misinterpreted. To authorize, to grant power or authority, allows the improvement of an organizational performance. This is a managerial approach that gives freedom to the personnel for making decisions and assume the responsibility of their actions. In praxis it means that some employees are urged to make decisions and to initiate actions with less control and direction.

A culture of authorization tolerates that at the beginning the employees make mistakes in their new roles. Power delegation implies a process of learning and a culture that is

searching for understanding and acting on mistakes, it is a culture of continuous improvement.

This is an approach that favors the teamwork and functions better with a management style built on trust among the workers, and a organizational culture that allows to take risks and that have the skills of learning from mistakes and forgive them. It also requires the major management commitment to allow the implementation of objectives and strategies from the bottom to the top. The winning companies are the ones that define new competitive spaces and create their own ambits.

The concept is not new. What is new is the importance that it is acquiring, given the extraordinary increase in international competition. To identify the needs of the consumers and the development of products for their satisfaction will be the key to survive and to be profitable in the future.

A requirement to understand and expand the own place in the market is to understand oneself, What is it that the company best do? Which are the technologies available to the company? These skills and knowledge are called medullar capacities. The companies will be identified by those capacities rather that for the products that those capacities allow to create.

This redefinition permitted Kodak to escape from the tyranny of being a manufacturer of photographic pictures and copying machines to become a company also specialized in chemical products and electronic images. Kodak mixed these capacities to create a product that would allow the consumers to keep pictures, show them on a tv screen, and rearrange them just by pushing a button.

It is evident that with redefinition, Kodak could expand widely its own spectrum of products. Fundamental for the success of Kodak in this area was the disposition of the company to see its distinctive departments as a part of a whole, as a family of capacities. Very often, the companies make the mistake of segregating several divisions and then, in addition, they segregate the Department of Research and Development.

The technicians do not have access to the marketing experience of the companies. The ones immerse in an area of interest do not have an idea of what the other division is doing. In keeping these two groups separate, the possibility of collaborating to achieve a new extraordinary technology is prevented.

To reach a redefinition, the organizational strength has to be redefined with all of the members of the team working toward a common objective. But let's suppose that the objective is not accomplished and there is failure instead. Then, failure has to be redefined. It has to be visualized that that the ideas for new products are arrows thrown to a target and the center of the target is the goal. There is a tendency to consider that anything out of the center is a disaster, and then the responsible person is pointed out. This attitude is wrong because it motivates the lack of intention to try a new idea.

It is necessary to start looking failure as an opportunity for growth, for formulating questions that can make a success the next adventure. If the arrows are thrown and they do

not hit the center and the reaction is of shame, nothing can be learned and the growth would be considered in the wrong terms.

It is important to base the growth in terms of increasing the understanding of the market, and in redefining the knowledge transferred. If it is understood that the competitive capacity of a company increases when it can take advantage of the experience offered by its divisions, it will also be understandable that the capacity can increase still more if the market is made an ally. Nobody knows more about the needs of the consumer but the consumer himself (Hamel y Prahalad, 1993).

### **The theory of sharing**

Also known as 'community of purpose', this social philosophy of sharing is focused on the shared values of individuals within a community of purpose and suggests the notion of commitment to job security for the workers. This is an approach for life at the individual, group and societal level. Etzioni (1995) suggested that we are all members of overlapping communities and the workplace is such a community of purpose, which emphasizes shared values and inclusiveness.

This view adopts strategies such as long time employment, investments in training and development, recruitment in schools founded on behavioral compatibility. It may in addition show several features of 'partnership' companies - employment security, company flexibility, sharing of financial success with the workforce, good communication, and top management and employee voice (IPA, 1997).

There are problems to adopt this approach to HRM, first, the overall balance of rights and responsibilities are in favor of the employer, and second, community of purpose is at risk of becoming very paternalistic and limited in perspectives, and this will cause problems for promoting that the values found on diversity and difference have the potential to be cultivated and grown.

