



HR Specialist Summit

September 10-11 | 1:00-5:00 p.m. Eastern

Handling Ethical Dilemmas in HR: Real-Life Challenges and Solutions

Suzanne Lucas
Improve Your HR



HR Specialist Summit

What is **Legal**?

Vs

What is **Right**?

Introducing the LEAD model

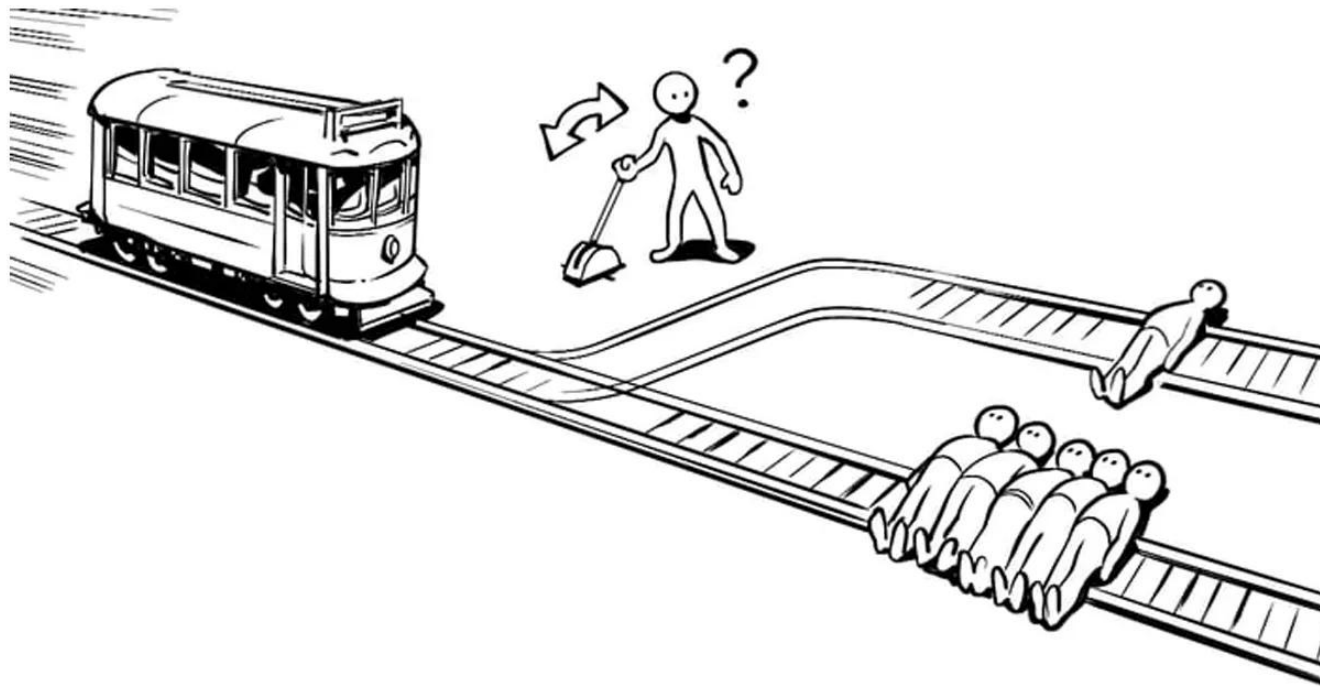
L – Legal Compliance → Does this action comply with employment laws?

E – Employee Impact → Is this fair and beneficial for employees?

A – Alignment with Business Goals → Does this serve the long-term success of the company?

D – Do You Stand By It? → Can you personally justify this decision? Would you feel comfortable explaining this decision publicly—to your team, a journalist, or a judge?

