

Compliance of Ethical Principles During Release of Employees from Employment, by Employers in Slovak Republic

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Abstract Release of employees from employment is complex process. There are many aspects that have to be respected and ethical principles are one of them. In this study, compliance of ethical principles, by employers, was researched. Relationship was proven between the way of release and compliance of ethical principles. Respondents, who were released from employment by initiative of employers, claimed that ethical principles were not respected, during the releasing process. These respondents were also dissatisfied with whole releasing process. To help employers with releasing employees, ethical release from employment was described.

Keywords Release of employees, ethical principles, ethics, dismissal

1. INTRODUCTION

Release from employment was defined as departure of employees from workplace according to termination of employment contract. Employment contract can be terminated for various reasons, such as redundancy, unethical behaviour of employee, failure of employee to fulfil business tasks, resignation of employees or other reasons (Novotný and Duspiva, 2013). When it comes to release employees from employment, many employers don't know how to act. They usually respect administrative and legal aspects of release process, but often forgot about ethics (Timotijević, 2012). It is very difficult and stressful for employers to notify an employee that has been released from employment, which leads them toward making a mistake, which employee perceive as unethical (Svobodová, 2009). Employers can't use statistic methods as Bohdalová (2002) described, but they have to find appropriate psychological and ethical method of release from employment.

Compliance of ethical principles by employers, during the release process, in companies in Slovakia was researched for purposes of master thesis (Faďoš, 2015). But relationship between variables was not examined. Data were obtained from an online questionnaire, which was filled by 77 respondents, from which 79,2% initialized terminating process, and another 20,8% was released by the initiative of the employer.

By ethical release from employment, was meant compliance of five ethical principles, by employers in Slovak companies. Ethical

principles which were examined were Honesty, Fairness, Openness, Respect and Empathy.

Employer, who is highly moral person, acted in accordance with honour and avoided unfair practices, during releasing process. Such employer respected ethical principle Honesty (Carrol, 2009). Employer had respected the principle of Fairness, if had respected rights of others and was objective towards others, during releasing from employment (Amos, et al. 2008). When employer was direct and sincere in communication and haven't hidden information, we could say that he respected the principle of Openness (Novotný and Duspiva, 2013). By respectful employer, we had in mind employer who treated released employees with dignity (Wood and Karau, 2009). Having a positive attitude towards others, understand the needs and preferences of others, these were all signs of employers who respected ethical principle Empathy (Woodside, 2010).

When ethical principles were respected, former employees were satisfied with release process. Especially, when former employers acknowledged their effort and shown gratitude.

1.1 Compliance of ethical principles

Compliance of ethical principles by employers, when respondents initiated the release process, was shown in the table below.

Table 1 Compliance of ethical principles by employers, when respondents initiated release from employment

Ethical Principle	Honesty	Openness	Fairness	Respect	Empathy
1.It was not respected	4,92%	4,92%	4,92%	3,28%	3,28%
2.It was more disrespected than respected	8,20%	4,92%	3,28%	8,20%	4,92%
3.Could not decide	3,28%	8,20%	6,56%	3,28%	14,75%
4.It was more respected than disrespected	14,75%	22,94%	24,59%	14,75%	18,03%
5.It was absolutely respected	68,85%	59,02%	60,65%	70,49%	59,02%

Source: Own resources

Employers mostly respected ethical principle Respect. 70,49% respondents claimed that employers respected ethical principle Respect. Only 3,25% of respondents claimed that this principle was

not respected. On other side, 14,75% of respondents didn't know how to evaluate compliance of ethical principle Empathy.

Compliance of ethical principles by employers, when the one who initiated the terminating process, was employer, was shown in the table below.

Table 2 Compliance of ethical principles by employers, when employer initiated release from employment

Ethical Principle	Honesty	Openness	Fairness	Respect	Empathy
1.It was not respected at all	37,50%	37,50%	31,25%	18,75%	12,50%
2.It was more disrespected than respected	31,25%	31,25%	18,75%	18,75%	56,25%
3.Could not decide	6,25%	18,75%	25,00%	0,00%	6,25%
4.It was more respected than disrespected	12,5%	12,50%	18,75%	43,75%	12,50%
5.It was absolutely respected	12,5%	0,00%	6,25%	18,75%	12,50%

Source: Own resources

The data obtained from respondents who were released from employment by initiative of the employer, were mostly negative. Respondents claimed that, employer disrespected ethical principles or that they more disrespected than respected ethical principles. It is interesting that, respondents from this group also claimed that ethical principle Respect was respected by employers. This was the only principle in this group that employers actually respected, judging by answers of respondents. In two cases respondent have chosen neither of the answers, and they were both in the group where employer initiated release from employment. First, was the ethical principle Respect. This shows us that our respondents didn't have issue with responding if they were respected or not, there was nobody who didn't know how to respond. Second, was ethical principle Openness. No respondents thought that employers were sincere towards them.

