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Employee Relations Ethics and the Changing Nature of the American Workforce

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Abstract

Much is being written today about the changing nature of the American workforce. This article summarizes 10 of these changes: (a) global competition; (b) the changing skills of work; (c) the declining impact of unions; (d) the altered human composition of the workforce; (e) the effects of continuous improvement, downsizing, and reengineering; (f) the growing use of part-time employees; (g) the widening income gap; (h) lessened employer and employee loyalty and commitment; (i) early retirement programs; and (j) telecommunications and virtual employees. Rather than just identifying and documenting these trends, this article discusses the ethical implications of such movements. In this article, employee relations ethics is defined as "treat ing employees properly, with respect and dignity." The term *employee relations ethics* is used both individually and collectively to analyze the negative human results from a moral rather than an economic perspective. The age-old clash between bottom-line mentality (economics) versus higher order thinking (ethics) is revisited with a focus on employees, not owners (old theory) or customers (new theory).

Some things never change. Although semantics are altered from time to time and from decade to decade, the real battle line remains the same: the clash between self and others, or profits and ethics. We can vary the debate slightly by moving from profit maximization to profit optimization and on to satisfying, or by substituting morality and contemporary values for ethics. However, in the final analysis, the clash between entrepreneurship and stewardship or capitalism and spiritualism remains. The war between economics and ethics continues, using newer concepts as surrogates for past phrases (Rice, 1994). However, whether explained by global competition, continuous improvement, reengineering, telecommunications, virtual employees, pay-for-performance, management by objectives, management by results, Total Quality Management, or value added situations, bottom-line thinking and self interest prevail (Crittenden, 1994). This research and writing seeks to refocus attention on the collective service or ethics dimension. Ten topics comprising "the changing nature of the American workforce" are summarized, and each component is analyzed in terms of its negative ethical impact on employees and employee relations. Employee relations ethics is defined simply as "treating employees properly, with respect and dignity." How 10 features of the changing American workforce impact employee relations ethics is the focus.

A PHILOSOPHICAL PERSPECTIVE

Most private and some public institutions have been organized to make a profit. Major focuses might appear to change within organizations, but often an alteration is more appearance than reality. For example, instead of being owner oriented, modern companies allegedly now are customer driven. Either way, bottom-line thinking and action prevail. Yes, of course, modern theories of management include multiple stakeholders or various agents (agency theory), but the agents usually are protecting their own economic interests.

Employee Centeredness

We take a different perspective, stemming from some widely held and other not-so-widely held beliefs:

1. Human resources are every organization's most valuable assets (widely held).
2. All human beings should be treated with respect and dignity (widely held).
3. People initiate and control organizations, not vice versa (widely held).
4. Ethics are more important than profits (not widely held).
5. Means are as important as ends (not widely held).
6. Employees should be empowered and treated as entrepreneurs (not widely held).

Most organizations today ride the politically correct, customer-driven bandwagon. Although recognizing multiple constituencies, stakeholders, and agents, they focus their attention on customers, consumers, or clients. We believe that such popular thinking is as destructive as the historical overemphasis on owners. In reality, customers today are mobile and fickle. They move from store to store or vendor to vendor at the drop of a hat or price. Using low prices (with comparable quality) far exceeds repeat business as a marketing strategy and sales tactic. Cost and convenience dominate brand loyalty and client commitment as purchasing prerequisites. If we really believe that human resources are an organization's most valuable assets, then empowered employees, not alienated agents, should be the focus of attention. This is true for both private and public institutions. For example, universities should be faculty and staff driven (including administration), not student centered, as most today purport to be. Students come and go. One quarter of all freshmen will not be sophomores next year. Fewer than half of the entering freshmen class will graduate in 4 years. On the other hand, it takes a faculty member about 6 years to receive tenure, and the average length of stay after tenure is 17 years, for a total of 23 full-time years. A university is its faculty (and staff), not its transitory students. To be student focused, a university must be faculty centered. Those who purport consumerism by definition should be faculty and staff advocates. An organization is its employees, not its mobile customers. In this article, this philosophical belief translates to looking at changes in the workforce in terms of employee relations ethics, rather than from other more common parameters (economics) and perspectives (owners, customers).