If only it were easy



HR Specialist Summit

Remember: The Law Is a Floor Not A Ceiling



Basic Ethical Situations for HR

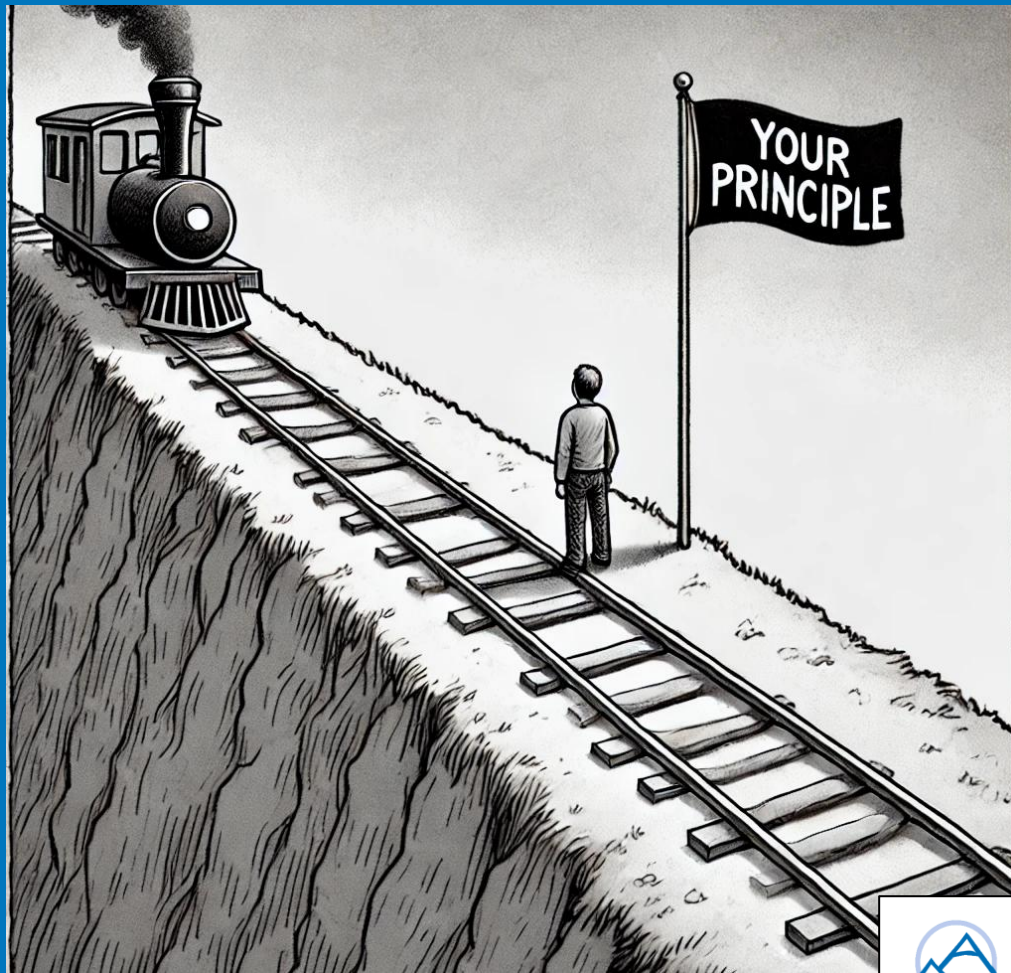
- Keep **confidential** information confidential
- Investigate every claim of **illegal behavior**
- Ensure **compliance** with all laws
- Treat employees **professionally** at all time



