

Reassessing Loyalty in Contemporary Employment: The Ethics of Hiring Practices, Candidate Treatment, and Organisational Commitment

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Abstract

Employee loyalty has traditionally been viewed as a positive quality that the workforce either possesses or lack. Declining loyalty is often explained as the result of the generational differences and changing culture and values. This paper argues that a different explanation is needed. Rather than reflecting a lack of commitment on the part of employees, declining loyalty can be understood as a reasonable response to changes in the way organisations treat their workforce. This paper uses insights from psychological contract theory, social exchange theory, and research on organisational justice, and has evaluated how common hiring practices, including candidate ghosting, opaque communication, revoked offers, and sudden layoffs, violate the trust and commitment of fairness, honesty and mutual respect that shapes the workplace relationship. These practices are evaluated using three ethical perspectives: deontology, utilitarianism, and contractarianism. These three approaches raise concern about employment practices that fail to treat individuals with fairness, transparency, and respect. Such practices can weaken trust in organisations and reduce employees' willingness to remain committed. The paper concludes with a set of recommendations for ethical hiring practice, arguing that loyalty is a reciprocal relationship and not one-sided expectation on employees. Organisations must demonstrate trust and fairness through their actions for only then they can expect loyalty from the workers. It is essentially a give and take...

Keywords psychological contract, organisational justice, employee loyalty, candidate ghosting, hiring ethics, social exchange theory.

Introduction

Organisations have often taken employee's loyalty for granted simply by virtue of employment. But recent research and workplace surveys show that employees today feel less attached to their organisation than in the past, especially younger generation workers. Organisations today need to command respect and build trust and loyalty through their actions. Talent, skill, job mobility and changing generational expectations can be attributed to the weakened long term organisational loyalty. At the same time, many organisations still expect strong commitment and extra effort from employees, without considering their own behaviour. This gap is most visible during hiring and job transitions. Many candidates say that they are not informed after interviews, receive unclear or delayed updates, or job offers are revoked even after acceptance of the offer. Similarly, during layoffs, employees get little notice or explanations during layoffs. These actions make employees resent the organisation's behaviour in these matters.

This paper argues that falling loyalty is not just about changing worker attitudes but a response to the way employees are being treated. The Psychological Contract theory and research conducted on the fairness at the workplace shows that organisations get what they give. If they are fair and respect their employees, then their employees also reciprocate in a similar way and stay committed out of respect for the organization. If the organization does not respect its employees, then employees also will not have much respect for the organization and will stay less committed. Duty based approach, Outcome based approach and Rights based approach are theories on ethicality; these raise concerns about recent practices of organisations like ghosting and revoking job offers. This research paper is concluded with the view that loyalty and commitment cannot be demanded but can be commanded and earned through fairness and respectful treatment by organisations. Organisations must first demonstrate through their own hiring practices and actions they are worth the loyalty which is expected of employees.

Theoretical Background

The Psychological Contract and Social Exchange

According to the Psychological Contract Theory, employees retort sharply when they feel disappointed at work place, particularly during recruitment and job changes. A formal employment contract specifies hours of work, pay, work duties etc. The psychological contract comprises of the unwritten / oral beliefs and expectations of the

employer and the employee from each other. Fair treatment, honest communication, reasonable job security and opportunities for growth are some of the expectations of employees. These are based on trust and not just on legal obligations. According to Robinson and Morrison (2000), “when these unwritten expectations are broken, employees don’t just feel unhappy. They feel a deeper sense of being let down which is more than mere dissatisfaction.” The social exchange theory is similar to the psychological contract theory which states that “relationships, including employment relationships, are governed by norms of reciprocity” (Blau, 1964). Employees react positively with more engagement, commitment, loyalty and motivation when employers treat employees with respect and live up to the implied assurances. When these promises are broken, the reverse happens and many workers want to leave. This fact is supported by the psychological contract theory. A study done on employees across Indonesia’s major banks proves this fact. “A study of employees across Indonesia’s major state-owned banks found that perceived breaches of the psychological contract significantly increased emotional exhaustion, which in turn was strongly associated with employees’ intention to leave the organization” (Ivana et al, 2025). When employees feel deceived by the organization, it drains their emotional energy and makes them resign. “Importantly, the same study found that ethical leadership had the opposite effect, significantly reducing both emotional exhaustion and turnover intention” (Ivana et al, 2025). This finding suggests that the harm caused by broken expectations can be avoided. It is shaped by the leaders in the organization. Where there is transparency, fairness, integrity and honesty, situations like delays or restructuring can be handled with minimum harm and trust can be maintained.