THE CHANGING WORKFORCE

Global Competition

We live today in a global village (Joinson, 1995). Recognizing that economically the world is one market, we are increasingly aware that we are also one world ethically (Sikula, 1996). Distance and national borders are disappearing rapidly due to space-age transportation and communication capabilities such as supersonic jets, international telephone capabilities, and computer networks. Firms do not confine themselves to their domestic borders but scan the world for competitive advantages. Manufacturing, assembly, sales, and other functions are located strategically to give firms advantages in the marketplace. The trend to create a "virtual organization" by many multinational corporations is evidence of increasing global competition. Companies such as Nike, Reebok, and Liz Claiborne are just a few of the thousands of which find that they can generate hundreds of millions of dollars in business without owning manufacturing facilities in the United States. They can contract out operations to firms in third world countries, employing much cheaper labor (Robbins, 1997). If workers are paid $20 per hour in the United States and the same jobs can be done by workers earning $2 per hour offshore, eventually plants will shut down here and reopen elsewhere. More than 3,000 U.S. companies—including General Motors, General Electric, Zenith, and AT&T—currently do business with *maquiladoras* along the Mexican side of the border from Texas to California. The advantage to these regions is that they allow non-Mexican firms to profit from Mexico's low labor costs while enjoying minimal trade restrictions. Global competition has had a leveling economic effect around the globe (Degal, 1997). The standard of living in industrial nations often drops, whereas the standard of living rises in underdeveloped countries.

American employee relations ethics. Global competition has meant the loss of many higher paying American jobs. Unskilled and low-skilled jobs, which formerly paid a decent wage to U.S. blue-collar workers, today often are exported to countries paying foreign workers pennies instead of dollars. According to government data, manufacturing profits have fallen 15% during the last 4 quarters. Most firms have cut costs, and further layoffs are in store this year, but, at some point, the only remaining options are to shut down completely (Evans, 1999). Plant and even town closings have resulted. First Miss Steel, Inc., for example, ceased its melting operations June 30, 1999. The company operated a 400,000-ft^2 steel melting and production facility with 140 well-paid employees. Company President Winter stated that the reason for closing was because the business had been adversely affected by imports of stainless and tool steel, selling at prices below their costs. Ethical obligations and responsibilities (of treating employees properly and fairly) frequently are ignored in the pursuit of additional profits.

Changing Work Skills

Contemporary American jobs require nontraditional skills (Saseen, Neff, Hattangadi, & Sansoni, 1994). Until the end of the last century, the American economy was agrarian, requiring manual skills. The industrial revolution introduced machine power, mass production, and assembly lines during several decades of American manufacturing. One of the most notable transformations in the U.S. labor market since World War II has been the rising share of employment in the services industry and the declining share in manufacturing. In 1945, the service industry accounted for 10% of nonfarm employment, compared with 38% for manufacturing. By 1996, the services industry accounted for 29% of nonfarm employment, and manufacturing, at 18%, actually was somewhat smaller than retail trade (Meisenheimer, 1998).

Recently, factories eliminated 245,000 jobs between March and November of 1998, whereas service providers created more than five times that number of jobs during the same span. Boeing plans to cut 48,000 jobs, the Exxon–Mobil merger will eliminate 9,000 positions, and Johnson & Johnson is handing out 4,100 pink slips. Yet, jobs go begging at restaurants, retail outlets, and computer service companies (McNamee & Muller, 1998). Today we live in an information society, where 80% of U.S. workers are in service jobs (Phillips, 1994). According to America's Career InfoNet, the 25 occupations projected to grow the fastest during the 1996–2006 time period are all service related, requiring high skill levels such as computer, health care, and engineering occupations.

American employee relations ethics. Most service jobs pay less than manufacturing positions. The American standard of living has declined for many average-income Americans, because they now work on jobs which pay one third to one half of their previous wages from manufacturing companies. To sustain the parity of household income for many couples, both partners now work; some individuals have two different jobs. Family members cannot spend as much time together at home, and consequently, many people believe that child moral development and emotional maturity are suffering.