When we looked at the data obtained from respondents who initiated releasing process and data from respondents who were released from employment by initiative of employer, we could see that it is very possible that between them, exists relationship. This relationship will be proven in next chapter. Compliance of ethical principles was shown in Figure 1.

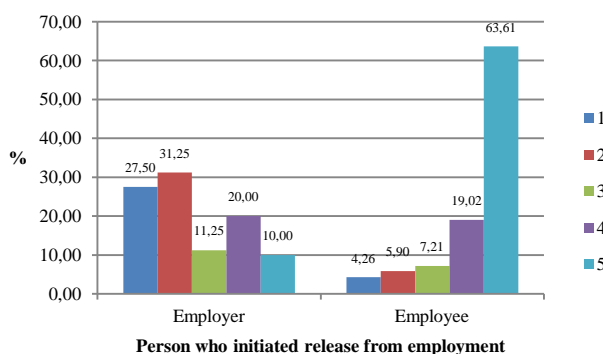


Figure 1 Compliance of ethical principles

Source: Own resources

Result was as expected. Respondents who were released by employer claimed that ethical principles were complied less than those respondents who initiated their own release from employment.

2. RELATIONSHIP ANALYSIS

Respondents, who participated in research, were divided in two groups, by the way that they were released from employment. First group of respondents was released from employment by employer, second group of respondents resigned. Had the way of how respondents were released from employment impact on how they perceived that employers respected ethical principles? Or had the way that respondents were released from employment impact on how respondents were satisfied with releasing process? Had acknowledgement some influence on how respondent were satisfied with the process of release from employment? These questions will be answered in this chapter.

2.1 Ethical principles and the way of release from employment

To prove that compliance of ethical principles depends with the way in which respondents were released from employment, we have set two hypotheses for each ethical principle.

H_0 : Compliance of ethical principles and the way of release from employment are independent.

H_1 : Compliance of ethical principles and the way of release from employment are related.

By using *Pearson's Chi-Square test* (as Render, Stair, Hanna and Hale (2014) demonstrated) p -value was calculated for every ethical principle, which we used to prove that compliance of ethical principle has depended on the way of release from employment. If p -value was greater than level of significance 0.05, 0.01 and 0.1 then H_0 was rejected, and it was proven that compliance of ethical principle and the way of release from employment are related.

In order to measure degree of association between compliance of ethical principles and the way of release from employment, we have used three coefficients: *Cramers'V*, *Contingency Coefficient* and *Phi Coefficient* (as Bruce, Patel and Shmueli (2010) demonstrated). We wanted to demonstrate that, by knowing the way of release from employment, we could ensure that ethical principle was respected or disrespected. In the table below, are shown statistic results for each ethical principle.

Table 3 Results from statistic analysis

Ethical principle	p -value	Cramers'V	Contingency Coefficient	Phi Coefficient
Honesty	0,00	0,524	0,464	-0,524
Openness	0,00	0,576	0,499	-0,576
Respect	0,01	0,395	0,367	0,395
Fairness	0,00	0,453	0,412	0,453
Empathy	0,00	0,606	0,518	-0,606

Source: Own resources

For all principles, except of Respect, H_0 was rejected at all levels of significance and it was proven that compliance of ethical principles has depended on the way of release from employment. For Ethical principle Respect, H_0 was rejected at levels of significance 0.05 and 0.1, where was proven that its compliance has depended on the way of release from employment. At level of significance 0,01 was proven that this ethical principle didn't depend on the way of release from employment.

According to association coefficients, strong association between ethical principles Honesty, Openness and Empathy and the way of release from employment was proven. This means that by knowing the way of release from employment, we could ensure that these ethical principles were respected or disrespected. Middle strong association was proven between ethical principles Respect and

Fairness and the way of release from employment. This means that by knowing the way of release from employment, we could claim with high probability that these ethical principles were respected or disrespected. Of course, for ethical principle Respect, this depends of at which level of significance we interpret data.

