Ethics and Social Responsibility – Do HR Professionals have the 'courage to challenge' or are they set to be permanent 'bystanders?'

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Abstract

This paper considers the role of HR in ethics and social responsibility and questions why, despite an acceptance of a role in ethical stewardship, the HR profession appears to be reluctant to embrace its responsibilities in this area. The study explores how HR professionals see their role in relation to ethical stewardship of the organisation, and the factors that inhibit its execution. A survey of 113 UK-based HR professionals, working in both domestic and multinational corporations, was conducted to explore their perceptions of the role of HR in maintaining ethical socially responsible action in their organisations, and to identify features of the organisational environment which might help or hinder this role being effectively carried out. The findings indicate that although there is a clear understanding of the expectations of ethical stewardship, HR professionals often face difficulties in fulfilling this role because of competing tensions and perceptions of their role within their organisations. A way forward is proposed, that draws on the positive individual factors highlighted in this research to explore how approaches to organisational development (through positive deviance) may reduce these tensions to enable the better fulfilment of ethical responsibilities within organisations. The involvement and active modelling of ethical behaviour by senior management, coupled with an open approach to surfacing organisational values and building HR procedures, which support socially responsible action, are crucial to achieving socially responsible organisations. Finally, this paper challenges the HR profession, through professional and academic institutions internationally, to embrace their role in achieving this.

Key words

Ethics, Responsibility, HRM Profession, MNCs, Individual and Organisational Factors

Introduction

The HR profession appears to have largely escaped criticism in the global economic and financial meltdowns that have dominated headlines in recent years. CEOs and CFOs are the main 'villains' in these ethical disasters, brought about in part by the normative myopia of competitiveness and profit. Such short termism has suppressed awareness of social and ethical issues and this is replicated at all levels and across professions (Swanson, 1999; Swanson and Orlitzky, 2006). Yet the HR role in fostering the cutthroat culture of "targets or termination" and the selection, promotion and performance management practices that have contributed to this culture have not come under close scrutiny (Gladwell, 2002). For the profession, this apparent lack of culpability may be a blessing. However, the mood of organisational commentators is fickle and HR cannot guarantee its immunity from, perhaps justly, becoming a target in future. Lange and Washburn (2012) for example have recently demonstrated the importance of external perceptions in how blame for 'wrongdoing' in organisations is allocated. HR cannot be certain that this external critical gaze will not fall upon it in future.

The omission of HR from the discussion accompanying high profile examples of corporate wrongdoing is curious, especially as there has long been a clear ethical component of the HR role. The roles of organisational culture, policy and practices in encouraging or condoning misbehaviour are significant in the development of ethical organisation, and are core to the strategic HR remit. There appears to be at best a lack of visibility or muteness in ethical stewardship and at worst the active support and promulgation of irresponsible action, through for example the design of performance management and reward systems and the operation of recruitment and training practices that perpetuate inappropriate or unethical behaviour. Somewhere in the middle we argue, this may be a case of bystander apathy - an individual unwillingness to respond to a situations when others are present because of a diffusion of responsibility (Garcia et al, 2002). Whether the situation is generated by HR actions or whether it arises through the action or inaction of others, the question whether the profession truly adheres to its ethical roots and is willing to challenge such behaviour.

There are increasing calls for responsible management benchmarks, such as at the Rio +20 Earth Summit (www.50plus20.org/rio20), echoing the growing concerns about ethical crisis across the globe and the organisational cultures that appear to nurture the behaviours that contribute to them. We argue that HRM could and should play a more active role in challenging such cultures and behaviours in both local and multinational corporations.

HR's role in promoting and maintaining ethical and responsible business practice is twofold. First ensuring HR strategies, policies and practices are ethical and that the culture of the organisation is consistent with this approach. Second, the HR profession itself models ethical behaviour through the individual professionals' conduct within the organisation. In the UK, the professional body for HR (CIPD) has translates this into two behavioural requirements for HR professionals: these being having the 'courage to challenge' and being a 'role model'.

This paper discusses the results of a survey carried out among a group of HR professionals based in the UK but working for a range of domestic and multinational corporations. Respondents were asked about their views on and role in establishing and maintaining ethical and socially responsible organisations (often referred to as Corporate Social Responsibility or CSR) in particular in relation to the two standards described above. It examines some of the barriers to and possible explanations for HR's apparent unwillingness or inability to embrace its responsibilities here. Finally, the paper develops proposals, grounded in organisational development, for how HR as a profession can take a lead in this area.

The next section discusses the role of HR in ethics and social responsibility and the nature of these issues in organisations. It further explores the requirements of professional HR bodies in relation to ethics and social responsibility before considering the individual, organisational and professional factors that facilitate or inhibit the HR professional in fulfilling their role in ethical stewardship. The Survey findings are presented and discussed, before offering proposals for how ethics and social responsibility can become more firmly embedded within the HR profession and the international organisations in which it operates.

The HR Role in Ethics and Responsibility

The pressure for those who prosper financially to behave ethically and to be socially 'responsible' has deep historical, cultural and religious roots that are intertwined with the development of the HR profession (Bremner, 1994; Asongu, 2007). In common with other professions, HR is a product of its history but also of other pressures, values and institutional arrangements. As Ulrich (1997) remarks, HR was born out of concern for human welfare and practices underpinned by ethical and social values. Its early days were shaped by predominantly Quaker traditions of social action to promote social justice and from this developed the welfare role within organisations (Child, 1964). The emphasis was on a pluralist view of the organisation, long before the stakeholder perspective became popular. This broadly continued through the social and economic changes of the 20th century until the steady decline of trade unionism allowed HR professionals take a more unitarist view (Kochan, 2007) of the employment relationship. As part of this, the profession sought,

perhaps opportunistically, to gain legitimacy through establishing its role in contributing to the 'bottom line' and strategy, and distancing itself from the more 'human' aspects of the role and in particular, employees (e.g. Van Buren, Greenwood and Sheehan, 2011). In addition, as a result of becoming 'perfect agents' of top management in enforcing business strategy, it has been argued that HR lost sight of its roots and importantly, of its essential role in adding value through the human side of the enterprise and supporting employees (Kochan, 2004; 2007). This is an interesting position because while business as a whole appears to be becoming more accepting of its ethical and social responsibilities, with CSR shifting to be a core objective for organisations around the world (Matten and Moon, 2008), HR seems firmly wedded to its allegiance to profitability and distancing itself from any connection with welfare (Pinnington, Macklin and Campbell, 2007).

