HUMAN RESOURCES DISCRIMINATION

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Abstract
Searched company has a policy that they will provide tuition reimbursement to employees on classes and workshops, which benefit the company, or classes, which apply to a degree program. However, the most challenge part is that it turns out that reimbursement for graduate level classes is available only to employees at the managerial level. This policy essentially excludes the majority of the employees from gaining a graduate degree and is inequitable in its impact on employees, since managers already have degrees and higher wages, thus putting them in a position to benefit more from many company benefits such as thrift plan in the first place. The theoretical analysis in this study follows Kotter's eight-step model for change and identifies the obstacles and benefits for maintaining a successful management team. This model offers a well-defined linear approach for CEOs and leaders. The eight stages designed by Kotter will help to define barriers for managers such as a low level of trust among employees, human resources discrimination, arrogant attitude, and lack of leadership skills in middle management. In addition, this study describes and discusses the various elements and aspects of the general and specific responsibilities and activities of the CEO in an effective organization. First, the CEO must assess and address the wants and needs of subordinates that directly relate to organizational growth. Another critical requirement/responsibility is to be aware of organizational change both present and projected that effects company growth. The CEO must be consciously aware of changing cultures and assess the validity of seeming changes. Another vital responsibility is to examine former and current policies directly related to the issue of organizational change. Within an organization, often there are factors that create success or cause failure. The CEO must constantly seek to identify those factors since efficient leadership is one of the key components of assuring organizational success.

Key words: Human Resources Problem, Discrimination, Tuition Reimbursement, CEO.

Classification JEL: M12 – Personnel Management.

1. Introduction

While it is true that graduate work is more expensive than undergraduate classes, therefore the company might pay more for employees working at that level, undergraduate students were not required to attend less expensive public universities so there is no guarantee that their classes would be any less expensive. The policy cut across the company so all non-managerial employees were potentially affected in both administration and manufacturing. This is definitely a problem of inequality, since managers had a benefit not extended to other employees.

The company has a changing role in business. It does provide services to the employees regarding training and employment benefits but it is not an employee advocate. Its policies are intended to benefit the company. In other words, the company policies are intended to support the company mission and goals. According to Begley and Boyd *(2000)*, a company is to act as a consultant in strategic management to hire skilled and qualified individuals, keep management from running afoul of various regulatory requirements regarding treatment of employees, and improve the bottom line by defining a fair and competitive compensation package. As in all areas of the company, there is a desire to keep costs as low as possible.

2. History of the problem

Not long ago, my friend Ali worked for a company, which manufactured, sold and leased kidney dialysis machines. This was a large company, owned by an even larger company, and they had what seemed to be excellent company benefits – health insurance, retirement plan, thrift plan, tuition reimbursement, company cafeteria, etc. He was going to graduate school and the specific benefit, which enticed him to accept their job offer was tuition reimbursement even though the pay was only average. Employees were encouraged to take classes, which would improve their ability to do their jobs and to be promotable. Company policy was to help employees reach their potential especially since the company stood to benefit from their improved skills.

Ali already had his Bachelor's degree in business when he went to work in their accounting office. There were several other people in the department who also held degrees and of course all the managers (budgeting, cost accounting, and general accounting) were degreed. At the time he was hired, he had started on his Master's and they were aware of that. It was one of the reasons they wanted him, and part of their pitch was the tuition benefit, since the money they were offering was only average. He was told that he would have to wait three months to be eligible, then take and pass the course. He would then be eligible for reimbursement of tuition and books.

Ali did everything he was told to do; he waited out the time, took the course, passed, and filed the paperwork for reimbursement, only to be told that the policy was that only managers could be reimbursed at the graduate level. The manager who hired him was apologetic, but claimed he could do nothing. He asked if a raise could be arranged since he had been enticed to take the job and work at a rather low rate of pay based on this potential benefit. The answer was no; they were sorry for the misunderstanding, but there was nothing that could be done.

A few days later, Ali was working late on a paper for a class and the CEO happened by and complimented him on his diligence. Ali explained that he was writing a paper for his master's class and they chatted a little. When Ali told the CEO what had happened, the man suggested that he could file a request for a review of the policy, noting that reviews were required to go as high as the CEO if they were turned down at the lower levels.

So, Ali went back to his boss and asked what the review process was. In a few days, Ali met with the VP of Human Resources, who was not encouraging. She clearly wanted to discourage him from filing for the review; however, when Ali stated that the CEO had suggested it, there was a sudden change in attitude and he left with the paperwork. Ali filled it out, explaining carefully that the promise of tuition reimbursement had been part of the job offer, and within a few weeks payment was approved on a one-time basis.

3. Theoretical analysis – Kotter change's model conclusion

Because of their strategic importance, and because of their interactions with the rest of the business, the company policies should not be left to HR specialists.

