



Ethical Human Resource Practice and Performance of Auditing Firms in Australia: A Case Study of Moore Australia

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Abstract

Ethical human resource practices play a pivotal role in shaping the performance and reputation of auditing firms in Australia. By prioritizing ethical conduct throughout their human resource policies and initiatives, auditing firms can foster a culture of integrity, accountability, and trust. These practices include ethical hiring processes, comprehensive employee codes of conduct, ongoing training and development programs, and the promotion of work-life balance and employee well-being. When auditing firms demonstrate a strong commitment to ethical human resource practices, it positively impacts employee engagement, retention, and overall job satisfaction. The study used the descriptive research design. The target population was 25 employees of Moore Australia working in the Human Resource Department. The study did sampling of 20 respondents that were selected from the target population of 25 employees of Moore Australia working in the Human Resource Department. Questionnaires were used to collect the data. In conclusion, Moore Australia highlights the significance of ethical human resource practices in the performance of auditing firms in Australia. Moore Australia's commitment to ethical conduct throughout its human resource policies, employee engagement initiatives, and leadership exemplification has contributed to enhanced employee satisfaction, client relationships, and overall business performance. Ethical human resource practices are a vital component of fostering a positive work culture, maintaining a strong reputation, and achieving long-term success in the auditing industry in Australia. The study recommended that auditing firms in Australia should focus on strengthening ethical leadership and fostering a culture of integrity throughout the organization. Additionally, enhancing employee engagement initiatives, promoting diversity and inclusion, and emphasizing continuous ethical communication and training are recommended to further improve ethical human resource practices and drive performance.

Keywords: *Ethical Human Resource Practice, Performance, Auditing firms, Australia*

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1.0 Introduction

Ethical human resource practices play a vital role in shaping the performance and reputation of auditing firms (Roscoe, Subramanian, Jabbour & Chong, 2019). Moore Australia has gained recognition for its commitment to ethics, transparency, and employee well-being. Moore Australia is a prominent auditing firm operating in various locations across Australia. With a strong emphasis on integrity and professional ethics, the company is dedicated to delivering quality auditing services to its clients while maintaining a positive work environment. Moore Australia follows rigorous ethical hiring practices, ensuring that candidates are selected based on their qualifications, experience, and ethical values. This approach helps foster a culture of integrity within the organization. The firm has a comprehensive employee code of conduct that outlines the expected ethical behavior and professional standards (Devine, Shields, Dimov, Dickinson, Vaughan, Bentley & Kavanagh, 2021). It serves as a guiding document for employees, promoting ethical decision-making and responsible conduct in all aspects of their work. Moore Australia invests in continuous training and development programs to enhance the skills and knowledge of its employees. This commitment to professional growth supports ethical practices by ensuring employees are equipped with the necessary expertise to perform their duties competently.

Strong ethical leadership at Moore Australia sets the tone for ethical behavior throughout the organization (Moore, Mayer, Chiang, Crossley, Karlesky & Birtch, 2019). Leaders exemplify ethical conduct and communicate the importance of integrity, fostering a culture of trust and accountability. The firm has established robust mechanisms to encourage employees to report any unethical behavior or concerns. A confidential reporting system ensures that employees feel safe and protected when reporting potential misconduct. Moore Australia acknowledges the importance of work-life balance and promotes a supportive environment for its employees. Flexible work arrangements, wellness programs, and initiatives to address employee well-being contribute to a positive work culture and enhance employee satisfaction (Gamarra & Giroto, 2022). The auditing firm places a strong emphasis on diversity and inclusion, recognizing the value of different perspectives and experiences. By fostering an inclusive workplace, Moore Australia promotes equal opportunities and supports ethical principles of fairness and respect. Moore Australia's ethical human resource practices positively influence its client relationships. Clients value working with an auditing firm that upholds integrity, confidentiality, and independence in its operations.

Ethical human resource practices contribute to higher employee morale and job satisfaction at Moore Australia (Zhao, Chen, Xu & Zhou, 2022). When employees are treated ethically and fairly, they are more likely to be engaged, committed, and motivated, resulting in lower turnover rates. Moore Australia's ethical practices contribute to building a strong reputation and fostering trust among clients, stakeholders, and the broader business community. The firm's commitment to ethics enhances its credibility and distinguishes it as a reliable auditing partner. By adhering to ethical human resource practices, Moore Australia ensures compliance with relevant employment laws, regulations, and industry standards (Herrera & de las Heras-Rosas, 2020). This commitment safeguards the firm from legal and reputational risks. The integration of ethical human resource practices gives Moore Australia a competitive advantage in the auditing industry. Its reputation for

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ethical conduct attracts clients who prioritize ethical partnerships and contributes to long-term business success.