Some of the fastest growing service jobs are highly paid, and payrolls in the United States are at all-time highs. However, although the economic numbers look promising, behind the statistics, an acute skills shortage is evident in every part of the country (Kaslow, 1998). Higher paying information and computer-related positions are beyond current American skill levels and worker competitiveness in reading, writing, and mathematics. Society at large and all organizations within it have a moral obligation to train the citizenry to meet the educational challenges of the new millennium, especially if the culture wishes to sustain long-term economic growth.

The Declining Impact of Unions

Unionism began in the United States in the late 1700s. Labor strife continued for 200 years before the Railway Labor Act of 1929, and later the Wagner Act of 1935, were passed. Union membership flourished, reaching its peak of 36% of the workforce in the early 1940s. Since that time, unionism has declined steadily, below 10% of the private nonagricultural workforce and lower than the levels first recorded in 1930 (Troy, 1994). According to the U.S. Department of Labor's Bureau of Statistics, the number of U.S. workers belonging to unions fell by 159,000 in 1997 to approximately 16.1 million, which constituted 14.1% of the total U.S. eligible workforce in 1997 (Hansen, 1998; Sunoo, 1998). Contributing to this decline were such factors as lackluster leadership, union corruption, the growth of service industries, the decline of manufacturing industries, inflation, downsizing, technological advances, contingent workers, and global competition (Seligman, 1994). Labor also "bought into" many of the corporate trends mentioned in this article, in exchange for wage and working condition promises for "remaining" members.

American employee relations ethics. Some argue that even though not unionized today, the typical worker is more empowered and involved than in the past. Authority has been delegated, participative management exists, and goal setting and work teams are in place. However, appropriate compensation for enhanced worker performance is not in place. In 1997, union members received median weekly earnings of $640, compared with a median of $478 for nonunion wage and salaried employees (Hansen, 1998). Many nonunion employees perform managerial jobs without the concomitant title and pay. Often employees accomplish the work of two or three former workers without extra compensation. Gallup and Harris polls reported similarly that more than half of all American workers today feel overstressed and overworked in their current jobs. The ethical and societal implications of such working conditions should be obvious to the reader.

The Altered Human Composition of the Workforce

The American workforce is changing demographically (Judy & D'Amico, 1997). Table 1 shows the civilian labor force by sex and race for 1986, 1996, and projected 2006. As Table 1 indicates, percentage changes of the total labor force for women, Blacks, Asians, and Hispanics are increasing at a much greater percentage than for Whites and men. During the 2 decades from 1986 to 2006, the percentage changes of the labor force for women, Blacks, Asians, and Hispanics are 14.2%, 13.9%, 41.0%, and 36.2%, respectively—compared to Whites at 9.3% and men at 8.5%. The actual female work population is now at 52%, 4% above the male composition (Micco, 1997), even though there are still more available men than women, as indicated in Table 1. Minorities (Black and Hispanic), Asian immigrants, and women increasingly will make up the future American workforce (Rubis, 1996).

American employee relations ethics. U.S. firms need to make concerted efforts to attract and to maintain a diversified workforce to spread resource supplies and to minimize risk (Shellenbarger, 1995). Companies should provide proactive multicultural development programs instead of only trying to meet the minimum Equal Employment Opportunity Commission requirements to pass government inspection. With increasing diversity in the workplace, definitive educational programs need to be implemented to decrease discrimination and employee stereotyping.

Benefit packages need to become more family friendly, providing child or elder care, including the use of flexible work schedules (Moskowitz, 1997). Although some family-friendly organizations exist in the United States, they are still relatively rare due to their overall expense. In fact, American employee benefits, as a whole, have leveled off, in many cases declining in value during the 1990s. Different tiers of benefits are now common for past, present, and future company employees. In all such cases, future packages are much less generous than both past

TABLE 1
Civilian Labor Forces by Sex and Race for 1986, 1996, and Projected 2006
(Numbers in Thousands)