Responsibility and Ethics in Organisations

Carroll's (1999) concept of social responsibility (or CSR) encapsulates four major factors that shape key areas of responsibility for business. The four types of responsibility are philanthropic, ethical, legal and economic. For the purposes of this paper, the focus will primarily be the ethical responsibilities and the role of HR, but this needs to be set within the broader context of the wider range of social responsibilities.

Recent global events and the growth in consumer and public expectations have placed greater pressure on organisations to act responsibly and set out visible evidence of their ethical and social credentials (Burchell and Cook, 2006). This shift provides opportunities for all social actors to demonstrate that there is more to ethics and responsibility than merely corporate rhetoric. Unfortunately, many organisations have seen their 'social responsibilities' as predominantly charitable giving or related activities and in doing so have really missed the point. This activity may address the philanthropic responsibilities of Carroll's model but still treats ethics and responsibility in economic terms as an 'externality'. Thus organisations may have a disconnect between promoting a CSR policy in the community and behaving responsibly as an employer. In short, ethics and responsibility should be as much about how a business makes its money and runs the organisation as what it does with its profits. If ethics and responsibility are to be successful, the strategies and policies must be internally driven which contrasts greatly with the popular use of ethics and CSR as a public relations or marketing gimmick. The economic drivers are important for organisations but the danger of relying only on the 'business case' is that ethics and responsibility become 'optional'.

There can be similar problems with the legal drivers for ethics and responsibility. Whilst adhering to the law is not optional, such a regulatory approach is minimalistic. In most case the law provides a backstop for many of the more obvious abuses and just complying with the law does not equate to behaving ethically or acting responsibly. There are parallels here to the debate about equal opportunities/managing diversity, where the more the legal or business case is promoted, the less the moral or social justice imperative is recognised. Whether something is moral or not goes beyond this minimalist approach and decisions taken in business are often justified theoretically and practically using arguments that stem from ethical theory. For example, decision-makers may follow a consequentialist argument that 'the end justifies the means'; that "end" usually being higher profits. The strategic HR perspective of aligning itself to corporate strategy results in the mute acceptance of this position therefore supporting its business credentials at the potential cost of other valuable but less tangible outcomes.

Singer's (2011) review relating theory to practical decision-making identified two strands of academic thought relating to ethical theory. The first is from the philosophical tradition, which seeks to prescribe behaviour through 'reflective deliberations' and the second is from the psychological perspective and seeks to describe 'typical' moral behaviour. The former provides a normative approach of setting norms and standards while the latter is more descriptive in looking at the ethical views held by individuals and how this affects their behaviour. In most organisations, the process of ethical decision-making often falls somewhere between the two.

Standards are provided in policies and codes but managers, leaders and the culture of the organisation establish norms. Therefore, merely publishing a 'code of ethics' while a positive step is not sufficient; ethical principles need to be interwoven into everything a business does. Codes of ethics need to be part of an effective ethics programme which is a process of continuous activities designed, implemented, and enforced to detect and prevent misconduct (Ferrell et al, 2008). However, this requires the recognition that codes of ethics and CSR are part of the value system of the organisation and embedded into the core systems, including those for which HR are responsible. A case in point involves whistle blowing, defined as the disclosure of information, usually of legally or ethically suspect behaviour, (Near & Miceli, 1985). As Philpott (2002) suggests, this can be crucial for HR to increase openness and awareness around ethical issues by developing comprehensive internal disclosure policies. It is critical that HR professionals see this range of activity as part of their responsibility and in doing so take steps to promote an ethical culture. The standards and codes set out by professional bodies can also play a role in this.

HR and the Professional Bodies

It is important to recognise that the HR profession can play a key role in pressures for and against change in organisations. Institutional theorists, such as Di Maggio (1988) argue that changes across and between institutions that occur through a process of 'isomorphism'. These include pressures to change through imitation (such as benchmarking), norming (to conform or remain legitimate) and professionalization (as with HR). DiMaggio and Powell (1983) provide two examples of professional isomorphism. One is the legitimisation of a cognitive base produced by university specialists; the second is the growth and elaboration of professional networks that span organizations and across which new models diffuse rapidly. Universities and professional training institutions are therefore important centres for the development of organizational norms and of the professional manager cadre. The institutional mechanisms create a pool of almost interchangeable individuals, who occupy similar positions across a range of organizations. DiMaggio and Powell (1983) argue that it is these institutional drivers that lead organisations to "become more and more homogeneous" beyond that which can be explained by competition.

In the present context, professional bodies and organisations in HR (where they exist) clearly set out an ethical component of the role. In Wiley's (2000) analysis of ethical codes for HR professionals it is clear that there are standards by which the professional will be judged, preferred character traits to control how the profession is practiced by individuals and that professional codes are designed to support and encourage the professional to act in the wider public interest.

The USA-based Society for Human Resource Management (SHRM) set out a code of ethics for its members that requires individuals 'to set the standard and be an example for others and to earn individual respect and increase our credibility with those we serve' (www.shrm.org). SHRM goes on to refer to 'serving all stakeholders in the most morally responsible manner and leading individual organisations to conduct business in a responsible manner, as well as exhibiting individual leadership as a role model for maintaining the highest standards of ethical conduct.'

In the UK, the Chartered Institute for Personnel and Development (CIPD) has articulated ethical requirements for members within its professional codes since its early days. In the 1970s for example resignation by members who encountered ethical dilemmas was identified as a possible response (IPM, 1979). It also required members to exercise integrity, honesty, diligence, behave appropriately and act within the law. Yet in later years, as the Institute embraced the shift to more managerialist strategies, the visibility of wider concerns,

particularly in the professional educational standards, diminished.

CIPD's inclusion in its most recent (2009) standards of two new requirements for members is particularly interesting. The first is described as the 'courage to challenge', defined as when individuals 'show courage and confidence to speak up, challenge others even when confronted with resistance or unfamiliar circumstances'. For example, ensuring that employees who have concerns are supported and protected and that as individuals, HR professionals raise ethical and responsibility issues. The second is that of 'role model', defined as 'consistently leads by example; acts with integrity, impartiality and independence; applying sound personal judgment in all interactions' (CIPD, 2009).