Organisational Justice

A second relevant framework used here is organisational justice theory. It explains fairness in three parts: distributive justice (fairness of outcomes), procedural justice (fairness of decision-making processes) and interactional justice (respect and dignity with which people are treated during those processes). Each of these dimensions has direct relevance to hiring. When candidates understand hiring decisions to be random or unclear, or when organisations renege on their promise, such a confirmed job offer, they are likely to see the process as unfair. This can also happen when candidates are treated without respect or basic communication during recruitment. In such cases, trust in the organisation tends to decline. Research on down-sizing has explained how these perceptions work in practice. According to Naumann et al. (1999) “employees who survive a round of layoffs are more likely to retain their commitment to the organisation when they perceive the process itself as having been conducted fairly and supported by the organisation, even though they themselves had little control over the outcome and arguably little reason to feel grateful”. This finding suggests fair procedures can reduce some of the negative impact of bad outcomes.

The same logic can be applied to recruitment. When candidates are ghosted after an interview or offers are revoked without any explanation, both procedural and interactional fairness are missing. In these situations, there is nothing to balance the negative experience. The candidate is left with the feeling that the employers do not value the individual. They are only a means to fill a vacancy. This shapes how they understand the psychological contract with the organisation.

Ethical Frameworks

In addition to the psychological contracts and organizational justice theories, several other ethical theories also condemn practices such as candidate ghosting and revoking job offers. They are considered unfair. From a Kantian perspective, candidates should be treated with dignity and respect and not as a means to achieve organisational goals. When employers disregard the candidates after the hiring process and snub them without any communication, it amounts to violation of one of the central tenets of deontological ethics making the practice ethically questionable.

A rights-based approach reaches a similar conclusion. According to De Haan (2025) “what underlies communicative exchanges in hiring is a principle of communicative reciprocity, which generates a corresponding duty of transparency on the part of both employers and job seekers, alongside a right held by each party to be adequately informed about decisions that affect them. Ghosting, on this account, is not a neutral absence of communication but, in most circumstances, a violation of this all-things-considered duty of transparency”. “Ghosting is not always wrongful; there are personal circumstances, such as personal emergencies, or illness, that can outweigh the duty of transparency and render silence permissible” (De Haan, 2025). De Haan, 2025 further says “However, when an organization simply stops responding to a candidate without justification, then it fails in its commitment it owes as a corporate moral agent” (De Haan, 2025).

A utilitarian approach focusses on the consequences of actions. Substandard hiring practices create frustration among candidates, damage an organisation’s reputation, and weakens the trust among future applicants. These

adverse consequences offset any small benefit that is gained from saving time and effort by eluding communication. Contractarianism is a moral and political theory that suggests that people agree to give up freedom in exchange for mutual benefits and security. Based on Rawl's idea, one question arises – whether people would agree to hiring rules which allows one party to disappear without communication. Most individuals would never support a system where the employer or the candidate (prospective employee) simply vanishes without notice or explanation. This implies that practices such as ghosting and rescinded offers are not consistent with the principles of fairness and mutual respect.

Contemporary Hiring Practices and Their Implications

The theoretical concerns discussed above are specific to every organization. Every practice seems to be small when taken in isolation. But when taken together, they form a large clear message. The organization sends a clear message to candidates and employees saying that it is not bound by the same standards of fairness and reciprocity that it expects from the employees.

