

S
C
H
O
O
L

O
F

M
A
N
A
G
E
M
E
N
T

**VICTORIA
UNIVERSITY**

OF
TECHNOLOGY

WORKING PAPER SERIES

ETHICS, CONFLICT AND HUMAN RESOURCE MANAGERS IN THE NEW ECONOMY

Bernadine Van Gramberg
Chris Provis

<mailto:Bernadine.vangramberg@vu.edu.au>

1/2004

ETHICS, CONFLICT AND HUMAN RESOURCE MANAGERS IN THE NEW ECONOMY

Chris Provis
Associate Professor
School of International Business
University of South Australia

Bernadine Van Gramberg
Senior Lecturer
School of Management
Victoria University

Abstract

The interaction between conflict management and ethics in organisations occurs within a complex web of power relations, organisational structure and belief systems. Added to this have been the significant reforms organisations have undertaken in order to remain competitive in increasingly globalised markets. The role of human resource management (HRM) policies and practices has been pivotal in implementing these changes through the management of employees. Key to this role is the management of conflict in the workplace. It is argued that ethical decision making is challenged in an environment driven by the need for workplace efficiency. This paper considers a number of approaches to ethics and organisational conflict and concludes that a pluralist perspective may offer greater scope for fair decision making but at greater cost than other alternatives.

Some Approaches to Ethics and Organisational Conflict

To begin with, we outline some approaches to ethics and follow this with approaches to organisational conflict. Whilst space limits the extent to which we can fully address these approaches, we focus on some salient points to allow our subsequent discussion to proceed, as we attempt to show how views about ethical decision making can interact with views about conflict.

Approaches to ethical decision making

In broad terms, we can identify three views about ethical decision making, which are well-known in ethical theory. One approach we can label 'utilitarianism', and construe it as the view that the right thing to do is always to approach a decision with a view to maximising people's overall utility. Bentham and Mill are classical exponents of this approach, but it has many modern adherents also. It has some historical associations with liberalism, on the basis that Adam Smith's 'invisible hand' promotes the greatest good of the greatest number, if people are left as free as possible to make choices for themselves.

Utilitarianism seems to give counter-intuitive results for some cases where injustice to a small number of people may benefit a majority. Perhaps related to that point, utilitarianism does not of itself contain any clear ways to compare the utilities of different people, or even to measure utilities at all (while economists may fall back to the idea of 'preference' as a surrogate for utility, there are many clear cases where people's preferences are not for what

yields the greatest utility). In addition, utilitarians potentially face problems explaining the force of honesty and fidelity; that is, explaining the full force of our obligations to tell the truth or keep contracts (Hodgson 1967).

Another approach which puts great emphasis on such obligations to tell the truth or to honour contracts, we can label 'deontology'. This view, associated especially with Kant, suggests that duty ought to be done for its own sake, and often consists of following appropriate rules: for Kant, whatever rules could equally well be followed by anyone in a similar situation.

Deontology suffers from the contrary problem to utilitarianism: it seems sometimes to require adherence to a rule even when harm will result, leading to J.J.C. Smart's pejorative label, 'rule-worship' (Smart 1956). Smart's argument is that if overall long-run benefit would accrue from breaking a rule, then it is hard to see why the rule ought to be heeded. At the same time, although Kant's approach is that ethical action requires one very much to make rules one's own, it still seems all too easy for rules to become some external authority remote from the decision maker, raising problems about the sincerity and authenticity of rule-governed action.

A third notable approach is the idea that rather than utility or duty we ought to turn to virtue as the founding notion on which to base our decisions, choosing what course of action would exhibit good character for a human being. Aristotle can be viewed as a virtue theorist, and the last several decades have seen a resurgence of virtue theory in ethics.

Virtue ethics arguably avoids the difficulties that confront utilitarianism and deontology, but seems open to the charge of vagueness or circularity: good choices are those that would be made by good people, but good people are those who make good choices. A virtue like honesty seems to be defined only in terms of rules that ought to be kept or benefit that ought to be achieved.

Those three views have perhaps been the most prominent in the literature, although they certainly do not exhaust the field. In addition, each can be developed in a variety of ways. We shall note that virtue ethics may include a Nietzschean approach and Weber's 'heroic ethic'. Utilitarianism can give rise to 'stakeholder theory', and to Rawls' idea of 'justice as fairness'. That view will lead us to our concluding discussion of fairness as an idea that has figured prominently in discussions of conflict resolution in organisations.