The existence of the codes and standards is important but the questions at the heart of this paper centre on whether HR professionals can fulfil these expectations. Therefore, it is important to explore some of the factors that may affect HR professional's ability to execute their responsibilities in this area. This may also help to explain why HR professionals may be seen as 'bystanders' and lacking influence in preventing some of the major economic and ethical scandals. These will be explored in terms of individual and organisational factors and factors relating to the HR profession.

Individual and Organisational Factors

Few would argue that either organizations or individuals actively set out to behave unethically, illegally or irresponsibly. Rather, circumstances tend to accumulate which makes inappropriate behaviour desirable, preferable or inevitable. Rarely can a single decision be traced as the source of subsequent wrongdoing; more often there is a series of small steps, which, while individually innocuous, are cumulatively catastrophic. Parallels can be drawn here with the literature on accidents and errors arising in complex systems. Rasmussen (1991) talks about systems becoming so complex that they are inevitably opaque to the user. Perrow (1984) highlights this as a cause of the Chernobyl disaster in which case the interactions of decisions made were not just not foreseeable, but in fact not knowable. In the BP Deepwater Horizon catastrophe, the prospect of a spillage was not planned for because no one in the company expected it to happen (Grayson and Abiola, 2010).

In contemporary organizations, the sophistication or complexity of systems of accountancy, financing, production, marketing and indeed HR and their intricate interdependencies similarly make opaque the overall system operation. The concerned individual not surprisingly is left thinking (and indeed is sometimes told) that they simply don't understand the big picture. In line with Rasmussen's argument, one might construct a personal

justification that "my organisation is not evil, so if I think I am seeing misbehaviour, I probably just don't get it." When something out of the ordinary occurs, individuals and teams cannot recognize where or how they should intervene. Here, having the courage to challenge would give voice to concern.

This complexity may be better explored from the separate but related perspective of individual choice in a social context, and the influence of that context on individual choice. At a base level, individuals vary in their degree of moral development and this influences the availability of moral decision-making. Kohlberg's (1981) model of moral development illustrates this. Preconventional moral development sees moral behaviour as no more than a response to sanctions and consequences, or most appropriate need fulfilment. Conventional moral development acknowledges the importance of significant others, either through trying to please or respecting authority and obligation. Postconventional moral development reflects more broadly on higher principles, such as reciprocity and a universal orientation to ethical principles. Any organization will accommodate individuals varying in their level of moral reasoning, however the ethical climate within the organization may serve to encourage or discourage higher levels of moral reasoning and behaviour.

This values-based reasoning in relation to authority is further illustrated by recent work by Passini and Morselli (2010). The combination of power and authority systems exist in all walks of life (Tyler 1997), and in organizations are often highly formalised. However challenging perceived misbehaviour, particular by those in authority, raises a paradox between support for the prevailing system and acts of disobedience towards its institutions and officers; a paradox experienced first-hand by potential whistleblowers. Passini and Morselli seek to accommodate this paradox by considering obedience and disobedience not as mutually exclusive but tempered by values and specifically a sense of responsibility. Both obedience and disobedience may be either virtuous or wicked. Ignoring ones responsibility or duty to disobey inappropriate authority is as anti-social as disobeying valid and responsible authority appropriately exercised. However classic work by Milgram (1974) and Kelman and Hamilton (1989) highlight how hard it can be for individuals to challenge even perceived authority.

While level of moral development and willingness to responsibly disobey may indicate overall choices to behave ethically or otherwise, we must also consider the propensity for an individual to intervene when witnessing immoral or unethical acts. Latané and Darley's (1969, 1970) classic work on bystander apathy speaks to the propensity for individuals to intervene in emergency situations. The headline finding from their research is that the more

bystanders there are to a particular incident, the less likely that any one individual would intervene; each assuming that someone else will take responsibility. In the context of perceived unethical behaviour in organizations, this suggests that the more widely known the misbehaviour, the less likely that individual action will be taken to stop it. Perhaps paradoxically, attempting to cover up misdeeds may be a less effective way of getting away with them than attempting to normalise the inappropriate actions through open discussion.

Beyond this however Latané and Darley note two further reasons for individual inaction. First, and exacerbated by the diffusion of responsibility, they note that people take cues to act from the behaviour of others. The greater number of passive witnesses, the greater number of people who appear to define the situation as "not needing intervention", further reducing each individual's propensity to intervene. The widespread predatory lending practices leading to the sub-prime mortgage debacle in the United States had been tracked within the industry for many years prior to the 2008 GFC.

Second, in "classic" emergency situations, there may be a physical threat to the individual who chooses to get involved, and therefore inaction is a form of self-preservation. Where the situation is one of a breach of ethics, the threat may be to self-image or social standing, perceived limitations on career or future advancement through being the one who blew the whistle. Whatever the threat, this is stressful to the individual and it is understandable for individuals to overlook the misdeed to protect themselves from future adverse consequences. Stephen Bolsin struggled for 6 years to raise concerns about mortality rates at Bristol Royal Infirmary, bringing him into conflict with local more senior colleagues before laying the foundations of major reform to clinical governance in UK hospitals. Toni Hoffman who blew the whistle on Queensland surgeon Jayant Patel in 2005 may have been awarded the Order of Australia for her efforts, but reports suggest she has been treated by Queensland Health subsequently as "the untrustworthy nurse who embarrassed us all" and suffering adverse health consequences (Thomas, 2011). If the ethical option requires that profit (or market share, or coverage, or whatever else is the core outcome of value) be sacrificed, few will volunteer to bring bad news to the attention of the powerful: they may themselves be benefitting from the existing situation. Furthermore, should this imply that the individual him or herself has erred in the past then the potential personal damage is multiplied.