Gilligan (1982, 1987) has come forward to say that ethical reasoning implies a humanistic foundation for HRM. She assures that ethical reflection involves empathy and concern, emphasizing responsiveness and responsibility in our relations with others, where moral choices are made in relationship with others, not in isolation. This perspective changes the orientation of HR away from traditional systems to decision making to a more individual basis, allowing the employees to have an individual time off for family responsibilities, flexibility, job shares, part-time work, term-time working or a number of other not typical work contracts to parents wishing to fit in work and child care.

The risk of this type of approach is on the potential paternalism, in which the employer is the only responsible element in the process of decision making, and also in the absence of delegation of power (empowerment) that can become negative to the employees. One of the premises in using this model should be to avoid and predict possible obstacles between rhetoric and practice in HRM.

### **Theory of stakeholding.**

The concept of stakeholding has not been very popular among human resources managers, even though it has been treated by academic reports on business and management. It has been applied more in public management and deals with the process that is involved in decision making and meeting the requirements of the workers by means of consultation strategies. Jackson and Sillanpaa (2000) have expressed that employees rights must not be at the expense of the employer and must be based on responsibility.

The obstacles to this theory lies in the ability to rise the expectations of the employees and at the same time maintaining the resources to conduct social auditing and participation, which is difficult in keeping the balance between business profitability, worker support and effectiveness. Unfortunately this concept has been wrongfully used by HR managers to deceive workers into an apparent search for organizational and individual excellence.

### **Theory of debate**

Karl-Otto Apel (1989) and Jurgen Habermas (1989, 1990), at the Frankfurt School, proposed this ethical theory trying to provide a model for decision making and conflict management. Their formula was obtained working with public policies and debates to determine methodologies for organizational decision making. The aim was rather than presenting solutions to ethical problems, to offer a line of procedures for debating important issues. In the proposed debate must participate all the people affected by the decision as an ethical condition. In this process if sincerity and an open mind are maintained the negative differences will be eliminated (Kettner, 1993: 34-5).

The success of this approach is on the hands of employers, managers, trade unions, etc., only if they resign their interest on mere power. This requires a change in state of mind and organizational culture some times difficult to reach.

### **Zoroastrian theory**

After presenting and analyzing several models of ethical theories that can be used for HRM, the time has finally come to make a proposal which is the one We consider the Ethical perspective in the future of HRM for the 21<sup>st</sup> Century. No other approach in the history of ethics can be more complete and adequate to be applied in the HRM of the organizations as the one formulated by Zarathushtra.

The gathas provide the tools that can be used to build a strong foundation for the management of the human resources to accomplish excellence. For instance, the gathic vision offers the possibility of reaching the mind, spirit and body of the organizations. This ethical thought promotes the material and spiritual progress of the world, and the organizations and the people are a part of it.

The Zoroastrian Theory for HRM is formulated on the terms of an avestan concept known as “*Vohu - Khshathra*”. Jafarey (1989) defines this concept as integrated by two words: *Vohu* means good and *Khshathra*, which means to settle in peace, to rule a settlement, denoting “power” to settle people in peace. The two words together stand for benevolent power, good rule and the chosen order. It represents the ideal government in spirit and matter. The excellence of the organization can only be achieved by good thinking, righteousness and justice.

The good rule in HRM is the vision of a perfect organization that embraces in an environment of benevolence both employers and employees, together, aiming the same goals. The echoes of this thought coming from ancient the past are still fresh, promoting tolerance and human progress.

Benevolent actions in the organizational policies lead to ideal strategies for HRM which in turn make contributions to an ideal society.

Mehr (1989) uses the avestan concept *Khshatra Vayria*, clarifying that no English word can explain it fully and precisely. For him Khshatra connotes a combination of holy, good and constructive potentialities; it signifies divine hegemony, power and influence. It epitomizes the true Might that fosters love and eliminates hatred; promotes harmony and thwarts strife; induces humility and suppresses conceitedness; spreads justice and excludes revenge. In addition, Irani (1989) refers to *Khshatra Vayria* as the ideal dominion, the social and political structure of human world. In human terms, he says that we may call it the ideal society.

