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Ethical Problems in Human Resource Management

The paper discusses ethical problems in Human Resource Management in terms of a framework consisting of four main variables: 1. company, 2. employees, 3. facts, i.e. fixed variables, and 4. optional variables. The article is focused on the applications at the level of the corporate group. Ethical issues in human resource management vary as a function of the branch; for instance in the process industry the primary concern is maintaining industrial peace while in the service sector ethical principles and problems are involved in all social encounters with customers. The geographical and cultural environment of a company influence the ethical issues of human resource management. In multicultural companies, a crucial condition of success is creating a shared perspective on ethical issues. Human resource policy is rooted in the corporate culture. With regard to recruitment, the practice to be recommended is to try to fill the vacancies first internally. Opportunities for advancement and salaries are given as additional examples of ethical issues. An international corporation should follow a consistent world-wide classification of tasks, applicable in each country, for defining salary, and, in addition, act according to the principle of "pay for position, person, and performance". Other challenges facing global corporations are also discussed.