	Dates				*% Distribution*		
Group	*1986*	*1996*	*2006*	*% Change 1986–2006*	*1986*	*1996*	*2006*
Total men	65,422	72,087	78,226	8.5	55.5	53.8	52.6
Total women	52,413	61,857	70,620	14.2	44.5	46.2	47.4
White	101,801	113,108	123,581	9.3	86.4	84.4	83.0
Black	12,654	15,134	17,225	13.9	10.7	11.3	11.6
Asian	3,371	5,703	8,041	41.0	2.9	4.3	5.4
Hispanic	8,076	12,774	17,401	36.2	6.9	9.5	11.7

and current arrangements. Providing less for doing more is hardly an ethical employee relations practice. As stated previously, employee relations ethics means treating employees properly and with dignity and respect. Fairness and justice are built into the employee relations ethics concept. Providing less for doing more violates both the spirit and the intent of employee relations ethics.

The Effects of Continuous Improvement, Downsizing, and Reengineering

Although they are different concepts, continuous improvement, downsizing, and reengineering are discussed collectively. As noted in Figure 1, these concepts differ mainly in terms of their degree of relative change. Many people view rightsizing as a balance (50%) between old ways and new ideas.

Under continuous improvement initiatives, companies make constant small efforts to improve production. Incremental change and enhancement of everything done is the goal. Both quantity and quality increases are pursued using a process of statistical controls to reduce variations (Lawler, 1994).

Downsizing, sometimes also referred to as "rightsizing," "retrenchment," or "delayering," enables organizations to do the same or similar work with fewer employees. The organization becomes "lean and mean," attempting to obtain greater efficiency by getting the same output with fewer inputs. Technically, this often is done by enlarging the managerial span of control (the number of workers reporting to a manager).

Reengineering occurs when more than 70% of the work processes in an organization are changed (see Figure 1). Reengineering requires radical or quantum change (Shani & Mitki, 1996). Not just "how" process questions, but even "what" product or service issues are addressed in reengineering. Due to current environmental volatility and global competition, this quantum transformational change is

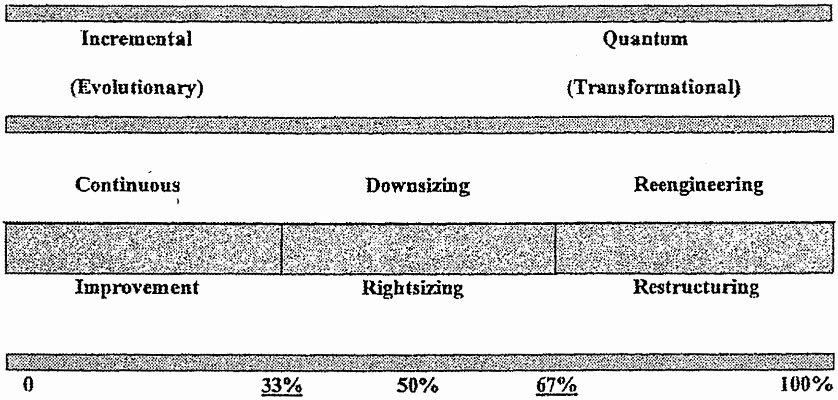

FIGURE 1 Relative change.

occurring more frequently in many companies. So much radical change is very unsettling to human beings (Byrne, 1995).

American employee relations ethics. Changing the economic livelihood of workers has many ethical implications dealing with human worth and dignity. How can companies react ethically to long-term employees who are now being replaced? Under employee relations ethics, organizations must realize that they have both economic and ethical obligations and responsibilities involving human fairness, justice, propriety, and respect. When continuous improvement, downsizing, and reengineering changes are made, executives get richer and employees get either poorer or lose their jobs completely. Institutions incorporating quantum rather than gradual change are forgetting that organizations are created to serve people, not vice versa (Austin, 1994).

The Growing Issue of Part-Time Employees

Today, America increasingly has a contingent workforce (Aley, 1994). Contingent workers are employees hired for short periods of time—usually 1 year or less (Fierman, 1994). Contingent workers are (a) part-time employees who usually work fewer than 40 hr per week, (b) temporary employees who usually work fewer than 52 weeks per year, and (c) contract or consultant employees hired to do specific projects. Usually, contingent workers have no "full-time" rights or benefits (Freedman, 1994). More than 30% of American employees were contingent workers during the early 1990s, and it is predicted that the number of situational employees will increase significantly in the future (Rogers, 1995).