The preceding discussion has focused primarily on the individual's appraisal of appropriate ethical behaviour. However organisations are widely complicit in encouraging misbehaviour; what Kish-Gephart, Harrison and Trevino (2010) call "bad barrels" rather than "bad apples". Those factors, which contribute to individual and corporate inactivity the face of

overwhelming and clear evidence of possible wrongdoing, are neatly summarized by Gandossy and Sonnenfeld (2004). Specifically, corporate messages which appear to support or positively encourage wrongdoing (for example inappropriate foci for effectiveness resulting in performance management criteria which emphasize organisational gain over all else), management tolerance for bullying and exploitation, and a lack of reporting routes where misdemeanours are identified can combine into a powerful force mitigating against the likelihood of challenges being made. Power, policy, politics and the enacted culture serve both to shape norms of behaviour - in Herb Kelleher's memorable phrase, culture is "what people do when no-one is looking" - and encourage or inhibit ethical behaviour or challenges to inappropriate behaviour.

For as long as nothing bad happens; corporations continue to be "successful" and no journalist shines a light on exploitation and immorality, individual and corporate vigilance for inappropriate decision-making may slip . A lack of visible blunders does not necessarily mean high ethical standards, however this makes it difficult to distinguish from "good" ethical behaviour. Where a sense of invulnerability develops, people may forget to be concerned. Reason (1998), talking about the context of safety culture, emphasizes the importance of a base level of fear to maintain a sufficient level of wariness. Organizations and individuals within them therefore need to constantly and actively re-evaluate their base level of morality.

Credibility, ethics and the HR profession

Whether HR professionals in particular feel motivated to take on their ethical role or are able to 'challenge' or indeed act as 'role models' (CIPD, 2009) can be linked to questions of professional standing. One of the most discussed factors that affect the professions ability/willingness to undertake these prescribed roles are the problems with the perception of HR and issues of credibility. The HR profession is often accused of being obsessed with its credibility, and the strategy of compliance within a dominant financial culture achieves little security for the function (Armstrong, 1989, Legge, 1995). Yet, as Kochan (2004; p1340) observed, most HR professionals have 'lost any semblance of credibility as a steward of the social contract because most HR professionals have lost their ability to seriously challenge or offer an independent perspective on the policies and practices of the firm'. Karen Legge's (1978, 1995 & 2005) attempts to broaden the 'bottom line' measures of HR's success, by challenging the 'conformist innovation' approach with the notion of deviant innovation (extending business and production values to include social values) has influenced HR theory but does not appear to have impacted on HR practice. Spreitzer and Sonenshein's (2003) positive deviance approach (intentional behaviors that depart from the norms of a referent group in honourable ways) may provide some insights to progress the notion of HR

professionals becoming deviant innovators.

Whilst the dominant unitarist view in HR discourse adopted by HR professionals is seductive, it presents an over–simplistic view of the reality of the social, economic and political environment. The plurality of interests in society, and thus in organisations, make conflict inevitable. Many prescriptions of good HR practice are based on the assumption that managerial prerogative will prevail and that there would be either no ethical issues or these could be resolved by 'good management'. (Harley and Hardy 2004). However, conceptions of business performance and organisational effectiveness- in theory and practice- cannot be restricted to a narrow profit-dominated bottom line (Boxall and Purcell, 2003). Similarly, there are criticisms of the predominant 'business partnering model'. Francis and Keegan (2006), drawing on the work of Ulrich (1997) identify that the 'business partner' and 'employee champion' roles are somewhat opposed and hard to reconcile. Peccei and Guest (2002) in their major study of partnerships raise doubts about whether this model can work across the range of organisations.

International HR literature further casts doubt on the usefulness of a dominant HRM paradigm. Cultural values and religious beliefs shape the legal, political and institutional arrangements within which organisations operate (Alderson and Kakabadse, 1994; Katou, Budhwar, Woldu and Al-Hamadi, 2010; Jackson, 2001) In multinational organisations this may give rise to conflicts and contradictions with which simple good practice prescriptions are unable to deal. Indeed, it should be recognised that whilst there are universal principles that can be applied to ethical behaviour in organisations, their application in different contexts may vary because of the cultural norms and stages of development in 'CSR' related activity.

Fisher (2000) suggests that there are three main forms of ethical inactivity among HR managers. The most extreme form is what Fisher (2000, 68) terms 'quietism', where HR professionals are 'coerced' into siding with the organisation (whatever the cost). The second form is 'neutrality' where moral muteness is a by-product of a lack of opportunities to 'blow the whistle', perceived power or organisational politics. The third form comes more from an acceptance of the business case justifying compromising personal ethical viewpoints and any resistance is in the form of sarcasm. Lowry (2003), however, provides a more hopeful scenario for HR professionals in describing two active approaches to ethics observed in some organisations. The first is 'ethical reactivity' where HR managers choose to intervene in specific situations and 'ethical assertiveness' where they have managed to reconcile the internal and external pressures to influence an ethical pathway.

The inherent tensions in the role should not be underestimated but need to be more fully understood. Work is a central feature of who we are as individuals. It is at the core of our social identity and HR is at the heart of many of the issues that influence the ability of work to provide for our development and human flourishing. Recruitment, selection, performance evaluations, employee relations and health and safety carry clear ethical dimensions and can give rise to moral conflicts. Where there has been a debate about the ethics of HR it has tended to be either at the macro level (i.e. is all HR unethical?) or at the micro-level about an individual practice (Winstanley and Woodall, 2000). The micro level analysis of specific practices or 'bundles of practices' can be of limited value and detract from the bigger picture. Similarly, macro level analysis based on theory can have theoretical and practical problems (Greenwood, 2002) because it sets out normative standards for all HR in relation to ethics that are generally difficult to establish through empirical studies (Lowry, 2006). This highlights the need to distinguish between the ethics of HR and ethical behaviour through HR. Indeed, HR's role can be seen as two fold. First ensuring the HR strategies, policies and practices are ethical and that the culture of the organisation is consistent with this. Second the HR profession has a duty to promote ethical behaviour through the individual professional's own conduct within the organisation. The inclusion in the revised standards of the Chartered Institute of Personnel and Development (CIPD, 2009), of two distinct requirements for HR professionals that relate to this role (the 'courage to challenge' and being a 'role model') is therefore encouraging.

In summary, whilst it is apparent that there ought to be a role for HR in the establishment and maintenance of ethical behaviour in organisations, clearly there are a number of features which make this challenging to individual professionals. We therefore sought to gain a clearer understanding of where current HR professionals see their role regarding the ethical stewardship of the organisation. To this end a survey was conducted to establish the baseline perceptions of HR regarding ethical stewardship, and to identify where organisational practice and culture, but also policy in particular serve to enhance or inhibit this role.