Candidate Ghosting

In employment, ghosting refers to one side suddenly stopping all communication without any explanation. This term originated from romantic relationships but it is now widely used in work settings. “The abrupt termination of contact from one party to another without providing an explanation, a phenomenon that, while originating in the language of romantic relationships, has by now thoroughly infiltrated vocational settings” (Teichert, 2025). Systematic review of research on candidate ghosting notes that the “phenomenon can be defined as the non-fulfilment of a psychological contract: such contracts are formed through a voluntary, if informal, declaration of mutual expectations, and the termination of communication during a recruitment process represents a breach of that informal agreement” (Teichert's, 2025). While candidates rarely ghost employers, the more important issue here is employer ghosting. This happens when a company stops responding to a candidate after an interview, or even after giving a verbal offer, without any explanation. Employer ghosting shows a clear violation of the psychological contract even before the contract has even been formally established. It also satisfies the conditions De Haan (2025) identifies as a breach of transparency and openness as the candidate is left clueless without any information about a decision that strongly affects their life. In real time, this can cause problems. Candidates waste their time waiting for a response and feel helpless. They lose control over their job search and feel that the employer is not to be trusted for honest communication. Ghosting does not always lower self-esteem immediately. But it still represents a failure of transparency and openness on the part of the organization and causes a break in the recruitment relationship.

Opaque Communication and Delays

Sometimes, candidates do not trust organizations even when they do not completely ghost the candidates. Unclear timelines that keep getting delayed, generic automated responses that do not explain anything useful and evading to explain the reasons behind their decisions. All these indicate that candidate's time is less valuable. Teichert (2025) noted that modern recruitment tools made it easier for employers to limit or withdraw communication with candidates. He also compares this to online dating, where people often end contact easily because there are many options and little need for direct explanation. Similar patterns can now be seen in hiring processes. From the perspective of organizational justice, this lack of transparency mainly harms procedural and interactional fairness. Even candidates who are finally hired may carry forward a degree of cynicism from this experience, having learned early that the organization's stated values around communication and respect do not necessarily extend to its own behaviour.

Rescinded Offers and Frequent Layoffs

Perhaps one of the most harmful practices for the psychological contract, are the rescinding of job offers and sudden, large-scale layoffs as a routine cost-management tool. Both the practices are a direct hit on the job security. Expectations of job security is typically a part of any employment offer. Sometimes, the candidate would have resigned from the previous role after receiving an employment offer from the current organization. When such an employment offer is withdrawn, the impact can cause real financial trouble for the candidate. The candidate would have declined other opportunities too or made personal arrangements in anticipation of the job offer. Then it causes both financial trouble and emotional trauma. Similarly, employees who experience repeated layoffs with little or no warning may feel that their employer has not kept the promises made to them while hiring. The empirical findings discussed earlier are again relevant here. Ivana et al. (2025) measured psychological contract breach partly through employees' agreement with statements about whether their employer had fulfilled the promises

made during recruitment and employment tenure. They found that broken promises caused mental and emotional exhaustion for the employee which impacted his morale and well-being leading to the employee leaving the organisation. This shows that revoked offers and abrupt

layoffs cause a breakdown between the employee and the organisation. On the whole, these practices reveal an imbalance in the employment relationship wherein the organisation may not be committed while expecting the same from the employee to stay committed to the agreement during hiring. In response, employees maintain limited relationship with their employers and also limited effort as required for their role in the company. They remain in touch with their recruiters even while being employed. This shows a logical response to an environment where job security and organisational promises are not always reliable.