Through ethical practices, Moore Australia extends its influence beyond the organization. Liu, Gao, Cao, Mushtaq, Chen and Wan (2022) mentioned that by conducting audits with integrity, the firm helps maintain financial transparency, promotes ethical business practices, and contributes to a trustworthy financial environment in Australia. The case study of Moore Australia demonstrates that ethical human resource practices are crucial in shaping the performance and reputation of auditing firms. The firm's commitment to ethical conduct throughout its employee lifecycle has resulted in enhanced employee satisfaction, client relationships, and overall business performance (Ramos-González, Rubio-Andrés & Sastre-Castillo, 2022). Moore Australia serves as an example of how ethical human resource practices can contribute to the success of auditing firms in Australia and beyond.

2.0 Literature Review

Bulut Sürdü, Özsözgün Çalışkan and Esen (2020) conducted study to propose a directly proportionate relationship between ethical human resource practices and financial success (as measured by ROA) among Kazakhstan's listed companies. The researcher used a causal research strategy and analyzed the associations between variables using correlation and regression. Sixty-four chief executive officers (CEOs) of publicly traded companies in Kazakhstan filled out online questionnaires, and the results were analyzed using SPSS. Using a linear regression model, the findings demonstrated a substantial relationship between ethical human resource practices and financial success. Strict commitment to ethical HR practices was urged, and the study's findings may be used elsewhere in the private and governmental sectors. According to the results of the research, companies do better financially when they strictly comply to all applicable labour regulations, recruitment practices, and company policy. It thus proposes that the companies should always adhere to their labour laws, recruiting practices, and the firm's recruitment strategy ought to be anchored on academic credentials, skill/talents, and experience when employing people.

Obeidat, Al Bakri and Elbanna (2020) performed study to analyze the impact that factors like HR management ethics, corporate governance ethics, and marketing ethics have on an organization's bottom line. The role that human capital, structural capital, and relational capital (all aspects of intellectual capital) played in mediating the relationship between business ethics and organisational success was also investigated. The study also found that advancements in technology mediated the connection between ethical business practices and financial success. From March 2022 to November 2022, 474 answers were gathered from the IT industry in many South Asian cities. This included respondents from India, Pakistan, and Bangladesh. The researcher assessed the measurement and structural models using PLS-SEM for data analysis. According to the findings, there is a strong positive relationship between business ethics and corporate governance ethics, HR management ethics, and sales and marketing ethics, all of which have significant beneficial effects on organisational performance. Human capital, structural capital, and relational capital were shown to significantly moderate the association between external factors and organisational performance. The results indicate that technological

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advancement considerably and favorably moderates the connection between business ethics and the success of organizations in the high-tech sector. This study presents a unique revised conceptual framework with important theoretical and management implications for future researchers and professionals in the field.

Valecha (2022) conducted study to investigate the role of ethical consideration in human resource management. Concerns related to employee confidentiality, discrimination based on race, gender, or disability, hiring practices, benefits, pay, performance reviews, workplace safety, terminations, reorganizations, layoffs, and training are all examples of ethical difficulties in human resource management. Descriptive research was utilized for this study, and easy sampling was used for data collection. Organizations in Dehradun's education, tourism, healthcare, banking, and finance sectors are included in the study's universe. A total of 179 participants were included for the sample. After categorizing the data, it was fed into SPSS for analysis, where it was subjected to a battery of statistical tests predicated on the presupposed relationships between the variables. Ethical human resource practices significantly contribute to improved organizational performance by fostering a culture of fairness, trust, and employee well-being. To enhance ethical human resource practices and performance, organizations should prioritize transparent communication, equitable policies, and comprehensive training to ensure employees are well-informed about ethical guidelines and empowered to report any misconduct, thereby fostering a positive work environment and driving sustainable success.

Aboramadan, Albashiti, Alharazin and Dahleez (2020) conducted study to investigate the impact that HRM activities including hiring, coaching, career development, pay, reviews, and stakeholder engagement have on how productive workers feel they are. This study highlight why human resource management (HRM) choices are likely to have a major and distinctive effect on organisational success. A study on the correlation between human resource management and company success will benefit from this forum. Several recommendations are made to enable researchers addressing these open topics construct a more cumulative body of knowledge that will have significant ramifications for body theory and practice, and unresolved problems are identified as areas in need of further investigation. In-depth analysis of the correlation between High Performance Work Practices systems and business success was conducted for this research. Findings from a survey of businesses throughout the country support the idea that these policies significantly affect productivity. Predictions that interrelationships and connections between High Performance Work Practices and competitive strategy would play a significant role in the influence of High Performance Work Practices on firm performance received little support.