Methodology

The survey was conducted in the autumn of 2009 and was built around the Ethical Choices questionnaire initially developed by The Institute of Business Ethics. This was expanded upon by adding open questions seeking respondent's views on the role of HR regarding ethics in organisations and additional demographic data.

The sample consisted of 113 respondents, all of whom were working in HR or had in the last 12 months held an HR position. 82% of the sample was current members of the UK Chartered Institute of Personnel and Development (CIPD). The sample was drawn from part time and

full time Masters students on a HR specialist programme and final year HR undergraduates who had completed 12-month HR placements. 56% the sample was British, and no other nationality was represented by more than 5 respondents.

76% of respondents were currently or recently employed in organisations of more than 250 employees, the remaining 24% having been employed in small or medium sized firms. The majority (62%) worked for private sector corporations, outnumbering public sector respondents by two to one. The size of the employing organisation was not systematically related to its public or private sector status. Respondents tended to be at first line manager roles rather than more senior executives; 41% reported being at manager level or above.. Three respondents did not indicate their level in their organisation and one held an advisory role.

Slightly less than half of the respondents (42%) had been or were working for multinational organisations, with 14% of the sample working overseas. Multinational employers were, with one exception, large organisations. Most of the organisations (86%) had a formally constituted HR function; with 71% of respondents identifying that HR was represented at board level in their organisation.

Measures

The opening section of the survey collected a range of demographic about the organisations to which respondents belonged, including the size and location (domestic, international, multinational) of the organisation, and its ownership status. The respondents included students undertaking CIPD related University programmes (at Undergraduate and Postgraduate level) who completed the surveys in class; together with those who have completed similar programmes and now in full time employment who responded by email. All respondents had work experience in HR and details of their roles in organisations were also collected.

The Ethical Choices questionnaire consists of 12 statements addressing individual and organisational expectations with respect to ethical behaviour. Respondents answer on a 5-point scale from 1 indicating strong agreement with the statement to 5 indicating strong disagreement, although for the analyses reported below this scaling was reversed (such that 5 equals strong agreement and 1 strong disagreement). The items relate to a range of issues regarding ethical choices in organisations. Four items refer to organisational standards of behaviour, for example "My organisation is very clear about the standards of conduct employees are expected to follow". A further 4 items relate more to the individual's own ethical stance, for example "I make a determined effort to consistently do the right thing,

rather than the easy thing". The remaining four items seek to surface potential conflicts between espoused and enacted ethical standards "In my organisation we say we expect ethical behaviour but the reality is quite different" (reverse coded). Through these different types of questions, the Ethical Choices questionnaire addresses both organisational and individual level decisions about ethics in the workplace and seeks to identify were conflicts may arise between the two.

Following this, a section was included on the survey which focused specifically on the role of HR in establishing and maintaining ethical behaviour. First it sought to establish the degree of formalisation of ethical policy within the organisation; specifically regarding the existence of codes of ethics, values statements and whistle-blowing policies. Second, it enquired about the formal role and representation of HR in organisational decision-making. This was followed by four open questions where respondents were encouraged to offer their views on the role of HR in ethics; the CIPD requirements of 'courage to challenge' and 'role model'; perceived barriers to HR professionals in carrying out these roles, and ideas for overcoming such barriers. Quantitative data were analysed using SPSS while axial coding was used to interpret the open ended questions.

Results

Organisational support for ethical behaviour

Most organisations had made attempts to formalise ethical behaviour in some way. 73% of the sample organisations had a code of ethics and 83% had clear organisational values relating to ethical behaviour and 57% of organisations had whistle-blowing policies. In total 48% of respondents' organisations had formal codes of ethics, clear organisational values and whistleblowing procedures in place. In order to develop a measure indicating the extent of ethical formalisation within the organisations, a composite variable was created; adding together the number of formalised ethics related policies reported in the organisation (range 0-3). The mean value of this composite variable was 2.25 indicating considerable formalisation in the majority of organisations. This variable was entitled Ethics Policies. Table 1 provides descriptive statistics and the correlation matrix for the Ethical Choices items and the composite Ethical Policies scale.

Insert table 1 about here.

Looking at the responses to the Ethical Choices Questionnaire, overall respondents tended to be personally supportive of ethical behaviour. The three most highly rated items (items 6, 7 and 11) all relate to personal beliefs in relation to ethics at work. Item 11 is of particular

interest. The importance of managers giving clear leadership on ethical values was the most highly rated item on the survey, emphasising the significance of role-modelling. Interestingly item 1 was also very strongly endorsed; that the organisation provided clarity on standards of conduct amongst employees. However there was no correlation between the scores on these two items. There would seem to be a mismatch therefore on the perceived need for clarity of standards and the provision of that clarity from management.

Exploratory factor analysis was carried out on the Ethical Choices questionnaire data to identify whether the underlying constructs proposed above in fact emerge from the data for this analysis. Item 9 was omitted as it was largely unrelated to other items and speaks relatively little to the nature of ethical behaviour; a positive response potentially indicating either strong or no principles. From analysis of the remaining 11 items a 3-component solution emerged, accounting for 60% of the variance in the factor space. The rotated solution is given in table 2.

Insert table 2 about here

The three factors emerging from this analysis are quite coherent. The first factor relates to the organisation's position regarding support for ethical standards and was therefore labelled "Espoused Ethics". Factor two relates more closely to expectations regarding ethical behaviour, in particular where ethical and organisational interests may be in conflict. In light of this the factor is labelled "Ethical Behaviour". This puts ethical choices in a more situational context. Factor 3 reflects the respondents' individual ethical beliefs and values and as such is labelled "Personal Ethics". It speaks to their individual ethical standards and intentions. These factors largely correspond to the clusters of items described above and reflect the themes highlighted in the introduction of organisational, situational and individual influences on ethical choices. At the organisational level, the organisations represented here seem to present a coherent message regarding ethical standards and expectations. At the individual level, ethical beliefs and personal values cluster together in a coherent value set. In between these two positions however there are issues of conflict between espoused organisational values and personal ethical behaviour.

Factor scores for these three factors were calculated by reversing the scoring of item 10 (to reflect its negative loading on "Personal Ethics") and summing the values reported on each factor for each individual. These scale values were used in subsequent analyses.