By doing these ethical reflections it is acknowledge that in dealing with human resources, the manager of this function, the human resource manager, is the leader in charge of initiating, promoting, transmitting, establishing and maintaining an organizational environment of peace and harmony, in other words, a culture of *Vohu- Khshathra*.

Human Resource Management deals with the most vital and important element of the organization: "The People". In this sense, the Zoroastrian Theory for HRM has a strong humanistic foundation. The human assets are considered the main basis of the organizational structure. The new organizations in our interdependent world and immerse in problems and globalized challenges require the creation of a culture of respect to differences, a long term vision, responsibility toward the environment and the community, among global efforts to strengthen education and a sustaining development for the great majorities, that are the basis for the marketing growth and democratization. In other words, the organizations must assume the social responsibility for the future of mankind and society, for the personal development of its members and for the economical and social development of the communities where they operate.

The Zoroastrian view perceives the human resources as the vital force of an organization; machines and technology are just intermediary instruments between that force and reaching the organizational goals. Another important element of this concept is the acknowledgement that every company is beyond an economical phenomenon and it includes a social-cultural responsibility.

There have been a growing interest in spirituality in business and in all cases it appears to involve deeply-held values. For instance, Milliman and Ferguson (1999) performed a HRM research titled "Spirit and community at South West Airlines" and they articulated a model of how spiritual values can be integrated into organizations and assess how this model provides insights into how and under what specific conditions spiritual values can positively impact both profitability and employee attitudes in organizations. The researchers examined the ways spirituality is manifested within the organization and determined the impact of spirituality on employees, customers and organizational

performance. Because spirituality is reflected through values such as making contributions to humanity, they adapted a model of spiritual values-based management as a framework for their analysis.

Based on this research they concluded that companies that engage not just the minds, but also the hearts and emotions of their employees, will be more profitable. It means that an organization which treats its employees as part of its community and emotionally engages them in a company purpose making a difference in the world, will accomplish higher levels of employee motivation and loyalty.

The Zoroastrian methodology in HRM places importance in its selection process on worker attitudes and values, besides technical abilities. A test for admissions should include capacity for friendship and ability to demonstrate teamwork. HRM represents the most important way by which an organization develops and motivates its employees in order to cultivate their behaviors and high productivity to assist the company in accomplishing its business targets and valued-founded goals.

**“Vohu – Khshathra”** encourages a very strong set of values which nurture the organizational culture. These values are manifestations of a good mind that has a strong emphasis on community, teamwork and serving other people. It promotes that the employees in the organization are a part of a family and take care of each other as well as the customers. In addition the families of the employees are encouraged to be part of the organization and are allowed to participate in company activities. When an organization acts as a community and has an important purpose at spiritual levels, then the employees find a meaningful work, and they realize that are contributing to an organizational mission. This way motivates the feeling of partnership with other employees, with the organization, with society and to an order larger than oneself.

Some essential aspects of the Zoroastrian concept in business are to provide relationships that give caring, nurturing, and cooperation. The community work is valued, but at the same time, the employees and the managers are expected to work hard. The hard work is based on the responsibility of being part of a company that has high goal. The elements of this ethical view are in line with the criteria that an excellent company is integrated by employees who are hard working, enthusiastic, anxious to express ideas, and devoted to the organization.

**“Vohu - Khshathra”** connects the ethical values of work, community, high mission, empowerment, justice and good mind that in the process play an important role in business excellence.

For the establishment of a Zoroastrian Model for HRM practices the following ideal strategies are recommended:

- ◆ A Selection Process based on employee attitudes and values, in addition to technical skills.
- ◆ The candidates at the interview process should demonstrate teamwork and a good mind.