Your **personal** opinion
does not matter

Your **professional**
opinion does matter





HR Specialist Summit

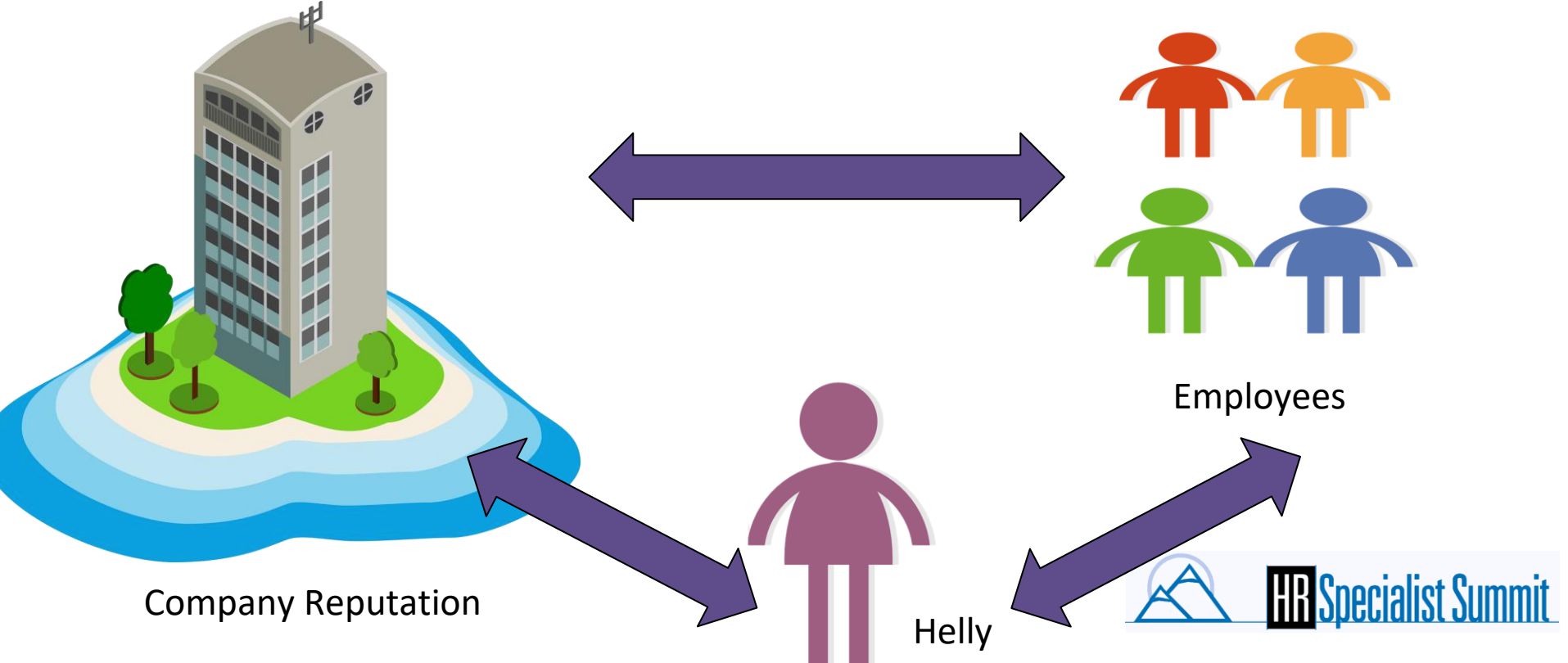
Case Study 1: Confidentiality vs. Transparency

Helly comes to you and says her boss, Mr. Milcheck, has sexually harassed her. You conduct an investigation and determine that Mr. Milcheck has been sexually harassing her and others.

Mr. Milcheck is an executive. The CEO decides to offer Helly a **settlement** in exchange for quitting and signing a **Non-Disclosure Agreement**. Mr. Milcheck will be required to undergo harassment training.

What is the right thing for you to do?

Where are the Ethical Dilemmas?



Applying LEAD

L – Legal Compliance → **Yes.** you've investigated the sexual harassment and reached a settlement

E – Employee Impact → **Maybe.** Helly feels the settlement is fair and is happy to take it. The other employees are at risk.

A – Alignment with Business Goals → **Maybe.** The company has stopped the problem with Helly, but can they trust Mr. Milchick? Will this come out in the future?

D – Do You Stand By It? → **Maybe.** This is a question you must decide



Case Study 2: Confidentiality vs. Transparency

An employee, Dylan, approaches HR with a serious concern: his direct supervisor, Mark, has been making inappropriate jokes about illegal immigrants and sends memes and jokes via text in off-work hours.

Dylan states that he does not want HR to take action or inform Mark or anyone else. He just wants to "put it on record" in case things escalate but fears retaliation if HR intervenes.

Do you investigate?

Where are the Ethical Dilemmas?



Legal Compliance



Dylan



HR Specialist Summit

Applying LEAD

L – Legal Compliance → **No.** You must investigate all claims of racial discrimination and harassment

E – Employee Impact → **No, not fair.** Dylan will still be impacted by Mark's inappropriate jokes and perhaps other employees are as well.

A – Alignment with Business Goals → **No.** This puts the company at risk. Once HR is aware, it becomes a bigger issue.