The relationships between factor scores and the organisational demographics were initially

explored. The only organisational quality that had a systematic relationship with ethical standards was the size of the employing organisation. Larger organisations tended to have clearer espoused ethical standards (t = -2.278, p = .025) and less conflict around ethical behaviour (t = 3.209, p = .002). Large organisations also had a significantly higher number of ethics policies (t = -3.349, p = .003). The sector in which the organisation operated had no relationship with the ethics factors reported here.

Looking at individual characteristics and their relationship to these ethical factors, neither the individual's level in the organisational hierarchy, nor their role with respect to HR responsibilities demonstrated any relationship with the three ethics factors measured here. This latter point is noteworthy if we are to expect HR specialists to be drivers of organisational ethics. However, the representation of HR at board level did impact significantly on espoused ethics. Where HR was represented at board level respondents reported significantly clearer and higher espoused ethical standards (t = -3.202, p = .002). This representation however did not significantly affect the experience of conflicting messages on ethical behaviour.

It is apparent from table 3 that there are strong correlations between the extent of published ethical policies within an organisation and all three factors emerging from the ethical choices questionnaire. Not surprisingly the weakest correlation is with personal ethical standards. The negative correlation between Ethical Behaviour and Ethics Policies is a function of the scaling of the Ethical Behaviour factor. It may be more accurately labelled ethical misbehaviour as higher scores indicating the downplaying of ethics in pursuit of competing objectives. This is more strongly the case in organisations where there are fewer ethical policies in existence.

Insert table 3 about here

If we look at the different ethical policies in place, the presence of a code of ethics was associated with significantly higher Espoused Ethical standards (t = 3.69 p < .001), less conflict between espoused and apparent Ethical Behaviour (t = 2.51, p = .014) and greater confidence in Personal Ethics (t = 2.36, p = .020). Clear organisational values were also significantly associated with higher Espoused Ethical standards (t=3.86, p = .002) and with less conflict between espoused and enacted Ethical Behaviour (t=2.31, p = 023). No significant differences were found between the presence of clear values statements and personal ethics.

Perhaps surprisingly, the existence of a whistle blowing policy was most strongly associated with all dimensions of ethical standards. Having a whistle blowing policy resulted in

respondents reporting significantly higher Ethical Standards (t = 4.06, p < .001), significantly less challenge where Ethical Behaviour might conflict with the organisations interests (t=2.71, p = .008) and significantly higher levels of Personal Ethical behaviour (t=3.27, p = .002). More than any other feature this explicit protection from persecution appears to give respondents greater freedom to behave ethically and a greater belief in the ethicality of the organisation.

Overall, and as would be expected, greater formalisation of ethics within the organisation is associated with clearer organisational standards, less conflict between ethical and organisational priorities and, to a lesser extent, more personal confidence in behaving ethically.

Respondent views on HR and ethics

The responses to the open questions were ordered into axial coding in order to show the connections between the categories (Strauss and Corbin, 1998). The key factors outlined above (espoused ethics, ethical behaviour and personal ethics) are explored further and the categories below highlight the way in which these factors are interpreted in an organisational context, for example, respondent's perceptions of HR within the organisation and the impact this has on the likelihood of individual HR professionals to act.

In addition to the specified themes regarding the HR having the "courage to challenge" and serving as a role model, the two further HR roles emerged regarding communicating and promoting ethical behaviour and policy enforcement.

Communicating and promoting ethical behaviour

A key role that respondents reported for HR was with regard to communicating ethical standards and to a lesser extent, promoting ethical behaviour. The primary route to achieve this for the HR professional seemed to be through training and management development.
"*It is important that managers understand the need for them to act ethically*" (Respondent 37 HR Supervisor, UK public sector).
Similarly, recruitment and selection processes were seen to make an important contribution to HR's role in ethics within the organisation. This was commonly linked to new starters and thus connects to the idea of HR as communicators of ethics.
"*We need to set out expectations when looking for new employees and at induction*" (Respondent 26; HR officer, large UK-based MNC, manufacturing)

Policy Enforcement

Developing and maintaining policy was also regarded as an important role together with enforcing codes and practices. Enforcement seemed to be a common theme with respondents also referring to discipline, 'policing' and 'punishment'.

"*there is quite a prescriptive view of the role of HR, as a department that does the functional things*" (Respondent 11; HR officer, large UK-based private sector financial services)

HR people are seen as "*the people who know what the rule book says*" and "*who keep the institution safe from breaking the law*" (Respondent 41; HR supervisor, large private sector French MNC, transportation)

The tension between the espoused and enacted behaviours comes through in many of the written responses.

"*The current perception of HR is very much 'transactional' in nature but HR would like to be see as responsible for equipping staff to exercise judgement for themselves and to be able to take much more responsibility*" (Respondent 67; large private sector retailer). This latter point links back to the issue of management training highlighted above by Respondent 37.

The 'courage to challenge'

The comments concerning the 'courage to challenge' demonstrated an awareness of the importance of HR taking a role in ethical issues particularly in relation to encouraging employees to report wrongdoing. However, the majority of comments referred to the difficulties of fulfilling such a role. These comments related to the perception of HR and the culture of organisations (especially those that are solely focused on results or profit orientated). However a real concern was the personal risk of challenging from within the organisation, mirroring the conflict between personal ethics and professional behaviour. "*It can be difficult (on a personal level) to be seen to be speaking out – HR do not have the powe*r" (Respondent 79; HR officer, large UK public sector organisation)

These comments fit with the quantitative results on 'whistle blowing' and included examples of individuals who had suffered as a consequence of taking such action. "*Speaking out can be career suicide*" (Respondent 60; HR officer, Large multinational MNC).

However, there was a recognition that if HR does not challenge such issues, few others in the organisation would. "*HR should be perceived as responsible for ensuring fairness, equality and legality rather than just supporting the management*" (Respondent 6; HR officer, large UK public sector organisation.)

This suggests awareness of a unique contribution and indeed expectation on HR in this respect and feeds into the next category of comments.