- ◆ For the induction process, once the employees are hired, they should receive a warm welcome celebration into the organization.
- ◆ Workers will be encouraged to think independently.
- ◆ HRM programs should include a wide range of financial and non-financial rewards. These reward will be oriented to give the employees respect, self-esteem, and intrinsic value.
- ◆ The organization should offer profit sharing, bonus, retirement saving policies, stock options plans, etc.
- ◆ Implementation of many non-pay rewards, including merchandise, trips,celebration meetings for specific company and worker achievements, as well as just for the fun of it.
- ◆ Promotion of recognition events to reward accomplishments.
- ◆ Educational programs to reinforce ethical values to the members of the organization are highly recommended.
- ◆ The organization is benevolent, and in terms of making mistakes in judgement, the employees are not punished, on the contrary, they are given feedback on how to improve. Errors are turned into organizational growth.
- ◆ Ethical values have to be incorporated in the mission of HRM and the organization in general.

### Referencias

- Apel, K-O. 1989. 'Normative ethics and strategic rationality. The philosophical problem of political ethics' in *The Public Realm: Essays on Discursive Types in Political Philosophy*. R. Schurmann, (ed). New York: State of New York Press.
- Arkin, A.1996. 'Open business is good for business'. *People Management*, Vol. 24, no. 7.
- Barry, B. 1973. *The Liberal Theory of Justice: A Critical Examination of the Principal Doctrines*. Oxford: Clarendon Press.
- Beauchamp, T. L. and Bowie, N. E. 1983. *Ethical Theory and Business*, (second edition). New Jersey: Prentice Hall.
- Beer, M, Spector, B, Lawrence, P, Mills, Q. and Walton, R. 1984. *Managing Human Assets*. New York: Free Press.
- Carse, A. 1996. 'Facing up to moral perils: the virtues of care in bioethics' in *Caregiving: Readings in Knowledge, Practice, Ethics, and Politics*. S. Gordon, P Benner and N. Noddings, (eds). Philadelphia: University of Pennsylvania Press.
- Clarkson, P 1998. *Gestalt Counselling in Action*. London: Sage.
- Connock, S. and Johns, T. 1995. *Ethical Leadership*. London: Institute of Personnel and Development.
- Corer, L. A. 1974. *Greedy Institutions: Patterns of Undivided Commitment*. New York/London: Free Press/Collier Macmillan.
- Cougar, W. and Stevens, B. 1998. 'Towards a new model of industrial partnership: beyond the HRM versus industrial relations argument' in *Human Resource Management: The New Agenda*. P. Sparrow and M. Marchington, (eds). London: Financial Times/Pitman Publishing.
- Donaldson, T.1989. *Key Issues in Business Ethics*. London: Academic Press.