D – Do You Stand By It? → **No.** With three clear Nos above, you need to investigate. Tell Dylan you have to look into it and proceed from there.

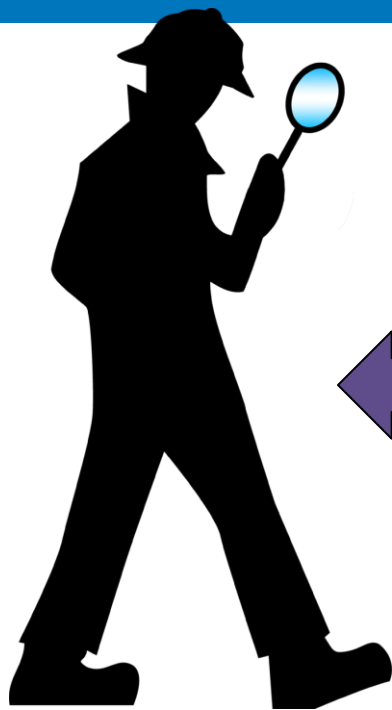
Case Study 3: Conflicts of Interest

You have worked for Lumon for almost 20 years and are the head of Human Resources. In the past six months, you have begun a relationship with another employee, Irving.

Irving participates in a public protest against Lumon's policies. You, as the head of HR, have to determine whether Irving's behavior was concerted activity and, therefore, protected, or whether it is not protected behavior.

Lumon will terminate Irving if it is not protected activity. Should you proceed with the investigation or should you hire someone from the outside?

Where are the Ethical Dilemmas?



Investigation



Love



HR Specialist Summit

Applying LEAD

L – Legal Compliance → **No.** You cannot conduct an effective investigation when you are in a romantic relationship with the subject

E – Employee Impact → **No, not fair.** A biased investigation doesn't protect employees.

A – Alignment with Business Goals → **No.** The company needs to protect business practices, and a faulty investigation hinders the goals

D – Do You Stand By It? → **No.** With three clear nos, you've got to hire an external investigator.

Case Study 4: Conflicts of Interest

You, the HR manager, were chatting in the break room with Devan, a product manager, You say, “How’s it going?”

Devan responds, “I’m so excited! Ricken and I are house hunting because I’m pregnant! It’s going to be tight, but I’m so excited to be homeowners and a MOM!”

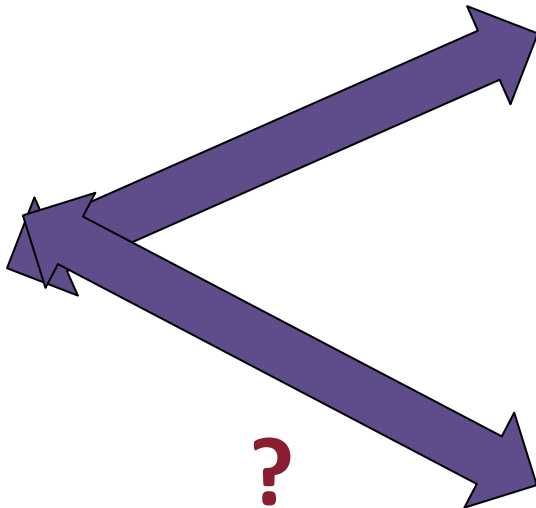
Later that day, the CEO tells you that the product Devan works on will be canceled next month and all jobs on that team will be eliminated.

Should you tell Devan?

Where are the Ethical Dilemmas?



**Your Obligation to the
Company**



**Devan and her
family**



**U.S. Securities and
Exchange Commission**



Emotional vs. ethical decision-making

*Sometimes, doing what's ethical feels unfair. But ethical HR means making decisions based on **principles**, not emotions.*



Applying LEAD

L – Legal Compliance → **Maybe**. Depending on the size of your business and the impact of this product elimination, telling Devan could be an SEC violation.

E – Employee Impact → **Maybe**. Telling Devan would certainly be a kindness to Devan, but it's unfair to her coworkers and may cause serious issues within the company.

A – Alignment with Business Goals → **No**. Revealing this information too early can cause serious business issues.