Views about conflict in work organisations

Just as there are different views about the basis of ethical choice, so we are also confronted by different views about the nature of workplace conflict. For instance, unitarist perspectives focus on conformity and goal sharing and imply an absence of conflict in a well functioning organisation. Those workplace actors who do not fully acknowledge management's prerogative or its call for obedience and loyalty will be treated as abhorrent. Unions and collective bargaining will be avoided where possible. According to Kochan's (1982) report on an early application of the unitary framework for analysing conflict in a US organisation, unitarist theorists did not deny the existence of conflict but attributed it to interpersonal rather than economic or structural factors. Rather than focus on the union, management turned its attention to individual employees, particularly those branded as trouble makers. Under these circumstances, unitarist management faced with a conflict situation turned to mechanisms by which conformity with organisational goals could be achieved. The dispute resolution process

in a unitarist scenario is likely to end at a point where senior (or executive) management makes a unilateral determination on the outcome.

On the other hand, a pluralist approach with its emphasis on diversity of opinion relies on a process capable of allowing these different interests to be heard and reconciled. This is not to deny the reality of power structures which operate to maintain the status quo, but the inclusion of powerful groups, such as unions, in conflict negotiations offers the possibility of moderating an employer dominated process. Indeed, Dunlop (1958) suggested that workplace outcomes were reflective of the wider power balance in society. He envisaged socialist governments acting to buffer the power of employers through legislation favourable to workers. Arguably, the pluralist dispute resolution process would be well documented, sophisticated in the number of avenues and steps to ensure a final resolution (which would likely end with a formal, independent hearing) and would ensure a high level of participation. Employee representation would be encouraged to ensure opportunity for 'voice' within an environment of unequal power between the workplace parties.

Other views of conflict in organisations are also possible, although less well documented in Australian and Anglo-American industrial relations theory. In particular, there are views associated largely with Continental European theorists, related to one another although forcefully distinguished by their proponents (for a summary, see Power 1990). One of these is Luhmann's systems theory view of organisations, based on a cybernetic model which in some ways has been taken up by later Anglo-American work on 'self-organisation'. The approach suggests that the social and technical arrangements within the enterprise can be shaped so that individuals in the organisation make choices based on their knowledge and situation with the overall result that group behaviour is effectively coordinated for a beneficial outcome. The example often used is that of 'boids': a computer-simulated flock of birds which acts as a coordinated whole on the basis of a few simple rules being applied by each member of the flock. There is no top-down guidance about the flock's direction, but the impression is that of a unified whole. For self-organising corporations, we might suggest that conflict is simply a failure of the decisions made by different individuals to result in coordination.

Habermas' criticism of Luhmann's systems theory approach to organisations emphasises difficulties in defining the boundaries or equilibrium states of organisations in ways that allow them to be conceived on a cybernetic model: 'it is indeed questionable whether the biological notion of "survival" as the key system-environment relation can legitimately be projected on to the sociocultural level' (Power 1990, p. 112). On the other hand, however, there are also problems about Habermas' own view of organisations as possible locations for consensus based on people's apprehension of their true interests in a context of ideal conditions for discussion and dialogue. The response of postmodernists like Lyotard and Foucault is to suggest that the actors, like those in Foucault's panopticon, are enmeshed within the values, beliefs and truths of their work life situation and are (generally) not able to stand outside these effects and scrutinise them. The panopticon can represent the overarching system of organisational goals and values which set the framework for worker compliance and performance management. Such a postmodern approach would predict employee compliance with the internal dispute resolution system, particularly if it is legitimised by management and entrenched as part of the policy framework of the organisation, but not because postmodernism shares with unitarism a sense of employees striving for managerial goals. The unitary notion of 'organisation' is rejected in post modernism as knowledge and truths are not considered to derive solely from the technical and economic interests of the company (Hardy 2001).

Ethics and Conflict Resolution in Work Organisations

In this section we comment first on unitarism and its affinity for a deontological approach, and then on post-modernist views of organisation and ethical views that might be associated with them, before turning to consider pluralism, as the approach which has had most systematically developed ethical approaches associated with it.