- Etzioni, A. 1995. (ed). *New Communitarian Thinking: Persons, Virtues, Institutions and Communities*. Charlottesville and London: University of Virginia Press.
- Fineman, S. 1993. *Emotion in Organizations*. Sage: London.
- Flanders, A.1970. 'The internal social responsibilities of business' in *Management and Unions: The Theory and Reform of Industrial Relations*. London: Faber.
- Freeman, E. 1984. *Strategic Management: A Stakeholder Approach*. London: Pitman.
- French, W and Allbright, D. 1998. 'Resolving a moral conflict through discourse'. *Journal of Business Ethics*, Vol.17.
- Friedman, M. 1962. *Capitalism and Freedom*. Chicago: The University of Chicago Press. Gilligan, C. 1982. In *a Different Voice: Psychological Theory and Women's Development*. Cambridge, MA: Harvard University Press.
- Gilligan, C. 1987. 'Moral orientation and moral development' in *Women and Moral Theory*, E. F. Kittay and D. T. Meyers, (eds). Totowa, NJ: Rowman and Littlefield.
- Guest, D. 1997. 'Human resource management and performance: a review and research agenda'. *International Journal of Human Resource Management*, Vol. 8, no. 3.
- Guest, D. and Peccei, R. 1994. 'The nature and causes of effective human resource management'. *British Journal of Industrial Relations*, Vol. 32, no. 2.
- Guest, D. and Peccei, R. 1998. *The Partnership Company: Benchmarks For The Future*. London: IPA.
- Habermas, J.1989. *Moral Consciousness and Communicative Action*. Cambridge MA: MIT Press
- Habermas, J. 1990. 'Discourse ethics: notes on a programme of justification' in *The Communicative Ethics Controversy*. S. Benhabib and F. Dallmayr, (eds). Cambridge, MA: MIT Press.
- Herzberg, F. 1968. 'One more time: how do you motivate employees?' *Harvard Business Review*, Vol. 46, no. 1.
- Huselid, M. 1995. 'The impact of human resource management practices on turnover, productivity, and corporate financial performance'. *Academy of Management Journal*, Vol. 38, no. 3.
- Hutton, W.1995. *The State We Are In*. London: Jonathon Cape/Random House.
- Institute of Personnel and Development. 1995. *The IPD Code of Professional Conduct and Disciplinary Procedures*. London: IPD.
- Involvement and Participation Association (IPA). 1997. *Towards Industrial Partnership: Putting it into practice*. London: IPA (no. 3, Welsh Water).
- Jackson, C. and Sillanpaa, M. 2000. 'Conducting a social audit: lessons from the Body Shop experience' in *Ethical Issues in Contemporary Human Resource Management*. D. Winstanley and J. Woodhall (eds). Basingstoke: Macmillan.
- Johns, T.1995. 'Don't be afraid of the moral maze'. *People Management*, Vol. 1, no. 20.
- Kelly, G, Kelly, D. and Gamble, A. (eds).1997. *Stakeholder Capitalism*. Basingstoke: Macmillan.
- Kettner, M. 1993. 'Scientific knowledge, discourse ethics, and consensus formation in the public domain in *Applied Ethics: A Reader*. E. Winkler and J. Coombs, (eds). Oxford: Blackwell.
- Legge, K.1995a. *Human Resource Management: Rhetorics and Realities*. Hampshire: Macmillan.
- Legge, K. 1995b. 'HRM: rhetoric, reality and hidden agendas' in *Human Resource Management: A Critical Text*. J. Storey, (ed). London: Routledge.
- Legge, K. 1997. 'The morality of HRM' in *Experiencing Human Resource Management*. C. Mabey, D. Skinner, T. Clark, (eds). London: Sage.
- Legge, K.1998. 'The morality of HRM' in *Strategic Human Resource Management: A Reader*. C. Mabey G. Salaman and J. Storey, (eds). London: Sage/Open University Press.
- Mabey, C, Salaman, G. and Storey, J. 1998. *Strategic Human Resource Management: A Reader*. London: Sage/Open University Business School.
- MacIntyre, A. 1985. *After Virtue: A Study in Moral Theory* (second edition). London: Duckworth.
- McKendall, M. 1993. 'The tyranny of change: organization development revisited'. *Journal of Business Ethics*, Vol. 12.
- Maclagan, P 1998. *Management and Morality*. London: Sage.
- Maslow, A.1970. *Motivation and Personality* (Second Edition). New York: Harper and Row.
- Mayo, E.1933. *The Human Problems of Industrial Civilisation*. New York: Macmillan.
- Mayon-White, B. 1994. 'Focus on business change and ethics. The ethics of change management: manipulation or participation?' *Business Ethics: A European Review*. Vol. 3 no.4.
- Miller, D.1976. *Social Justice*. Oxford: Clarendon Press.