D – Do You Stand By It? → **No**. As painful as it is, telling Devan would not be the right thing to do

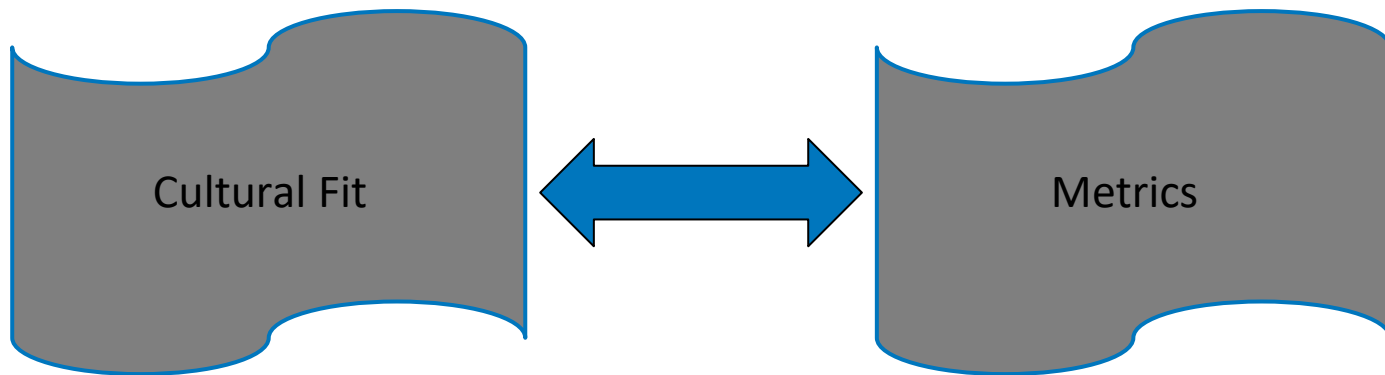
Case Study 5: Ethical Blind Spots

Mark, a department manager, is responsible for selecting a new team lead. Two employees, Dylan and Helly, are the top contenders. Dylan has been with the company for five years and is known for being highly social, often grabbing lunch with Mark and attending company outings. Helly, on the other hand, has only been with the company for three years but has consistently outperformed Dylan in measurable results.

Without reviewing performance metrics, Mark instinctively promotes Dylan, rationalizing that Dylan is a "better culture fit" and "a natural leader." Helly later approaches you, the HR manager, expressing frustration, feeling that the decision was biased and not based on performance.

What do you do?

Where are the Ethical Dilemmas?



Applying LEAD

L – Legal Compliance → **Mark's decision was legally risky.** Companies have flexibility on who they hire and promote, but this looks bad. It probably wasn't sex based discrimination but it was cronyism.

E – Employee Impact → **Bad for all employees.** Making promotions based on friendships is bad for employee morale.

A – Alignment with Business Goals → **No.** The best person for the job needs to get the job. Even if Dylan is a better fit, where's the documentation?

D – Do You Stand By It? → **No.** This is a bad decision, but can you undo it?