Unitarism and the deontological approach

If we look for defences of a unitarist approach, it may be that because the power of managers rests on ownership of the firm, they have the right to impose whatever conditions they choose on employees, who freely and knowingly contracted to work on their firm's premises (Velasquez 2002, p. 466). If that view has substance, then the implication seems to be that unitarism emerges from a contract view of work relationships that would most naturally see the ethical justification for HR decisions in a deontological view (see Shaw 1999, p. 63).

It is therefore not surprising that one of the major problems for an HR manager dealing with conflict in a unitarist organisation is the problem of authenticity (Provis 1996, p. 480–483). Moral philosophers have noted problems of this sort with actions that are performed to comply with rules. There seems to be some difference between what I do if I visit you in hospital because there is a rule that says I ought to do so, compared to the visit I make because I want to see you (Stocker 1976). The general problem of authenticity is to do with actions being presented under a guise different from their underlying reality.

In a unitarist firm, the HR manager dealing with conflict is likely to confront a problem of authenticity as the ostensible ground of the decision must be that it restores the harmony characteristic of the normal organisation, as conceived by the unitarist, through consensus over the outcome. However, that the decision is enforced by the overwhelming power of the organisation, leaves no room for genuine consensus.

The unitarist perspective understates the operation of employer power in the employment relationship, as the policies and practices of HRM promulgate unitarist visions of shared goals and employee commitment to the firm (Guest 1999). Despite widespread acceptance of HRM values, there is evidence that employers have intensified their power over employees over the past decade. This period coincides with an increased focus of workplace-level dispute resolution where managers take a more active role as mediators of conflict. In this context, workplace dispute resolution and the role of managers in these techniques must be understood within a framework of power disparity.

Post-modernism, Nietzsche and virtue

When we group together the views associated with theorists like Luhmann, Habermas, Lyotard and Foucault we have to acknowledge that the collection embraces great theoretical diversity. In some ways it is difficult to identify a single ethical approach that might be the natural one for an HR manager in an organisation that was conceived along lines outlined by these theorists. However, the one unifying theme amongst them in this respect, is that ethical action has to be constructed by actors themselves, rather than on some detached, objective basis like maximisation of utility or external moral rules. Such a theme is part of the existentialist tradition which is one prominent forerunner of these views (Warnock 1967).

Such an approach is implicit in Lowry's argument, that HR managers can take to the issues that confront them, that of being 'ethically assertive'. To see the point of this contention in the context of a postmodernist view of organisation, we need to bear in mind the postmodernist theme that power and knowledge are intimately related and operate through a discourse which produces a number of truths. Both knowledge and truth operate within personally subjective frameworks which are used to bolster power in such a way that 'authorised knowledge or truths are versions of reality backed by power' (Simpson & Charlesworth 1995, p. 126). Foucault (1980, p. 130) contended that 'truth' is to be 'understood as a system of ordered procedures for the production, regulation, distribution, circulation, and operation of statements' and that 'truth' is linked 'in a circular relation with systems of power which produce and sustain it, and to effects of power which it induces and which extend it' (Foucault 1980, p. 133).

In other words, Foucault directly linked power with knowledge and argued that knowledge was created by those in power, leading to a self-sustaining, circular process. Key to the institutionalisation of societal structures is the acceptance by wider society of this knowledge and truth. For instance, legal knowledge is a product of the reality of the powerful, which is used to privilege themselves, but it is presented in the context of liberal legal values which hold that the law must be applied equally to all citizens, wealthy or poor, corporations or governments. All are considered legal subjects of equal standing before an impartial law (Wood, Hunter & Ingleby 1995, p. 48). Ultimately, the societal structures created by shared knowledge and truths denies disadvantaged groups access to opportunity or to break out of their stereotypes, not because they are unproductive or less able, but because of the purposive action of the state and society (Abraham 1995, p. 452). Poverty, inequality and social marginalisation are products of these social arrangements. The oppressed generally accept their subordination and may partly blame themselves for their own oppression (Hamilton & Sharma 1997). Further, this systemic oppression is largely invisible to those operating within that society because of its guise of 'normality' and is therefore likely to be left unchanged, allowing the cycle of oppression to continue (Pilisuk & Tennant 1997).