American employee relations ethics. Americans today are treated as pieces of machinery or inventory. We are becoming "just-in-time" inputs where the ultimate goal is productivity and profit. This is similar to the longtime exploitation of migrant workers. Migrant workers were called to the fields or orchards to pick crops and then sent on their way with no benefits, no job security, and no consideration. Currently, American companies are doing the same thing: calling workers, professional and nonprofessional, when the "season" demands and dismissing them when the "harvest" is finished. Businesses frequently portray work one way and then proceed to practice it another when it is convenient to do so. Workers often are forced to provide for their own medical insurance and retirement benefits. Although the short-term result might be improved profits for the firm, the long-term result could be disastrous for both businesses and the government. As the average age of the American population increases, the result might be that individuals who have worked only as temporary employees have not accumulated the funds necessary to provide for their retirement. This means they will have to either remain in the workforce or turn to the government for help. The government will be forced to provide these workers with health care coverage, supplemental retirement benefits, and other services. In effect, employers are transferring their moral obligations for employee security to the government and public.

Human beings are not treated with respect and dignity in much of the American workforce. Employers consciously and unconsciously deny employees personal worth and value. Bank of America maintains less than 20% of its workforce in full-time jobs. Simply put, American companies are "dumping" the majority of their full-time workforce and replacing those employees with lower paid contingent workers (McGarvey, 1994). As this occurs, more workers will become disenfranchised by the system and drop out. Many of these individuals could resort to alcohol, drugs, even homicide and suicide. These coping mechanisms will not cost American businesses directly, but they will cost society in terms of the social programs required to aid surviving individuals and their families, resulting in higher taxes. In effect, individual employers are creating social problems for the public at large.

The Widening Income Disparity Gap

In America, the rich are getting richer and the poor are getting poorer (Mariotti, 1998). In addition, some argue that the massive middle class is drastically being reduced in size, with many of its members joining the economically underemployed and disadvantaged. What has happened is that the composition of the middle class has changed, becoming spread out over a larger income level; it is not the same middle class that we knew in the 1950s and the 1960s (Emmett, 1998). American corporations continue to make money, not because of creativity and entrepreneurship but because of (a) the use of fewer full-time workers (with 40% benefit packages); (b) the employment of fewer midlevel managers (downsized out of the organization); (c) residual workers doing more (many workers doing two or more jobs with no managerial title or increased pay); and (d) financial manipulations involving mergers, acquisitions, stock options, and leveraged buyouts.

American employee relations ethics. The 20 top paid CEOs of American companies averaged more than $60 million in total compensation in 1997. That is more than a 35–40% increase over the previous year. During the same period, the average worker received a 3% annual increase (Berman, 1997). Executive salary increases often are not linked to performance (Fefer, 1994). If this trend continues, the consequences will be grave. More and more workers will become disenfranchised by the American economic system, either dropping out or curtailing their involvement. Often, there appears to be no way currently for the average American to climb the economic ladder and achieve the "American dream." In addition, as the disparity increases between the haves and the have-nots, more and more pressure will be applied to the political system to rectify the situation. One example in the 1990s was Congress enacting legislation to restore the taxability of some forms of executive compensation. Some politicians will choose to ignore this trend, whereas others will give it lip service just to be elected. The number of people actually in favor of change will be few. One mechanism to deal with this dilemma is the economic system itself; consumers boycotting organizations that engage in the type of practices described here. However, the probability of this occurring is slight.

Lessened Employer–Employee Loyalty and Commitment

Although not widely advertised, company thinking and practice in employee career development has shifted dramatically in recent years (Hammonds, Kelly, & Thurston, 1994). Companies once spent time and money on employee enhancement and management development. Downsizing, a contingent workforce, and reengineering have changed that. Today, it is widely assumed and taught in America that the responsibility for developing a career lies with the individual, not the organization (Holcomb, 1994). In this era of throwaway workers, employer–employee loyalty and commitment are increasingly nonexistent (O'Reilly, 1994). We once thought that seven positions, often within the same company, constituted a 40-year employment career. Today, we are more likely to hear of seven different careers with seven different companies, usually starting each time near the bottom, during a work lifetime of 50 or more years.