3.1. Create urgency

General managers run the human resource aspect of any business and they should understand how company policies integrate with the broader business strategies. Baron and Kreps *(1999)* suggest that this integration actually takes place along five continuums – business strategy, the external social political, legal and economic environment, organizational culture, technology and work orientation, and workforce demographics. Successful firms take all of these factors into account and generally display HR practices, which reinforce consistent values and messages.

3.2. Form a powerful coalition

Policies, especially in HR, have many functions. They should ensure that the company is in compliance with state, federal and county regulations. Well-written policies help to discourage discrimination and harassment on the job, provide safety, and offer guidelines for compensation plans, including benefits. Since these policies are used by managers in their day-to-day interactions with employees, it's important that they reflect the organization's goals and ethics *(Ellerman & Kleiner, 2006).* At the same time, policies should dovetail with employees' needs. If policies reflect a commitment to fair play and justice, they will build employee enthusiasm and loyalty.

3.3. Create a vision

Peck *(1994)* pointed out that although HR policy should support organizational strategy, more often there are few, if any, links between the two. HR policies include selecting, developing and maintaining the participation of employees. This would mean that the company naturally has input into compensation, benefits, staffing, training and development. It is common to have different practices for different groups, especially if a union is involved.

3.4. Communicate the vision

According to Peck *(1994)* managerial and professional employees generally have more flexible policies and this is where the link to organizational strategy should be found, if it exists. However, this is a very complex relationship and difficult to measure in a meaningful way. Begley and Boyd *(2000)* stated that recruitment of highly skilled individuals is critical, especially at the managerial level. For this reason, benefit packages for managers are usually more substantial than that for the rank and file employee. While this may be counter-intuitive to building a strong workforce and promoting from within, it is management who sets policy and they are inclined to pay themselves first.

3.5. Remove obstacles

In the U.S. this is apparently much more common than in other countries. It is common to see articles in the media regarding the fact that salaries of CEOs in other countries are much less than the average in the U.S. and that the difference in pay between upper management and the average employee is much wider in the U.S. than in other counties. This has created a sense that management is often not fair in their division of the "spoils" and that employees are underpaid and underappreciated.

3.6. Create short-term win

It appears that although the tuition reimbursement benefit was available, very few employees actually used it. Most of the managers put in 60-hour weeks and found very little time for personal growth. Many of the lower-level employees already had undergraduate degrees or were not interested due to the demands of their personal lives. Others had good intentions, but did not get around to using the benefit. According to Lambert *(n.d.)*, individual benefits may be meeting the needs and preferences of a relatively small group of employees, and that the higher workers' income and status, the greater their overall use of company benefits and supports.

3.7. Build on the change

Managers and white-collar workers are more likely to appreciate and use benefits and women generally appreciate them more than men *(Lambert, n.d.).* In my opinion, all company benefits such as health insurance, retirement programs, and tuition reimbursement should apply equally to all employees. However, from the company point of view this is not so simple. It is critical to hire skilled people, particularly at the upper management level.

3.8. Anchor the change in corporate culture

It is critical to make enough of a profit to stay in business. At the time this happened, the company was not in a profitable position and had just experienced a round of reductions in force. Not long thereafter, the company was put up for sale, another round of layoffs was initiated and the executive staff was moved out of an expensive high rise and reunited with the manufacturing plant. Positions were eliminated based on cost, with some of the eliminations being employees with seniority because elimination of their salary could make a higher impact in the deficit; however, it was noted that no managerial positions were included in the reductions, even though support staff was cut by about half. Perhaps a complete restructuring of policies with some substantial elimination of benefits which were little used would have been in order but it was clear that upper and middle management was protecting itself at the expense of the rest of the employees *(House, Hanges, & Javidam, 2004).*

4. Discussion of an effective CEO

After this general review of the HR discrimination, a discussion of the parameters necessary to avoid organizational and leadership toxicity follows. Various aspects will be addressed. First, a CEO is responsible to take a moment to reflect on the overall infrastructure of the organization. Often times, during organizational changes, leaders fail to consider obvious elements that initially helped the organization prosper. Only after a careful review of these elements, can organizational needs of the organization as a whole be discussed. No pro or con list will be effective in a discussion that has not relied on investigation of what has been efficient and what has not *(Zoranda, 2005).* In addition to investigating the organization as a whole, accountability on all levels, including within this particular leadership role, is a definite requirement. If one is not accountable, the possibility of organizational failure increases. Toxicity occurs where accountability is absent *(Yukl, 2006).*