In the context of such an understanding of power and organisation, HR managers may be able to do no better than to construct ethical positions appropriate to the concrete positions in which they find themselves: 'It would appear that the ethically assertive HR manager is one who can successfully translate their private moral concerns into a form of business parlance (emphasising for example the long term implications of various forms of HR policies etc), and then proceed to debate and negotiate on those grounds' (Lowry 2003, p. 11).

Lowry suggests that this course by an HR manager shows 'courage, creation and consistency', and could be seen as Nietzschean transcendence of traditional morality, or an example of Weber's 'heroic ethic'. It might also held as an example of the sort of approach found in virtue ethics, where the appropriate course of action for someone is that which manifests the virtues most characteristic of human flourishing: in this case, just such characteristics as 'courage, creation and consistency'.

The sort of concern we might have with this approach to conflict within organisations is perhaps the sort of concern that has been expressed about Nietzschean ethics in other contexts. Even if we accept the virtue ethics approach in general, it does not seem as though the virtues of 'courage, creation and consistency' are sufficient for what we would often regard as ethical choice, which may also need to embody such virtues as compassion and benevolence (just the point at which modern virtue theorists may part company from Aristotle: see MacIntyre 1985, p. 174). While the ethical assertiveness referred to by Lowry

may be a necessary condition for ethical action in an organisation conceived along postmodern lines, it does not seem to be a sufficient condition, and it is open to question whether an HR manager in such an organisation can always aspire to ethical action. In organisations, as postmodernists describe them, it may be that ethical action is not available except through changing the structures in which actions are performed. If that is correct, ethical action by an HR manager may not be available by calling on the rhetorical resources available within that organisational context, but only by changing structures and creating new rhetorical resources which go beyond acceptance of the social and political environment within which the organisation is embedded.

Pluralism and utilitarianism

A pluralist approach can then be defended on the grounds that it goes some way to equalising or redistributing power. The removal of structural inequality is likely to result in delivering social justice or at least a more egalitarian distribution of resources (Hamilton & Sharma 1997). Given the realistic limits on removing structural causes of inequality, mechanisms which serve to bolster the power of disadvantaged groups may act to negotiate new knowledge and truth which can go some way to redressing systemic discrimination. Thus, the primary rationale for unions is to provide a source of power for individuals, who alone can neither mount significant defence against an employer, nor exert meaningful control over their work environment (Hyman 1989). Hechscher (1994, p. 18) argued that independent employee representation is essential to workplace justice, drawing on Adam Smith's *Wealth of Nations* to make the point: 'It is not ... difficult to foresee which of the two parties must, upon all ordinary occasions, have the advantage in the dispute and force the other into compliance with their terms'. This has led to an economic rationale for collective bargaining based on two premises. First, labour markets are characterised by significant imperfections, which result in unfairness and failures to achieve public goods. Second, these imperfections act to lower wages and working conditions in individual bargaining systems. In other words, collective bargaining offsets these imperfections and results in wages and working conditions which better resemble a competitive outcome.

In this context, it is plausible to think that utilitarianism is a natural approach for an HR manager in a pluralist organisation. Here, there will be official recognition of the fact that different parties have different interests, and that a suitable way to resolve conflict is to choose whatever course will best satisfy most parties' interests. Recognition of the legitimacy of these different issues sustains ideas about neutrality of third parties involved in conflict resolution.

Here again, however, the manager attempting to resolve conflict will confront some of the difficulties characteristic for this general approach to ethical decision making. There is potential for resolution to provide widespread satisfaction, yet do injustice to an individual. (A simple example is 'scapegoating' where an individual is penalised for a practice that has been widespread, as an example to others).

Equally important, the HR manager in a pluralist organisation will confront the classical utilitarian problem of deciding how to compare different interests. At an individual level, the manager will have to consider the relative benefits of outcomes to different workers. Their common 'acceptance' of an outcome is likely to be used as a proxy for equal benefit, but the reflective HR manager will realise that this is an imperfect proxy, since it may reflect employees' pliability and submissiveness rather than genuine benefit, so that more forceful or assertive employees will achieve better outcomes. At a group level, the problem will have an

added dimension, since it will raise the question of what group interests it is proper to recognise at all. There will be questions about what groups have 'legitimate' interests.