AlHamad, Alshurideh, Alomari, Kurdi, Alzoubi, Hamouche and Al-Hawary (2022) conducted study aimed at learning about the reality of work ethics practices in human resource management. The Greater Irbid Municipality and other public service organizations collaborated on this project. It was a test of how well they improved productivity. The research's overarching objective is to determine where work ethics is most useful in HRM practices such talent acquisition, development, compensation, and assessment. The research starts by tackling the issue head-on with the help of the aforementioned central assumption. However, at the $\alpha=0.05$ significance level, the positive effect of work ethics practices in human resource management on the performance of

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Greater Irbid Municipality's employees was not found. Using a descriptive analytic approach, the research found a statistically significant link between HRM's emphasis on ethics and its ability to boost the Greater Irbid Municipality's performance. Three hundred and fifty workers from Greater Irbid Municipality were randomly chosen to participate in the research. The research examines the aforementioned aspects within the framework of two fictitious ideas by use of six conventional statistical techniques. All samples were found to be within a normal distribution, with standard deviations above and below 0.05 as shown by the techniques. The Tolerance value for all independent variables larger than 0.05 varied from 0.34 to 0.51, and the linear correlation test revealed that the inflation coefficient of variation (VIF) is between 3.82 to 5.63. This means that there is no issue with strong correlation between variables. Because of this, it will be easier to determine which independent factors have a large influence on development variables and what proportion of that impact those variables account for. The approaches demonstrated the dependency and independence relationships, with an R-squared value of 0.58 and a value larger than 0.77. This finding, which is statistically significant, demonstrates that human resource management's emphasis on work ethics has a positive effect on employee productivity.

Bhana (2019) conducted study to investigate the effects of ethical leadership on employee performance in the public sector in Ukraine. One hundred sixty workers were selected as the representative sample. The information was gathered by having the staff fill out a standardized questionnaire on their own time. Pearson's correlation coefficient and regression analysis were used to look at how ethical leadership affects productivity in the workplace. The study's results reveal that ethical leadership has a substantial effect on productivity in the workplace. Both the management and policy aspects of these are examined. This research has limitations due to the fact that it is cross-sectional in design and focused on just one industry in just one nation. The conclusion for practice is that top-down advocacy for ethical leadership in the public sector is necessary, and that leaders themselves should exhibit ethical behavior. To our knowledge, this is the first research project of its kind to examine the impact of ethical leadership on organisational performance in Ukraine.

Schwepker Jr and Dimitriou (2021) performed research to examine the effects of ethical leadership on the mental health and job satisfaction of hospitality workers who interact directly with guests. Employees who have direct contact with customers have less ethical uncertainty and stress on the job if they believe their supervisor engages in ethical leadership behaviors, according to the study's findings. Employees that often interact with customers may see a decline in their performance quality as ethical ambiguity increases their levels of work stress. The quality of employees' work is enhanced when they believe their leaders are acting ethically. Implications for theory and management, and suggestions for future study, are suggested in light of the results. Moreover, Sweis, Oglia, Abdallat, Sweis, Suifan and Saleh (2020) conducted study Identify the level of dedication to BEs within Amman Stock Exchange-listed industrial firms' HRM operations and the resultant effect on firm performance. The study's findings demonstrated a widespread dedication to BEs across all HRM procedures. The study's findings revealed a deep dedication to BEs throughout all HRM practices, including selection, training, remuneration, and performance evaluation. The findings also demonstrated that implementing BEs had an effect on the OP, with

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the exception of the compensatory process. The study concluded with a series of suggestions the researcher believes are essential to increase dedication to BEs and hence enhance OP.

3.0 Research Methodology

The study used the descriptive research design. The target population was 25 employees of Moore Australia working in the Human Resource Department. The study did sampling of 20 participants that were chosen from the target population of 25 employees of Moore Australia working in the Human Resource Department. Data collection was done by the use of questionnaires.

4.0 Research Findings and Discussion

4.1 Correlation Analysis

The results presented in Table 1 shows the correlation analysis

Table 1: Correlation Analysis

		Performance	EHRP
Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
EHRP	Pearson Correlation	.259 **	
	Sig. (2-tailed)	0.000	0.000

The correlation results from Table 1 show that the ethical human resource practice was positively and significantly related with performance ($r=.259$, $p=.000$). This concurs with Bhana (2019) who articulated that from top to down in any organization, advocacy for ethical leadership is necessary, and that leaders themselves should exhibit ethical behavior.