American employee relations ethics. This instability and lack of loyalty and commitment at work carries over into our personal relationships and family interactions. Half of our marriages end in divorce, and almost one third of our children live in one-parent families. Personal and private, and professional and public, lives are inextricably related, and the lack of loyalty and commitment in one area negatively affects the other.

The lack of loyalty and commitment by management cuts both ways: Workers experiencing this lack of loyalty and commitment begin to exhibit corresponding negative behavior toward their employers. The commitment to work hard is absent because tomorrow the worker might not be employed. The commitment to learn and grow also often is not present. If growth and development are pursued, they are often done to secure a future with another organization. Employees feeling no loyalty for the firm might well switch to different employers in times of high labor demand. Employers thus will lose the experience and training investment made in their most productive workers. Because loyalty or commitment is a two-way street, and neither employee nor employer is demonstrating such cohesion, the work morale trend is downward in today's society.

Early Retirement Programs

The United States has been slow to recognize that early retirement programs often do more long-term organizational harm than good (Cohen, 1994). Getting rid of seasoned veterans in their 50s and replacing them with workers half their age and receiving half their salary may seem advantageous in the short term, but ultimately the bulk of an organization's knowledge or expertise is lost (Thornburg, 1995). Too many organizations spend too much time on replacement charts and neglect retention strategies (Simons, 1996).

American employee relations ethics. American employers are reducing their workforce by providing incentives for older workers to retire. The problem is that these workers have many years of experience and training that replacement workers lack. Management and nonmanagement workers are retiring early. In many instances, both management and nonmanagement workers are brought back as contract workers, because the organization desperately needs their skills. Often, this is more costly to the company than if it had just retained these workers.

One of the biggest lies, universal among corporate recruiters, is that work experience will help you get a job. In truth, experience usually is detrimental to getting a job, particularly if it requires higher pay. Companies in today's environment want workers with experience but are not willing to pay for that experience. If the worker has no experience, the company can hire him or her at a "bargain basement" salary. Experience and age work against employees today, as elders compete with youngsters for organizational jobs. In reality, seniors are the first to be let go in our increasingly nonunionized American work environment (Lublin, 1994). Corporate recruiters mistakenly assume that experienced skills are antiquated, senior salary demands are too high, veterans are not as mentally or physically capable as they once were, and the aged are retired early for just causes. The whole scenario contributes to moral morass and decaying decency, as corporate culture pits the age groups against each other. The young, anxious to get ahead, see the older generation standing in their way. The old see the young ready to trample over them to succeed.

Telecommunications and Virtual Employees

Currently, about 15% of the workforce work at home, and that number is expected to rise sharply. Americans are increasingly moving to decentralized work sites (Shellenbarger, 1994). Although workers sacrifice room in their homes, and companies benefit from significantly lower costs incurred by space facilities and inventories, typically, employees who work out of their homes are not paid additional money. With virtual employees, work is where their computer is. Extra effort usually is invested in keeping current on software packages and other computer-related bells and whistles. With the growing use of laptops, the work location is frequently mobile (Roberts, 1994). Once again, today's workers are absolutely providing more while relatively receiving less than in past years. This creates additional ethical dilemmas such as worker alienation from the workplace and the financial transfer of corporate overhead expenses (rent, electricity, insurance, etc.) to employees.

American employee relations ethics. Many ethically related issues are just surfacing due to the rising use of decentralized work sites, telecommunications, and virtual employees. Both direct and indirect compensation issues need to be reassessed. Employees are working at home and providing office space, utilities, and other necessities with little or no compensation. Legal problems with working fewer or more than 40 hr per week (with or without overtime) need to be addressed (Commerce Clearing House, 1994). Work quality and control also emerge as key issues. Health and safety matters surrounding decentralized work settings also will need attention. In addition, there is the problem of social isolation: Many individuals working at home have families and thus have some social interaction, but many do not have families, and they may become socially isolated. The behavioral consequences of this isolation are not known, but they might be socially detrimental. Doing what is right and humane, instead of what is expedient or popular, will be vital in working through these ethical entanglements. It might become popular to allow employees to work at home, and in many cases, it might be to everyone's benefit. However, does this mean working at home part of the time or all of the time? It might be more beneficial to allow individuals to work at home part of the time but still require some face-to-face interaction. The company might need to allocate different office space for these "homebound" workers, and the space might be smaller than for full-time, stationary employees. The office space also might become shared or rotated among several workers.