Developments from Utilitarianism

The emergence of those problems in pluralist organisations can be related to two strands of thought that have become prominent in ethics literature. One is stakeholder theory, and the other is the application of John Rawls' theory of 'justice as fairness'. Each approach can be conceived as an attempt to overcome the problem of how to say what interests ought to be taken account of in a pluralist approach to conflict resolution, and how those interests can be balanced. It is arguable that stakeholder theory is effectively an attempt to say which interests ought to be recognised, and Rawlsian theory an attempt to say how those interests should be reconciled once they are recognised.

Stakeholder theory

Stakeholder theory has been developed 'precisely to replace the over-emphasis on the rights and demands of the stockholders with a more general regard for all of those constituencies which are involved with and affected by the corporation' (Solomon 1994, p. 279). It goes beyond the form of pluralism which emphasises only the interests of parties at the workplace – owners, managers and employees – to include others: 'Among the various stakeholders of the corporation are its customers, its employees, its various suppliers and external contractors and consultants, the surrounding community, the larger society (and, we might add, that often 'silent' stakeholder, the environment), as well as the stockholder' (Solomon 1994, p. 279).

Clearly, although stakeholder theory is an effort to address the question of what interests ought to be taken account of in determining the actions considered right for actors in organisations, the answer it presents is not an easy one. The HR manager who attempts to reconcile all those interests in practical decision making will often be confronted with a difficult balancing act.

In practice, the HR manager will tend to rely on some rules of thumb. For example, such a rule may be to assume that the HR unit has a duty only to reconcile certain interests, and not others, so that the interests of contractors are not relevant to HR decisions. In principle, however, that is ethically problematic: especially so in a context where contracting out has become common (Teicher & Van Gramberg 1999). It means that in practice the interests of individuals may be discounted depending on their employment status, without any genuine change to their work.

A Rawlsian approach

It is possible that a Rawlsian approach could try to overcome several of the problems that have emerged so far. Such an approach, significantly different from the utilitarianism we have suggested, is natural for an HR manager in a pluralist organisation. Indeed, Rawls said explicitly that his aim was 'to work out a theory of justice that represents an alternative to utilitarian thought generally' (Rawls 1972, p. 22). However, for that very reason we can hope that it may address the shortcomings of utilitarianism.

apply within organisations, for reasons of space we turn simply to the idea of fairness to consider how it may guide an HR manager in a pluralist organisation. Doing so is made

reasonable in part because of the extensive empirical At the same time, Rawlsian theory may overcome some of the difficulties that confront postmodernism. Rawls' theory is different from approaches to ethical theory like deontology, virtue ethics and utilitarianism, in that it does not address the ethics of all decision making, but is a theory specifically about 'the basic structure of society' (Rawls 1972, p. 7). We have suggested that the failure to address that is one of the potential shortcomings of approaches that may be taken within a postmodernist theory of organisation, and so the Rawlsian focus may to that extent be a strength.

We need to bear in mind that Rawls explicitly disclaims an intention that his general theory be applied to organisations and associations. It addresses the basic structure of society, not the actions of individuals in all situations or the internal structures of organisations (Rawls 1972, p. 7–8). Nevertheless, he expresses hope that his general approach may assist with other problems of justice, and to that extent it is reasonable to explore its implications within organisations. The basic idea, around which Rawls approach revolves, is that of fairness (Rawls 1958). At this point, rather than attempting to expound Rawls' theory in detail and then considering how it may be modified to studies which purport to be about fairness in the workplace.

Fairness and Conflict Resolution

In common usage, the two ideas of justice and fairness are often run together, but Rawls' suggestion is that justice can be analysed in terms of fairness (Rawls 1958, p. 164; Rawls 1972, p. 12–13). In particular, a theory of justice can be developed on the basis of ideas about a fair choice situation. In that respect, it tends to make a certain aspect of *process* its basic foundation. We can to that extent relate Rawls' approach to empirical research on justice in the workplace which has emphasised three main types: procedural, distributive and interactional justice. Procedural justice focuses on the means or process, distributive justice focuses on the ends or outcomes (Tremblay, Sire & Balkin 2000) while interactional justice (Bies & Moag 1986), is concerned with the level of respect and dignity afforded the disputants.

Here, we concentrate only on the first two. The interactional component of perceptions of justice arises through the treatment of individuals as they engage in a decision making process (e.g. Sitkin, Sutcliffe & Reed 1995, p. 89). However, while studies on interactional justice have identified phenomena which are important for practice, it is not entirely clear that they have identified a factor properly definable as a separate form of justice so much as a factor that affects individuals' perceptions of the extent to which other forms of justice have been afforded.