4.2 Regression Analysis

The section consists of model fitness, analysis of variance and regression of coefficient. The results in Table 2 indicate the model fitness

Table 2: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.259a	0.211	0.125	0.0011995

The findings from Table 2 show that ethical human resource practice was noted to be sufficient in explaining the performance of Auditing firms in Australia. This was supported by the coefficient of determination i.e. R square of 0.211. It shows that ethical human resource practice explain 21.1% of the variations in the performance of auditing firms in Australia.

Table 3: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.67	1	5.67	16.66	.000b
	Residual	8.51	25	0.340		
	Total	14.18	24			

The results in Table 3 reveals that the overall model was statistically significant. The findings indicate that performance is a good predictor in describing the ethical human resource practice among the auditing firms in Australia. This was supported by an F statistic of 20.24 and the reported p-value of 0.000 which was less than the conventional probability significance level of 0.05.

Table 4: Regression of Coefficient

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.481	0.111		4.333	0.036
EHRP	0.699	0.211	0.942	3.313	0.011

Based on the findings in Table 4, it was noted that ethical human resource practice was positively and significantly related to performance ($\beta=0.699$, $p=0.011$). This was supported by a calculated t-statistic of 3.313 that is larger than the critical t-statistic of 1.96. This findings implies that when ethical human resource practice increases by one unit, the performance of Auditing firms in Australia will increase by 0.699 units while other factors that influence the performance of Auditing firms in Australia remain constant. Schwepker Jr and Dimitriou (2021) mentioned that employees who often interact with customers may see a decline in their performance quality as ethical ambiguity increases their levels of work stress. The quality of employees' work is enhanced when they believe their leaders are acting ethically.

5.0 Conclusion

Ethical human resource practices positively impact employee engagement, morale, and retention. Moore Australia's focus on hiring ethically, providing a supportive work environment, and promoting work-life balance has resulted in higher job satisfaction and commitment among employees. This, in turn, enhances their performance and reduces turnover rates. Ethical leadership plays a crucial role in shaping the organizational culture and fostering a strong ethical climate. The leaders at Moore Australia serve as role models by exemplifying ethical behavior and

communicating the importance of integrity. This leadership commitment establishes trust, accountability, and a shared sense of ethical responsibility throughout the organization. Ethical human resource practices contribute to building a strong reputation and trust among clients, stakeholders, and the broader business community. Moore Australia's adherence to ethical conduct in its operations, including maintaining confidentiality, independence, and professional integrity, differentiates the firm as a reliable auditing partner.

Compliance with regulations and industry standards is ensured through ethical human resource practices. Moore Australia's commitment to following employment laws and regulations safeguards the firm from legal risks and reputational damage. By aligning their practices with ethical guidelines, auditing firms can uphold professional standards and ensure compliance with industry requirements. Ethical human resource practices provide auditing firms with a competitive advantage and enable them to make a positive impact on society. By prioritizing ethics and integrity, firms like Moore Australia attract clients who value ethical partnerships. Moreover, the firm's commitment to conducting audits with integrity contributes to financial transparency, promotes ethical business practices, and fosters a trustworthy financial environment in Australia.

6.0 Recommendations

Auditing firms should focus on developing and nurturing ethical leadership throughout the organization. Leaders should exemplify ethical behavior, effectively communicate ethical expectations, and actively promote a culture of integrity. Leadership training programs and regular ethical discussions can help reinforce ethical values and ensure that leaders act as ethical role models. Auditing firms should regularly assess and enhance their employee engagement initiatives to foster a positive work environment. This includes providing opportunities for professional growth and development, promoting work-life balance, and creating channels for employee feedback and suggestions. Regular surveys and feedback sessions can assist in identifying areas for improvement and ensure that employees feel valued and supported. Auditing firms should prioritize diversity and inclusion efforts to create an inclusive workplace that values different perspectives and backgrounds. Implementing diversity and inclusion training programs, establishing diversity targets, and promoting equal opportunities can help create a diverse and inclusive workforce. This, in turn, enhances creativity, innovation, and ethical decision-making within the organization.

Auditing firms should prioritize ongoing ethical communication and training initiatives to ensure that employees understand and adhere to ethical standards. Regular ethics training sessions, updates on ethical policies, and open forums for ethical discussions can help reinforce ethical behavior and address any ethical dilemmas that may arise. Promoting a culture of open communication where workers feel comfortable reporting ethical concerns is essential. Auditing firms should establish mechanisms to monitor and evaluate their ethical performance regularly. This includes conducting internal audits of ethical practices, measuring employee satisfaction and engagement, and seeking client feedback on the firm's ethical conduct. Monitoring ethical performance helps identify areas for improvement, ensures compliance with regulations, and demonstrates a commitment to transparency and accountability.

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