HR Role Model

The idea of HR being a role model was popular amongst respondents (some saw this as a more realistic role for HR than the role of 'challenging') with comments on the importance of leading by example. "If HR do not act ethically how can they expect employees to do so" (Respondent 56; HR Manager, large UK private sector transport company) The importance of modelling ethical behaviour was also linked to enforcing rules and values with comments such as, "living and breathing good ethical behaviour" (Respondent 11; HR officer, large UK private sector financial services) and "being seen to 'do the right thing' (Respondent 88; HR officer, small public Chinese construction firm).

The positive impact of such demonstrable ethicality upon employees echoes the questionnaire responses regarding the importance of managers providing leadership on ethics and supports the role of HR in making judgments on policy and practice. On the other hand, respondents echoed the statements about the (low status) perception of HR with respondents commenting on "*the difficulties of being a role model if the HR role is 'invisible'*" (Respondent 81; HR officer, large UK public sector organisation) or that "*this may be an ideal but it is not realistic*" (Respondent 24; HR supervisor, small UK public sector manufacturing company).

Perceived Barriers

The responses to the question about barriers to HR professionals in having the courage to challenge and serving as role models focused mainly on the impact of organisational culture, especially high bonus/ high profit centred organisations. Management style and the influence of key individuals or groups together with peer pressure also presented particular difficulties. "*The attitude of the CEO and Directors sets the tone and there is little room to be 'out of step with this'*" (Respondent 33; HR officer, large UK-based MNC private sector recruitment). The issue of image and branding came out as key challenges but again the perception of HR and its lack of power and voice in the organisation was seen as a problem.

Perhaps not surprisingly, when asked about how to overcome these barriers, respondents returned to the themes mentioned in the role of HR communication, policies and culture featured heavily. It is clear that HR see their role in setting out the messages and expectations about ethical behaviour and reinforcing this through embedding this is the policies, practices and culture of the organisation. There was some mention of resource constraints, especially time to focus on ethics both in respect of policy development but also particularly in provisions of training – often related to new employees. The notion of 'promoting' ethics and internal marketing activities were also mentioned, including the suggestion of rewarding ethical behaviour.

However, there was clear support for HR being involved in changing the culture and values. This was often couched in HR 'speak' i.e. though the 'business partner' model or by 'vertical and horizontal integration' and even use as a 'marketing tool'. However, many commented on the need for 'ethics champions' or using HR's influencing role at board level (or with managers). Some address the nature or organisational culture, for example culture change to accommodate critical ideas rather than 'self-preservation' and encourage 'long term' view.

Discussion

In this study we set out to gain an understanding of how current HR professionals see their role in relation to ethical stewardship of the organisation and to explore where organisational culture, policy and practice may enhance or inhibit this role. Three areas of influence were identified which may impact on individuals ability or willingness to challenge unethical behaviour or to act as a role model. These related to factors in the individual, factors in the organisational and the impact of context. The survey data confirmed that these three sets of factors operate independently of each other in shaping professional behaviour. Taking the organisational level first, it is apparent that the presence of organisational policies and commitment to ethical behaviour, along with HR representation at senior level, reinforces awareness of ethical standards within the sample. In particular, the importance of having policies which specify expected behaviour and provide protection for those who are willing to challenge is high. Within this the significance of senior management acting as role models and providing leadership in this area is particularly high. The qualitative data further supported this view, with role modelling being seen as the most achievable and realistic role for HR rather than actively challenging inappropriate behaviour. Larger organisations were more likely to have more formalised ethics policies, leading to significantly less conflict between expected and observed ethical behaviour. In smaller organisations both formalised ethical policies were less frequently reported and this lack of clarity of explanation leads to greater variation in actual behaviour. These finding suggest that in larger organisations, misbehaviour is more likely to arise from either "bad apples" (individual deviance) or "bad barrels" (organisational environment) whereas in smaller organisations the situation is not so clear cut leading to a "bad case" (difficult or unclear moral choices) explanation of unethical behaviour.

Respondents reported quite high personal ethical standards, and as would be expected these were not heavily influenced by organisational features, standards and expectations. What we have found that that there is a clear acceptance of the expectations of ethical stewardship by the HR managers. However while ethical intentions may be strong, these professionals face difficulties in fulfilling this role, in part due to competing tensions within the organisation.

Where the organisation has limited ethical policies, and the status of the HR profession is low, the likelihood of the HR manager being ethically assertive (Lowry, 2006) is reduced.

The lack of protection from potential persecution seems particularly important here. Where organisations had whistle-blower policies both the espoused ethical standards, the ethical behaviour demonstrated and the individuals' personal ethical standards were more positive. This protection may serve both to encourage responsible disobedience and increase the willingness to challenge as prescribed by the professional bodies. As reported here, the HR role remains rather passive, favouring communicating standards over actively promoting ethical behaviour.

This conclusion is less straightforward than the question initially posed, as to whether HR are professionals have courage to challenge or serve merely as bystanders. At the individual level, there was no evidence to support bystander apathy as the cause of HR inaction. At the organisational level, complexity was not raised as an excuse. In short, our respondents' moral development was not at issue – they know good from bad. The sticking point is in giving voice to concern and the personal and organisational meaning of such actions. Responsible deviance is difficult to enact in organisational cultures which encourage obedience and 'quietism' (Fisher, 2000). As individuals are increasingly encouraged to identify with the organisation, speaking out may both be experienced as being disloyal, and also challenge the social identity the whistleblower has constructed within that organisation. Thus the personal threat argument posed by Latane and Darley seems to be the strongest explanation, the threat being both to continued (organisational) membership, as with the cases cited earlier, and to personal identity.

It would appear that the courage to challenge is still some way from being commonplace but HR institutions do have a role to play in this. Institutional theorists present strong arguments (and empirical evidence) on the influence that professional bodies and associated academic instructions play in promoting dominant theoretical models which in the main do not advocate considerations beyond efficiency and effectiveness (Tuttle and Dillard, 2007).
Whilst many normative accounts of HRM show the HR manager as a type of guardian of organisational ethics, this is not an easy position to uphold. Most of the organisations surveyed had articulated their ethical stance through espoused codes, policies or values but backing these up with positive support for those willing to challenge, and senior managers being seen to live the values they purport to uphold are critical.