Procedural justice

The concept of fairness is regarded as a universal heuristic, regardless of gender or nationality. In Tyler's (1988) US studies of fairness in mediated outcomes, he found that a random sample of citizens of Chicago from varying ethnic backgrounds and economic status held common definitions of the meaning of fair process and had similar ways of evaluating whether they had been treated fairly. The key issues which Tyler observed as dominating disputant assessments of whether a process was fair were: firstly, the ability to participate in the process; secondly, a sense of ethical appropriateness which involved a level of interpersonal respect afforded to the disputants by the third party; thirdly, the neutrality of the third party; and finally, the quality of the outcome of the dispute, which must be fair.

These common elements of a fair decision cover aspects of procedural, distributive and interactional justice. Similarly, Thibaut and Walker's (1975) landmark US study on procedural justice found that procedural justice involves not simply being afforded a fair process but one requiring opportunities for voice and participation by the disputants.

Procedural justice, or due process, is arguably a requirement not only of the formal legal process but also of the workplace. There are several accepted 'rules' of procedural justice. Some (but not all) of these are: due notice of any matters in contention; a right to be heard; adjudication or facilitation by an impartial party; and provision of reasons for the decision made. The importance of the last factor was demonstrated by Greenberg (1994) in his study of the introduction of a 'no smoking' policy in a US workplace. Greenberg reported that because employees had been provided with information and a clear rationale for the unpopular policy, they embraced the changes without dispute. It has been suggested that the process of explaining decisions in a change context helps employees adapt to the change as the lack of explanations is often regarded by employees as unfair, generating resentment toward management and toward the decision (Daly 1995, p. 416).

Distributive justice

Distributive justice refers to the fairness of the outcome of the dispute. There are three important criteria: equity, equality and need (Deutsch 1985). Decisions based on equity distribute rewards proportionally to the input of contributors. Those who allocate rewards sometimes violate the equity norm by distributing rewards equally to all regardless of their contribution or by distributing them according to the needs of the recipients. It is not new to note that this can give rise to conflict rather than resolve it: 'it is when equals possess or are allotted unequal shares, or persons not equal equal shares, that quarrels and complaints arise' (Aristotle 1934, Ch. V, iii, p. 6). There is, thus, a close relationship between distributive and procedural justice, shown in findings that a decision to distribute rewards based on equality or needs is considered fair, depending on the circumstances leading to the distribution (Lerner 1977). Whether an outcome is perceived as fair or not depends on the object of the allocator and the reasons provided for their decision (Deutsch 1985).

An implication is that, consistent with Rawls' approach, fair processes appear to be logically more fundamental than fair outcomes. A distribution is considered fair if it is derived from a fair process. While undoubtedly an over-generalisation, it is broadly consistent with empirical evidence (Van Gramberg 2003). Employee confidence in management appears to be based more on the perceived justice of the processes used to make decisions than on the results. In other words, employees who have been treated fairly in the procedure have been found to accept even adverse outcomes (Loewenstein et al 1989).

Fairness, justice and practical implications

The implication for HR managers in pluralist organisations seems to be that it may be possible to concentrate on fair process as the basic factor in ethical choice. As studies of 'interactional justice' have found, however, it may not be possible for procedures to be reduced to formal rules: it may be necessary for managers to have genuine regard for employees' actual concerns and expectations. To that extent they may need to be 'authentic' in the way that can tend to escape managers in unitarist organisations.

Nevertheless, it is still possible that HR managers in pluralist organisations will confront the kind of difficulty that emerges from adverse social and economic conditions. Tyler's (1988;

1991) work on workplace justice found that where managers were primarily oriented to tasks or outcomes and focussed on the short term achievement of these goals, they made decisions that had less to do with fairness and more to do with practical goal attainment. In contrast, he found that relationship-focussed managers appeared to take a longer term view over matters in their department and made decisions which were based on concerns for social harmony and which emphasised fairness. The result is a modern management dilemma. Barrett (1999) argued that the key discipline for management is to maintain share price and dividend levels and that these imperatives make it difficult to envisage a willingness to make the long term commitment to and investment in workplace justice. Resolving workplace grievances can be time consuming and costly. The informal and formal meetings take time out of workplace schedules. Further, disputants, witnesses and others must be released from duty to participate in the resolution process. The costs amount to lost time wages and disruptions to work flow. Nevertheless, an argument for workplace justice can be made not simply on ethical grounds, but also on the grounds that if workplace justice creates a more committed and productive workforce, it represents good economic management.