2.2 Satisfaction with release process and acknowledgement of employees

The way of how employees were released from employment had also impact on how satisfied employees were with release from employment. Acknowledgement of contributions of an employee, by employer also depends on how employee was released from employment. Were respondents who were acknowledged for their work, satisfied with releasing from employment or acknowledgement has nothing to do with the satisfaction with release from employment?

- a) Relationship between satisfaction of respondents with release from employment and the way of how they were released was tested with *Pearson's Chi-Square test* (as Render, Stair, Hanna and Hale (2014) demonstrated). Two hypotheses have been set:

H_0 : Satisfaction with releasing process and the way of employee release from employment are independent.

H_1 : Satisfaction with releasing process and the way of employee release from employment are related.

By using *Pearson's Chi-Square test* (as Render, Stair, Hanna and Hale (2014) demonstrated) p -value was calculated. p -value was 0.00, which was less than any level of significance 0.05, 0.01 or 0.1, H_0 was rejected and it was proven that satisfaction of employees with releasing process was related with the way of release from employment. Medium high dependence between satisfaction with releasing process and the way of releasing from employment was proven by measuring degree of association with *Cramers'V*=0.449, *Contingency Coefficient*=0.410 and *Phi*=0.449 (as Bruce, Patel and Shmueli (2010) demonstrated). We have proven that, by knowing the way of release from employment, we could ensure with high probability that respondents were satisfied or dissatisfied with releasing from employment.

- b) Relationship between contribution acknowledgement of respondents, by employer and the way of how they were released was tested with *Pearson's Chi-Square test* (as Render, Stair, Hanna and Hale (2014) demonstrated). Two hypotheses have been set:

H_0 : Acknowledgement of employee's contribution, by employer and the way of release from employment are independent.

H_1 : Acknowledgement of employee's contribution, by employer and the way of release from employment are related.

By using *Pearson's Chi-Square test* (as Render, Stair, Hanna and Hale (2014) demonstrated) p -value was calculated. p -value was 0.00 which was less than any level of significance 0.05, 0.01 or 0.1, H_0 was rejected and it was proven that acknowledgement of employee's contribution by employer was related with the way of release from employment. Medium high dependence between acknowledgement of employee's contribution by employer and the way of releasing from employment was proven by measuring degree of association with *Cramers'V*=0.397, *Contingency Coefficient*=0.369 and *Phi*=0.397 (as Bruce, Patel and Shmueli (2010) demonstrated). We have proven that, by knowing the way of release from employment, we could ensure with high probability that respondents were acknowledged or not acknowledged for their contribution to company.

- c) Relationship between satisfaction of respondents with release from employment and acknowledgement of employee's contribution, by employer, was tested with *Pearson's Chi-Square test* (as Render, Stair, Hanna and Hale (2014) demonstrated). Two hypotheses have been set:

H_0 : Satisfaction with releasing from employment and the acknowledgement of employee's contribution by employer are independent.

H_1 : Satisfaction with releasing from employment and the acknowledgement of employee's contribution by employer are related.

By using *Pearson's Chi-Square test* (as Render, Stair, Hanna and Hale (2014) demonstrated) p -value was calculated. p -value was 0.00 which was less than any level of significance 0.05, 0.01 or 0.1, H_0 was rejected and it was proven that satisfaction of employees with release from employment was related with acknowledgement of employee's contribution by employer. Medium high dependence between satisfaction with releasing from employment and acknowledgement of employee's contribution by employer was proven by measuring of association with *Cramers'V*=0.439, *Contingency Coefficient*=0.402 and *Phi*=0.439 (as Bruce, Patel and Shmueli (2010) demonstrated). We have proven that, by knowing if employees were acknowledged for their contribution to company, we could ensure with high probability that employees were satisfied or dissatisfied with release from employment.

3. ETHICAL RELEASE FROM EMPLOYMENT

We have analysed how ethical principles were respected by employers, during releasing employees from employment, now we will describe how should, one ethical releasing from employment, look like. When release from employment is certain, it shouldn't be delayed. There are few recommendations for employers, how to release employees from employment ethically.