IMPLICATIONS

During the classical management era (1900–1930), owner-driven American corporations focused their organizational effectiveness and efficiency through mainly sound organizational structure (Fayol, 1949; Weber, 1964) and mechanical efficiency (Taylor, 1947). Workers' well-being and moral maximization were almost nonexistent. Credited to the human relations movement of the 1930s—and because of the contributions from Mayo (1946), Likert (1961), and McGregor (1960)—employee welfare made a gigantic step forward, lasting about 4 decades. From the Oil Embargo of the early 1970s to today, the degree of environmental uncertainty has increased rapidly. Corporate management today uses the so-called "contingency management" approach to reemphasize the bottom line of profit maximization. Although most companies superficially state that employee-driven Total Quality Management is an important priority, in practice, members of top management in many firms reject moral management as a critical decision-making criterion. The pendulum has swung too far to the other extreme, and the common policy of ignoring moral management by American corporations must be reversed as we begin a new millennium, because the social and economic costs of not doing so are too high.

Some have found solace for ethical dilemmas within the wisdom of the ages. Ironically, as we enter this millennium, a solution worth investigating might lie within past millennia. Most managers are familiar with the concept of the "Golden Mean," "Happy Median," or "Middle Way." This principle of moderation, compromise, and prudence has been the keystone of several prevalent worldviews in both the East and West for 3,000 years. Classical thinkers who propagated this view include Confucius, Aristotle, and Buddha. Confucius frequently said that the superior man is in a state of equilibrium and normality (Fung, 1966). Confucius identified the concept of equilibrium and normality with the "mean," which is consistent with the oriental view of man as a part of nature, subject to natural laws, and acting as an integral social participant (not as an adversary, trying to subjugate nature to human will). Many believe that the Golden Mean is a prudent and healthy course of action for an individual in an organization, not only at the ethical, social, and political levels, but also at the psychological and emotional plateaus. What is true of an individual usually is also true of an organization. It is critical to restore individual and institutional balance and harmony between profit-oriented and moral-oriented management practices by reversing the pendulum which has swung too far toward profit-oriented enterprise. In the long run especially, there is a relation among ethical employee relations behavior, good productivity and performance, and an organization's ability to attract and retain the best people. This is especially important in a tight labor market as exists today and in the near future.

CONCLUSIONS

People, not property, are every organization's primary provision. Manpower, not money, is every institution's main material. All human beings should be treated with respect and dignity. Institutions are created to serve individuals, not vice versa. People are best envisioned as resources and assets, not expenses and liabilities. Although not mutually exclusive, interest in human development can pay greater dividends than interest on capital. Staffing, not planning and organizing, is the most important management process. These principles and beliefs are the hallmarks of employee relations ethics and treating employees properly and with respect and dignity. For business to do otherwise invites government regulation.

Many changes are occurring in the American contemporary workforce that challenge and conflict with employee relations ethics. Among these are global competition; the changing skills of work; the declining impact of unions; the altered human composition of the workforce; the effects of continuous improvement, downsizing, and reengineering; the growing use of part-time employees; the widening income disparity gap; lessened employer and employee loyalty and commitment; early retirement programs; and telecommunications and virtual employees. Businesses initially, and then later society in general and ultimately worker households, pay for negative spillover effects created in employment due to the lack of employee relations ethics.

There is much work to be done in America and abroad in moving from moral morass to ethical excellence. Moral management is needed. Moral management is management with ethics, a state of ethical excellence, and the practice and implementation of the moral maximization principle. Moral maximization is behaviors, actions, and decisions that result in the greatest enhancement of individual and collective human rights, human freedoms, human equity, and human development. These ends ultimately can lead to more humane and productive market organizations to serve society.

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