- Miller, P 1996a. 'Strategy and the ethical management of human resources'. *Human Resource Management Journal*, Vo. 6, no.1.
- Miller, P. 1996b. 'Ethics, strategy, and human resource management: delivering value to the employee' in *The Handbook of Human Resource Management* (second edition). B. Towers, (ed). Oxford: Blackwell.
- Monks, J. 1998. 'Trade unions, enterprise and the future' in *Human Resource Management: The New Agenda*. P Sparrow and M. Marchington (eds). London: Financial Times/Pitman Publishing.
- Morris, T. 1998. *If Aristotle ran General Motors*. Owl books.
- Nozick, R. 1974. *Anarchy, State and Utopia*. New York, Basic Books.
- Ojeifo, E. and Winstanley, D. 1999. 'Negotiated reality: the meaning of empowerment' in *Ethics and Empowerment*. J. Quinn, P Davies and P Hampshire: Macmillan.
- Pearson, A. 1995. *Integrity In Organisations: An Alternative Business Ethic*. London: McGraw-Hill.
- Overell, S. 1997. 'Harmonic motions'. *People Management*, 11 September, 24-30.
- Petrick, J. A. and Quinn, J. F. 1997. *Management Ethics: Integrity at Work*. London: Sage. Pickard, J. 1995. 'Prepare to make a moral judgment'. *People Management*, Vol. 1, no. 9. Purcell, J. 1999. 'Best practice and best fit: chimera or cul-de-sac?'. *Human Resource Management Journal*, Vol. 9, no. 3.
- Rawls, J. 1971. *A Theory of Justice*. Cambridge, MA: Harvard University Press.
- Rogers, C. 1967. *On Becoming A Person: A Therapist's View of Psychotherapy*. London: Constable. Royal Society of Arts. 1995. *Tomorrow's Company: The Role of Business in a Changing World*. London: RSA.
- Sandel, M. 1984. 'The procedural republic and the unencumbered self'. *Political Theory*, Vol.12, 81-96.
- Snell, R. 1993. *Developing Skills for Ethical Management*. London: Chapman and Hall. Solomon, R. C. 1992. *Ethics and Excellence: Co-operation and Integrity*. New York and Oxford: Oxford University Press.
- Solomon, R. C. 1993. 'Corporate roles, personal virtues: an aristotelian approach to business ethics' in *Applied Ethics: A Reader*. E. Winkler and J. Coombs, (eds). Oxford: Blackwell.
- Sternberg, E. 1994. *Just Business: Business Ethics in Action*. London: Little Brown and Warner Books.
- Sternberg, E. 1997. 'The defects of stakeholder theory'. *Corporate Governance: An International Review*, Vol. 5, no. 1.
- Tyson, S. 1997. 'Human resource strategy: a process for managing the contribution of HRM to organisational performance'. *International Journal of HRM*, Vol. 8, no. 3.
- Tyson, S. 1998. (ed). *The Practice of Human Resource Strategy*. London: Pitman.
- Tyson, S. and Doherty, N. 1999. *Human Resource Excellence Report*. London: FT/Cranfield School of Management.
- Warren, R. 1998. 'Between contract and paternalism: HRM in the community of purpose'. Paper presented to the second UK Conference on Ethical Issues in Contemporary HRM. Kingston Business School, January.
- Wehrmeyer, W 1996. 'Green policies can help bear fruit'. *People Management*, Vol. 2, no. 4. Wheeler, D. and Sillanpaa, M. 1997. *The Stakeholder Corporation: A Blueprint For Maximising Stakeholder Value*. London: Pitman.
- Wilson, A. 1997. 'Business and its social responsibility' in *Current Issues in Business Ethics*. P. Davies, (ed). London: Routledge.
- Winstanley, D. 2000. 'Conditions of worth and the performance management paradox', in *Ethical Issues in Contemporary Human Resource Management*. D. Winstanley and J. Woodall (eds). Basingstoke, Macmillan.
- Winstanley, D. and Woodall, J. 2000. (eds). *Ethical Issues in Contemporary Human Resource Management*. Basingstoke: Macmillan.
- Winstanley, D. and Stoney C. 1997. 'Stakeholder management: a Critique and a defense'. Paper presented at the 15th International Annual Labour Process Conference, University of Edinburgh, Scotland.
- Woodall, J. 1996. 'Managing culture change: can it ever be ethical?' *Personnel Review*, Vol. 25, no. 6. Diana Winstanley, Imperial College Management School Jean Woodall, Kingston Business School Copyright Eclipse Group Ltd. 2000.

**\*Acerca de los autores**

El Dr. José Luis Abreu Quintero es Profesor e Investigador de la Universidad Autónoma de Nuevo León.  
San Nicolás, N. L., México, 66450.  
[spentamex@yahoo.com](mailto:spentamex@yahoo.com)

El Dr. Mohammad Badii es Profesor e Investigador de la Universidad Autónoma de Nuevo León.  
San Nicolás, N. L., México, 66450.  
[mhbadii@yahoo.com.mx](mailto:mhbadii@yahoo.com.mx)