Case Study 6: Following the law

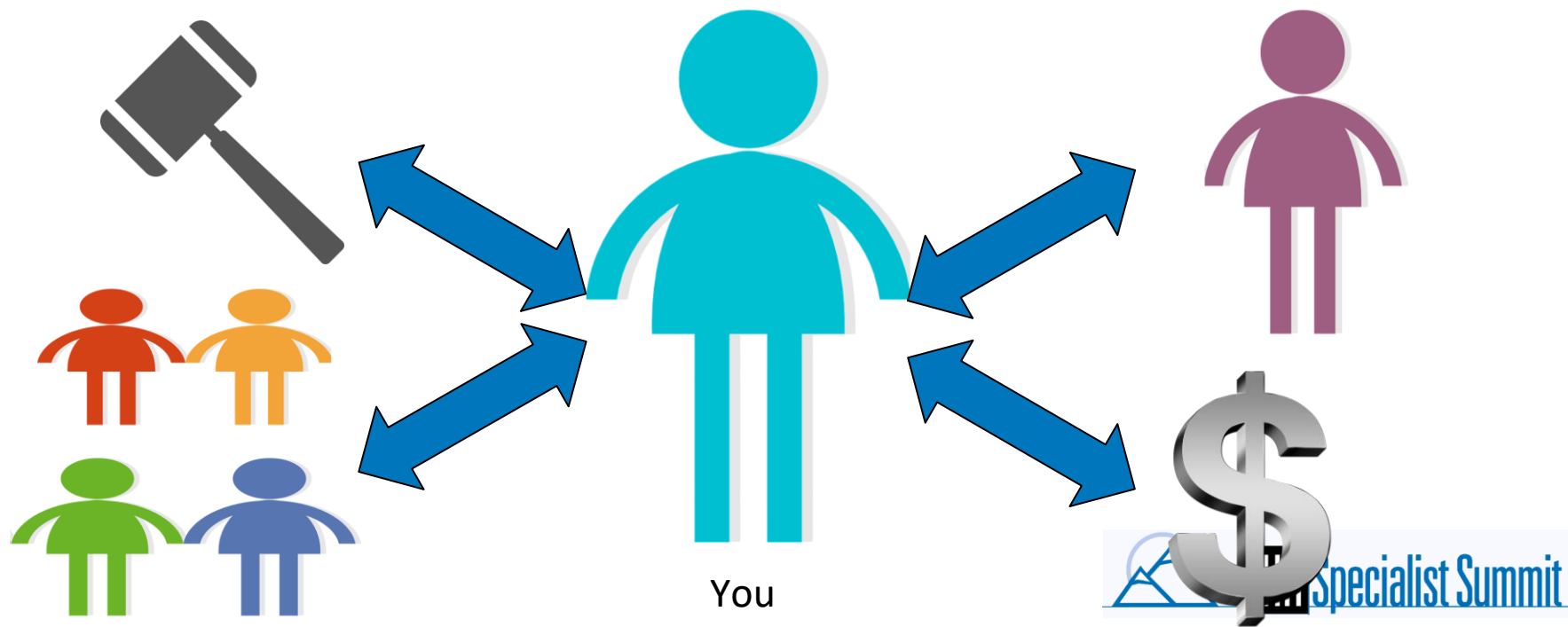
Gemma works in the Macrodata Refinement department at Lumon Industries and recently discovered that employees who attempt to resign or voice concerns about their working conditions are subjected to forced "wellness" sessions that pressure them into staying. She confides in you, the HR representative. You also feels uneasy about the practice but know that Lumon's legal team has explicitly approved these sessions, stating they do not violate any laws.

You investigate further and realizes that while the company is legally compliant, the practice manipulates and intimidates employees into staying silent. However, if you raise concerns, you risks retaliation or being forced to undergo a wellness session yourself.

Do you escalate the complaints to senior management?



Where are the Ethical Dilemmas?



Applying LEAD

L – Legal Compliance → **The program is legally compliant.** The lawyers have given the program the green light.

E – Employee Impact → **Bad for all employees.** If the employees hate it, it destroys engagement and makes employees unhappy.

A – Alignment with Business Goals → **Maybe.** Perhaps you need to understand why they are doing this. Right now it seems like it's destructive to the business.

D – Do You Stand By It? → **No, but...** If management is all in, you may suffer real consequences by standing up against this program.



Setting up an Ethical Workplace

- Make Ethical Expectations **Clear**
- Ensure policies explicitly **promote ethical behavior**—not just legal compliance.
- Provide **ongoing ethics training** that includes real-world case studies.
- Hold everyone—including executives—to the **same ethical standards**.
- **Ensure leaders model** ethical behavior in decision-making, not just in words.
- Create safe, confidential channels for employees to **report concerns**.
- Train managers to respond to ethical concerns **without retaliation**.
- Implement **whistleblower** protections to build trust.

Don't forget the LEAD model

L – Legal Compliance → Does this action comply with employment laws?

E – Employee Impact → Is this fair and beneficial for employees?

A – Alignment with Business Goals → Does this serve the long-term success of the company?

D – Do You Stand By It? → Can you personally justify this decision? Would you feel comfortable explaining this decision publicly—to your team, a journalist, or a judge?

Questions?

EvilHRLady@gmail.com

www.EvilHRLady.org



HR Specialist Summit