Most organizations have some positive attributes even if the organization is failing. Accountability issues directly relating to the policies, rules, codes of ethics, and the mission of the organization must receive foremost consideration. The CEO must never seek to determine the truth/fact of any scenario whether it involves members of the Board of Directors, employees, volunteers, and/or shareholders without a carefully executed investigation and determination of the results *(Tracy, 2009).* Furthermore, all members of an organization from top to bottom are important. Although a difference in point of view may occur, listening to all points of view is an essential element of the ethical investigative process. Organizational success is impossible unless all who are involved within the organization have a voice and know it *(Swiderski, 1981).*

Organizational changes are not easy although in many instances change is necessary within the organization’s structure in order to maintain continued growth. On occasion, during these changes, the ideas of individual organizational members may clash. It is important for all employees to realize that the CEO will be available to listen to the opinions of all employees but will not lose sight of the organization’s mission and rules *(Strang, 2004).* Although there will be an effort made by the CEO to support all ideas, subordinates must realize that members who are not willing to be flexible and adhere to the organizational changes that do retain the mission and rules within the change normally are asked to resign. The CEO will strive to maintain a comfortable working atmosphere during both changes and afterwards when a new structure has been formed *(Stogdill, 1974).*

Furthermore, the CEO will strive to prevent both apprehension and resentment and other elements that can eventually lead to toxic leadership within the organization. In order to provide this platform, and in order to ensure organizational transparency among leaders, the formation of support teams/investigative teams will occur and used for both information gathering and assessment. All employees should note that a vital element and requirement of each of these teams is to accurately note the sources in order to create valid documentation with which to work. Without this procedure, the level of trust between leadership and subordinates cannot be established *(Reynolds, 2003).* Organizational transparency is limited by a lack of trust. Since transparency is an essential element of employee satisfaction, a lack of it can alter growth. Beyond these considerations, one must remember that clear communication is an important organizational element *(Northouse, 2007).*

In order to promote clear communication and avoid leadership toxicity, an employee within that position for each employee must exist, must follow clear job descriptions. All employees should be aware of the existence of these descriptions and should have the opportunity to review them when requested *(Morgan, 2006).* In addition, a support team established to listen to and clarify concerns about issues would be formed at each divisional level. To prevent intimidation of subordinate by those in leadership positions, an annual review of all employees should be implemented and conducted by an objective committee not solely conducted by the employee's immediate supervisor. Avenues for discussion after the review will be established to insure fairness of the reviews *(Mathers, 2006).*

It is important to be clear about the alignment of personal goals/values with those of the organization. The office of the CEO will issue a document stating both the organizational ethics and mission of the organization that will be reviewed by those conducting interviews and by the interviewee. It is no secret that various contributing factors such as the economy, family, and financial responsibilities can determine who applies for a position of employment. It is important that the values of the employees and the expressed value of the organization align. This becomes important in a discussion of turnover, an element which limits continued growth and can lead to toxic leadership. Obviously, this elevates the importance of careful selection of the elements used within the hiring process, which, in turn, contributes to success *(Lynch, 1992).*

To reiterate, the hiring process is an extremely important element within the organizational structure. The CEO should work closely with Human Resources and those involved in the interview process to be sure that clear, specific, quantifiable goals are present during each interview process. On occasion, leaders find it necessary to slow down the hiring process when suitable candidates are not present and use reliable temporary agencies. However, the hiring of temporary employees does not allow for goals to be set-aside during the temporary hire *(Luthans, 2002).* It is important that the office of the CEO compiles a list of suitable questions in an objective questionnaire that is used within the hiring process that determines whether the candidate for the position does not challenge organizational values and goals. On occasion, the "getting to know you" process/probationary period is rushed for many reasons, usually ending in less than satisfactory results. It is important that this does not occur. The major element, which will prevent this, is the incorporation of accountability at all levels *(Lloyd, 2002).*

Employees should be held accountable. However, in order to do so, leaders must provide a firm timeline for completing projects and provide support teams available when deadlines are difficult. Although job descriptions dictate subordinate and leadership activities, leaders are expected to both encourage and provide support for all subordinates. Granted, checks and balances will be implemented not only due to their overall value in any organization's structure, but also they increase efficiency and decrease potential problems. Although the establishment of a checks and balance system can be extremely time consuming, it is essential. Goals cannot be obtained or assessed without a balance sheet *(Kouzes, 2002).*

A clear vision for all projects must be in place. All must be held accountable for their organizational activities. Furthermore, shareholders are responsible to provide an organization with a transparent tally of the checks and balances system in place. Since a company's controller acts as a balance to its executives by monitoring everything from the accounting books to the ethics of the firm's personnel *(Gray, & You, 2009),* the office of the CEO will work closely with the controller to determine all personal activities within the organization.

Obviously, it has seemingly been established that checks and balances are needed. Why? For one major reason: to discourage toxic leadership and to insure organizational success. How do checks and balances discourage toxic leadership? Checks and balances encourage transparency among members while improving structure. In addition to the overall infrastructure, checks and balances also allow one to measure the short-term success in the company, thus providing a map for future success.