- Reason.** First of all, reason of release from employment should be clarified, justified and documented, it can't be discriminating (Amos, et al. 2008). It is recommended providing released employee with printed detailed information about releasing from employment, in this way risk of misunderstanding is minimized (Svobodová, 2009). 21,88% of employers didn't clarify the reason of release from employment, to respondents (Fad'oš, 2015).
- Announcement place and way.** It is preferable that employer release an employee in private space, like office. Employee should be informed about his release by employer. Released employee should be the first one, who finds out that was released. He shouldn't hear this information through rumours of colleagues (Robbins and Alvey, 2007). 85,71% of employers in Slovak companies respected this condition (Fad'oš, 2015).
- Release day.** Employees shouldn't be released on Friday or before the vacation or holiday. They should be released from employment at the beginning of week because this way, they have time to resolve all administrative responsibilities. Recommended time for announcement is after lunch, and this announcement shouldn't be longer than 15 minutes (Robbins and Alvey, 2007). 71,43% of employers released employees from employment during week, except Friday, the vacation or holiday (Fad'oš, 2015).
- Tolerance.** Release from employment is stressful for both, employer and employee. Employer should act as professional. He should control his feelings, give employee space for reaction, tolerate, understand and not argue with released employee (Novotný and Duspiva, 2013).

5. **Recompense.** Rightful employer always pays deserved compensation to an ex employee. This compensation should be paid as soon as possible, and it shouldn't be denied (Trnková, 2010).
6. **Acknowledgement.** Employer should acknowledge employee's contribution to the company and show gratitude. Negative impact of release from employment would be reduced, employer's and employee's relationship will remain positive and they should remain in contact. (Svobodová, 2009). Only 21,43% of employers who initiated release of employee from employment, acknowledged employee's contribution to the company. On other side, when employee initiated release from employment his contribution to the company was acknowledged. 77,97% of employers acknowledged employee's contribution to the company (Faďoš, 2015). Respondents who were acknowledged for their work were more satisfied with release from employment (we have proven this in chapter 2.2), these employers were also considered emphatic. 63,5% from respondents who were acknowledged for their contribution to company, considered that employer absolutely respected ethical principle Empathy, 21,2% respondents, considered that ethical principle Empathy was more respected than disrespected. This means that 84,7% respondents from those who were acknowledged considered that employer was emphatic.
7. **Help and support.** When employee is released, he has many administrative responsibilities about which existence he doesn't necessary know. Employer should help him and navigate him through this process. Some employers help employees by giving them printed instructions or brochure, others use outplacement. Outplacement helps employees, by providing navigation through release process, skills trainings or help with finding new job. It also makes it easier for employers to deal with releasing employees (Grenčíková and Španková, 2011). This is still ignored by Slovak employers, only 21,43% of them helped employee who was released (Faďoš, 2015).

When employers fail to comply with ethical principles, many problems may occur. In the figure below are shown ethical problems with which our respondents had experience. As shown, the main problem during release from employment was humiliation and harassment of released employee and forcing employee to resign.

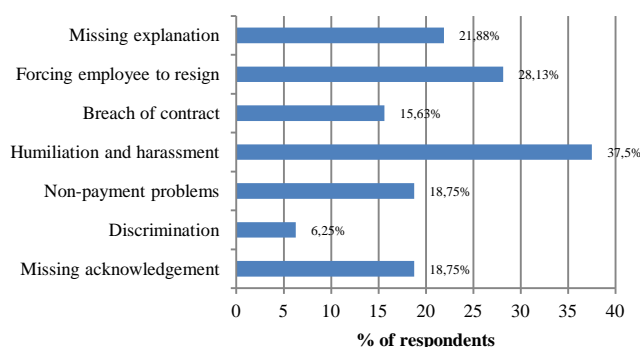


Figure 2 Ethical problems

Source: Faďoš, 2015

4. CONCLUSION

Relationship between compliance of ethical principles and the way of release from employment was proven. Respondents, released from employment by employer claimed that ethical principles were not respected by employer. Respondents who initiated release from employment claimed that ethical principles were respected. Ethical principle Respect was respected by employer, in both groups.

Respondents who initiated release from employment, were satisfied with releasing process and they were acknowledged for their contribution to company. Respondents who were released from employment, by employer were dissatisfied with releasing from employment, and they were not acknowledged for their contribution to company. Respondents, acknowledged for their contribution to company, were satisfied with releasing process.

Employers should clarify reason of release from employment, to employee. They should inform employee about his release from employment, in private place, and release from employment shouldn't happen on Friday or before the vacation or holiday. Employers should provide employee with printed information about releasing from employment and navigation through this process. They should acknowledge employee's work and pay all his obligations toward employee.

How employer acts, during releasing from employment has great impact on his reputation and reputation of the company. Employers should be emphatic and professional, and they should always respect ethical principles.

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