Ethical Analysis and Discussion

From the view point of organisational justice, the hiring practices discussed above are problematic in all the three key dimensions. Procedural justice is weakened because decisions are often unclear, inconsistent, or are not properly explained to candidates. Confirmed job offer and job stability are a part of distributive justice. Distributive justice is compromised because outcomes such as the above are sometimes revoked or not delivered at all. Interactional justice is damaged because employers lack the required empathy and candidates; employees are not handled with respect and courtesy. On the one hand, employers expect loyalty from employees and on the other hand, they do not deliver in these core areas. This causes clear rift and tension between both parties. "Employees that survive a layoff are more willing to continue behaving as good organizational citizens to the extent that they perceive the layoff process itself, and the degree of organizational support shown to those affected, as having been fair" (Brockner et al, 1993). The same principle applies to the hiring process. Revoking offers, and ghosting damage the organizational brand value. Affected candidates rarely speak favorably about the organization. "This mistreatment permanently damages employer trust, making them highly unlikely to advocate for the company, even if they later reconsider employment in a different role" (Ridley Consulting Group, 2025).

Ethical evaluation

Various moral theories expose why ghosting and revoking offers are basically bad.

From a deontological perspective, "treating candidates are replaceable and communicating only when convenient fails to respect them as individuals. People are treated as a means to organizational efficiency rather than as individuals who deserve dignity and respect" (Kant (1785/1998, Bowie 2017)

From a utilitarian perspective, "these practices also create negative long-term consequences. Any short-term efficiency gained is likely outweighed by harm to reputation, loss of trust, and reduced employee engagement" (Mill 1863, Shaw 2021, Velasquez et al. 2015)

From a rights based and contractarian view, transparency is a key requirement. "Both employers and job seekers have a responsibility to communicate honestly and a right to be properly informed about decisions that affect them. In normal circumstances, organisations that ignore this responsibility cannot claim their actions are ethically acceptable" (De Haan 2025).

On the whole, the above lead to a clear conclusion. Organisations can expect reasonable loyalty and commitment from their employees only when their own hiring practices demonstrate fairness, honesty and respect.

Recommendations for Ethical Hiring

Organisations need to align their recruitment practices with principles of fairness and transparency. Only then, they can build genuine employee commitment.

Regular updates on application status, explaining decisions wherever possible and specific practical timelines instead of unclear promises are some of them. The organisation should clearly explain the reason for any delayed offer or offer withdrawal. "Transparency is not optional good practice but a genuine ethical responsibility, (De Haan, 2025)

Respectful Candidate Treatment

Candidates should be treated as real persons and not processed as data. Response should be sent to the unsuccessful applicants along with short and constructive feedback. Recruitment policies should contain the above discussed expectations. Maximum response time and point of communication should be clear. This would ensure that fair treatment practices are a part of the system and are every employer's responsibility.

Responsible Workforce Planning

Hiring should be done as and when required. Patterns of rapid hiring followed by sudden layoffs reduces job security and trust. Hence this should be avoided. Layoffs should be handled fairly if unavoidable. Advance notice, reasonable severance pay and clear explanation of the reasons for such decision are basic requirements. "Research on downsizing shows that fairness in process

helps protect morale among remaining employees, while poor communication and abrupt decisions reduce trust across the organization" (Naumann et al., 1999).

Building Trust and Ethical Leadership Before Expecting Loyalty

Commitment develops over time through proper consistent behavior and not demanded from employees instantly. "Ethical leadership based on fairness, honesty and concern for employees reduces emotional exhaustion and turnover intention" (Ivana et al., 2025). This includes proper training for recruiters and managers to treat communication as a core moral duty. Only realistic promises to be made and they are to be adhered to. All these influence the psychological contract between the employer and employee.

Conclusion

The weakening in employee loyalty is not a result of change in worker attitudes. It reflects a breakdown of trust and honesty between the employer and employee. Ghosting candidates, unclear communication and revoking job offers without explanation diminish the psychological contract that supports commitment. Organisational justice and psychological contract theory proves that employees respond to broken promises by reducing emotional attachment and limiting commitment. These practices also negate the basic standards of honesty, fairness and respect.

The key message is that loyalty in the workplace is mutual. Organisations must demonstrate that they are reliable, transparent and fair throughout the hiring and employment process. Then expectations about committed employees are justified..

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