The CEO's transparency is encouraged among the staff but also insist that it exists. If one is not mindful of the role and importance of transparency, their lack of effort can create failure. There is seemingly a call for cohesiveness within the organization and urge all to consider the components needed to support cohesive behavior *(Klein, 1984).* To understand the logic, strengths and transformative power of transparency, one has to place it against the background of what he / she has elsewhere called informational governance and what others have referred to as regulation by information *(The Future of Transparency: Power, Pitfalls and Promises, 2010).*

To provide for this type of informational governance, it is strongly suggest that a focus group is established to determine the best method for providing that all members of this organization have a voice. Focus groups seemingly add a solid layer to an organization's infrastructure. It is important to provide a safe platform in order for members to voice her / his opinions as it relates to the organization and its goals. The big advantage of groups of people known to each other is that talking with acquaintances represents a more 'natural' situation: it can effectively model everyday conversations, debates and interactions *(Vicsek, 2012).* It seems within some organizations, subordinates are discouraged to voice opinions, which can lead to employee dissatisfaction. One can assure employees that all ideas will be encouraged in order to prosper as a unit although, obviously, not all ideas can be utilized. As mentioned earlier, a pros/cons list is needed and will be implemented in order to provide the environment for personal and organizational growth *(Haughton, 2004).*

One issue focuses on finances. The financial team will support financial goals.

A glaring issue within many organizations occurs when leaders combine financial goals within an organization's goals for productivity and objectives. Leaders within the organization are required to have a financial background, however, each must be able to communicate financial facts clearly to maintain organizational transparency *(Goleman, 2000).*

Furthermore, each must be able to understand a checks and balances sheet relating to accounting and financial growth. Organizational policies in the past have implemented projections related to financial growth and trends. A CEO can be a dangerous position if one guesses wrong. Implementing a checks and balance sheet in the Financial Department is essential to minimize risk *(Gibb, 1993).*

To avoid leadership toxicity, leaders should be personable and should measure the effectiveness of organizational members by an employee's ability to be creative and productive. However, flexibility is warranted *(Bass, 1985).* It is seemingly a necessity to maintain employee morale. All leaders should be urged to acknowledge members by verbally supporting and employee strengths. Integrity and honesty should also be noted. Qualities like integrity or honesty that are ascribed to ethical leaders imply that they are characterized by authentically moral values and ethical identities; that is, that they are not only moral managers but also are moral people *(cf. Brown & Trevin, 2006).* There will be an attempt to encourage all members of this department to implement personal goals and values that adhere to those of the organization and be encouraged to have a person sense of integrity and moral courage. Leaders must model the behavior followers are to be encouraged by. It is important for individuals to have the ability to stand up for what is right. Sekerka and Bagozzi *(2007, p. 135)* defined moral courage as „the ability to use inner principles to do what is good for others, regardless of threat to self, as a matter of practice." Kidder defined moral courage as a

„commitment to moral principles, an awareness of the danger involved in supporting those principles, and a willing endurance of that danger."

It is important for a CEO to attempt to establish a website to reinforce the organizational image and to allow organizational members and consumers to witness the transparent nature of an organization. The goal is to make it navigationally easy while providing essential information *(Bednarzki, 2000).*

5. Conclusion

Thus, to conclude, the goal as the CEO is to provide an organization with all the elements to support transparency and organizational growth. An effort should be made in hope of being aware of personal values and professional prosperity. There should be an attempt to provide organizational members with clear, specific and quantifiable goals. Also appointed leaders will be responsible for facilitating and distributing duties among subordinates in the appointed areas. One of the primary goals will be to provide the staff with the support needed for carrying out duties in an efficient manner. To promote the absence of toxic leadership within an organization, leaders will constantly strive to make all employees aware of all the ethical components within the organization. IA transparent checks and balances system should be implemented. Necessary programs should be implemented that promote trust. During the early stages of one's employment, it is important to identify both wants and needs of all employees and assess these in order to determine what will provide for continued efficiency, organizational growth, and employee morale. Realizing that one of the most important qualities is to be clear about organizational goals. Leaders will also focus and strive for clarity and work closely with human resources during the interview process. In order to support a regime in the twenty first century, firms must be culturally aware, culturally sensitive, and promote diversity of ideas. Doing so will provide for trust in all levels of the organization and most of all, potential growth, an element we all desire.

It was very clear that if Ali had not had the accidental conversation with the CEO, that he would never have known about the review process. His boss was also a relatively new hire and possibly did not know about the process, but he did little to find a solution, possibly protecting his own position. Also, the VP of HR came prepared to talk him out of filing until she discovered the CEO had suggested it. However, no one offered to help Ali fill out the paperwork or make the process any easier. The system was definitely not intended to help the employee but rather to offer the company the appearance of due process if its policies were later challenged legally.

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