Conclusions

We have suggested that some prominent approaches to ethical decision making can be associated in natural ways with what may be expected of HR managers in some equally prominent organisation types. If we consider deontology, virtue ethics and utilitarianism as three prominent approaches to ethical decision making, it is possible to associate them respectively with unitarist organisations, organisations which reflect postmodern or cybernetic understanding of processes and structures, and traditional pluralist organisations. There are inherent difficulties for ethical conflict management by HR managers in unitarist and in postmodern organisations. In the former, they are problems of authenticity, as managers seek genuine consensus but enforce it with organisational power. In the latter, a manager's efforts to use the rhetorical resources of the environment to achieve ethical outcomes tends to founder on the failure of contemporary environments to embody important values like compassion and benevolence.

On our account, in the traditional pluralist organisation, the HR manager tends toward utilitarianism as the foundation for ethical decision making, seeking to achieve the greatest overall good for the plurality of parties in the organisation. This approach confronts some of the well-known difficulties that face utilitarianism, but just as Rawls' theory of justice attempts to overcome those difficulties in a general way, the pluralist HR manager may find a way forward by concentrating on fair process. The major difficulty looming then is that the implementation of fair process requires time and organisational resources, and the present highly competitive environment may render these unavailable.

BIBLIOGRAPHY

- Abraham, M. 1995, 'Ethnicity, Gender and Marital Violence', *Gender and Society*, vol. 9, no. 4, pp. 450-469.
- Aristotle, 1934, *Nicomachean Ethics*. trans. H. Rackham, Harvard U.P, Cambridge, Mass.
- Barrett, E. 1999, 'Justice in the Workplace? Normative Ethics and the Critique of Human Resource Management', *Personnel Review*, vol. 28, no. 4, pp. 307-318.
- Bies, R.J. & Moag, J.S. 1986, 'Interactional Justice: Communication Criteria of Fairness', *Research on Negotiation in Organisations*, vol. 1, no. 1, pp. 43-55.
- Daly, J.P. 1995, 'Explaining Changes to Employees: The Influence of Justification and Change Outcomes on Employees' Fairness Judgements', *Journal of Applied Behavioural Science*, vol. 31, pp. 317-372.

- Deutsch, J. 1985, *Distributive Justice*, Yale U.P. New Haven.
- Dunlop, J.T 1958, *Industrial Relations Systems*, Holt Reinhart and Winston, N.Y.
- Foucault, M. 1980, *Truth and Power, Power and Knowledge. Selected Interviews and Other Writings 1972-1977*, Gordon, C. (ed) Pantheon Books, N.Y.
- Greenberg, J. 1994, 'Using Socially Fair Treatment to Promote Acceptance of a Work Site Smoking Ban', *Journal of Applied Psychology*, vol. 79, no. 2, pp. 288-297.
- Guest, D.E. 1999, 'Human Resource Management – The Worker's Verdict', *Human Resource Management Journal*, vol, no. 2, pp. 5-25.
- Hamilton, T. & Sharma, S. 1997, 'The Violence and Oppression of Power Relations', *Peace Review*, vol. 9 no.4, pp. 555-562.
- Hardy, C. 2001, 'Researching Organisational Discourse', *International Studies of Management and Organisation*, vol. 31, no. 3, pp. 25-47.
- Hechscher, C. 1994, 'Beyond Contract Bargaining: Partnerships, Persuasion and Power', *Social Policy*, vol. 25, no. 2, pp. 18-26.
- Hodgson, D. H. 1967, *Consequences of Utilitarianism*, Clarendon Press, Oxford.
- Hyman, R. 1989, *The Political Economy of Industrial Relations Theory and Practice in a Cold Climate*, MacMillan Press, London.
- Kochan, T. 1982, 'A Review Symposium: A Reply by Professor Kochan', *Industrial Relations*, vol. 21, no. 1), pp. 115–122.
- Lerner, M.J. 1977, 'The Justice Motive: Some Hypotheses as to its Origins and Forms', *Journal of Personality*, vol. 45, no. 1, pp. 1-52.
- Loewenstein, G, Thompson, L. & Bazerman, H. 1989, 'Social Utility and Decision Making in Interpersonal Contexts', *Journal of Personality and Social Psychology*, vol. 57, pp. 426-441.
- Lowry, D. 2003, 'The HR Manager as Ethical Decision-Maker: Mapping the Terrain', *7th EBEN-UK Annual Conference and 5th Ethics and Human Resource Management Conference*, Selwyn College, Cambridge, 7–8 April.
- MacIntyre, A. 1985, *After Virtue*, 2nd ed. Duckworth, London,.
- Power, M. 1990, 'Modernism, Postmodernism and Organization', in *The Theory and Philosophy of Organizations*, eds J. Hassard & D. Pym, Routledge, London, pp. 109–124.
- Provis, C. 1996, 'Unitarism, Pluralism, Interests and Values', *British Journal of Industrial Relations*, vol. 34, no. 4, pp. 473–495.
- Rawls, J. 1958, 'Justice as Fairness', *Philosophical Review*, vol. 67, pp. 164–194.
- Rawls, J. 1972, *A Theory of Justice*, Clarendon Press, Oxford,.
- Shaw, W. H. 1999, *Business Ethics*, 3rd. ed., Wadsworth Belmont, Calif.
- Simpson, G. J. & Charlesworth, H. 1995, 'Objecting to Objectivity: The Radical Challenge to Legal Liberalism', in *Thinking about Law, Perspectives on the History, Philosophy and Sociology of Law*, eds R. Hunter, R. Ingleby & R. Johnstone, Allen and Unwin, Sydney, pp. 86–132.
- Sitkin, S.B, Sutcliffe K.M. & Reed, L.G. 1995, 'Prescriptions for Justice: Using Social Accounts to Legitimate the Exercise of Professional Control', *Social Justice Research*, vol. 6, no. 8, pp. 87-111.
- Smart, J. J. C. 1956, 'Extreme and Restricted Utilitarianism', *Philosophical Quarterly*, vol. 6, pp. 344–354.
- Solomon, R. C. 1994, *Above the Bottom Line: An Introduction to Business Ethics*, 2nd ed, Harcourt Brace, Fort Worth,.
- Stocker, M. 1976. 'The Schizophrenia of Modern Ethical Theories', *Journal of Philosophy*, vol. 73, pp. 453–466.

- Teicher, J. & Van Gramberg, B. 1999, "Economic Freedom": Industrial relations policy under the Kennett government.', in *The Kennett Revolution, Victorian Politics in the 1990s*, eds B. Costar, & N. Economou, University of New South Wales, Sydney, pp. 160-73.
- Thibaut, J. & Walker, L. 1965, *Procedural Justice*, Lawrence Erlbaum, Hillsdale, New Jersey.
- Tremblay, M. Sire, B. & Balkin, D.B. 2000, 'The role of Organisational Justice in Pay and Employee Benefit Satisfaction and its Effects on Work Attitudes', *Group and Organisational Management*, vol. 25, no. 3, pp. 269-290.
- Tyler, T. 1988, 'What is Procedural Justice? Criteria used by Citizens to assess the Fairness of Legal Procedures', *Law and Society Review*, vol. 22, no. 2, pp. 301-355.
- Tyler, T. 1991, 'Procedure or Result: What do Disputants want from Legal Authorities?', in *A Handbook of Dispute Resolution: ADR in Action*, ed. K.J. Mackie, Routledge Press.
- Van Gramberg, B. 2003, 'ADR and Workplace Justice: Just Settlement?', *Australasian Journal of Dispute Resolution*, vol. 14, no. 3, pp. 233-242.
- Velasquez, M. G. 2002. *Business Ethics: Concepts and Cases*, 5th ed. Prentice Hall, Upper Saddle River, N.J.
- Warnock, M. 1967, *Existentialist Ethics*, Macmillan, London.
- Wood, D. Hunter, R. & Ingleby, R. 1995, 'Themes in Liberal Legal and Constitutional Theory', in *Thinking about Law, Perspectives on the History, Philosophy and Sociology of Law*, eds R. Hunter, R. Ingleby & R. Johnstone, Allen and Unwin, Sydney.