On a positive note, this analysis suggests an agenda for promoting organisational ethics based in developing a strong culture supported by effective role modelling and clear protections for those who step up. That culture may be a driver for appropriate or inappropriate behaviour in organisations comes as no surprise. Legge's 1995 work highlights the management of culture as a central activity, indeed a distinguishing feature, in normative HR models

There is also a challenge to the development of a responsible, ethical culture, which is paralleled, in the last two decades' work on culture change. The challenge here is that the change required to enable ethical behaviour is not one of macro structural change but a more subtle establishment and enactment of authentic values such a change is likely to be a slow process, focusing on behaviours and attitudes, but strongly underpinned by structures and systems which support the new approach. Values statements were less influential in encouraging ethical behaviour than were formal policies. In such a context the dominant approaches to change are by necessity participative and experiential. They rely on education and critical modelling of appropriate behaviours in order to bring about learning and acceptance. The notion of role modelling behaviour was popular amongst the HR professionals in our study both by themselves but also by organisational leaders more broadly. Such change however is difficult to bring about. In that it is related predominantly to the "hearts and minds" of employees, it appears to be vested solidly in the HR role. However, merely "getting people to change their minds" has been the overwhelming challenge in culture change initiatives from the 1980s onwards. Bringing in the additional complexity of organisational members diverse stages of moral development (Kohlberg 1981) only further complicates the issue.

From a HR point of view, the opportunities to bring about change can be in using influence through the requirements set out in recruitment, the training given to employees and the expectations placed upon them through performance management and reward systems. The results suggest that the more "ethical policies" the organisation possesses the more likely that respondents will report positive ethical behaviours and this plays to the preoccupation of respondents with enforcement, authority and rules. Establishing codes of practice for what is considered ethical behaviour, communicating and modelling these and providing appropriate training and reinforcement mechanisms may serve to provide drivers for post-conventional moral behaviour. Standards can be provided in policies and codes, but norms are established through factors influencing the broader organisational culture and sub-cultures, including managerial language and behaviours. McDonald and Nijhof (1999) point out the complexity of setting standards in an organisational context where there are conditions influencing the way they are interpreted and adhered to at different levels. These include the social, political,

economic, work and personal environment, personality and socialization factors (including individual cognitive moral development), and organisational norms, values, decision-making processes along with access to resources. Therefore, just publishing a 'code of ethics' or producing CSR and sustainability statements is not sufficient; the principles need to be interwoven into everything a business does. In the case of codes of ethics Ferrell et al, (2008) argue that they need to be part of an effective ethics programme, which is a process of continuous activities that are designed, implemented, and monitored to prevent and detect misconduct. However, this requires the recognition that codes of ethics are part of the value system of the organisation and embedded into CSR discourse and core systems, including those for which HR are responsible. In addition, our study suggests that the existence of 'whistleblowing' policies was positively associated with all three ethical factors providing a sense of safety, security and freedom from persecution

Verbos et al (2007) argue that to achieve a positive ethical organisation, attention needs to be paid to aligning these processes and systems with authentic leadership and the development of an ethical culture. It also requires HR professionals to see part of their responsibility to engage sensitively with all areas of the organisation to facilitate organizational learning in the development of a culture that is consistent with shared values (both espoused and enacted). Beyond that however, the challenge becomes one of engaging individuals and groups with the needs of others and broader ethical principles.

Organisational Development offers one of the most consistent and successful perspectives on bringing about value change. Its fundamentally humanistic and democratic outlook based in behavioural sciences (Porras and Robertson, 1992) and is underpinned by a code of ethics, which outlines a set of fundamentally important values to which OD professionals commit (http://odinstitute.org/ethics.htm).

This problem solving, self-reflexive approach seeks to enable the organisation to better adapt and cope with its own challenges, as it defines them, through empowerment, openness and collaboration. Surfacing the values that an organisation seeks to adopt and encourage discussion of what that would mean, in relation to the range of stakeholders and potential outcomes, requires open discussion and critical awareness. It also presupposes senior commitment to ethical action. Without such commitment, any further discussion is meaningless and unlikely to result in a consistent climate for good ethical behaviour. Modelling of ethical behaviour throughout the organisation is therefore crucial as was apparent from the data collected here.

Why is it that some organisations appear to more ethical than others and what does the current research suggest about HR's role in bringing about change towards this? There are organisations that see ethics, and CSR as vital to the way that they do business because it is simply 'the right thing to do' (Cadbury, 2006). For others, raised public expectations, competitor pressures and increased levels of scrutiny (with the associated reputational risk) suggest that ignoring these issues is no longer possible. In addition, there is growing evidence that the career choices of graduates and thus recruitment for employers are influenced by the sustainable development and CSR agenda of employers (HEA, 2007). Thus the recruitment and perhaps more importantly the retention of talented employees can be affected by the extent to which organisations are able to demonstrate their credentials in this important area (Turban and Greening, 1997).

Limitations and future directions

We began this research with the intention of exploring the relative silence of HR professionals in the face of on-going challenges to morality and ethicality in business. Gathering data directly on the presence or otherwise of unethical behaviour is difficult, and indeed generates its own ethical concerns regarding where the responsibility of the researcher lies. Therefore, we adopted a survey approach which did not seek it identify specific instances of behaviour but rather behavioural intentions (Ajzen, 1991; Fishbein and Ajzen, 1975). As Kish-Gephart and colleagues (2010) point out, it is common in literature in this area to treat unethical intention and unethical behaviour as an overarching construct of unethical choice (p2). Our results need to be treated cautiously, particularly in relation to the extent to which personal ethical intention is likely to be translated into actual ethical behaviour. However the inclusion of the qualitative data to interrogate the conditions under which intentions may or may not play out in practice goes some way to overcome this concern.

Future research perhaps adopting an ethnographic approach might provide more detailed insights into the complexity of ethical decision making beyond what is feasible through this type of research design. Tracking the individual and contextual influences on decision-making in this way would provide a richer picture of how ethics are lived within organisations.

The sample of respondents is relatively small, and was collected from the UK. It did however include respondents from many nationalities, who were working or had worked in organisations based in the UK and overseas. No particular trends were identified by nationality of participants. Whether this is a result of institutional influences through the

shared education systems to which most had been exposed is debateable but it seems that there is a shared view amongst participants irrespective of background of what is appropriate and similarly what is difficult in relation to ethical and socially responsible behaviour. Further systematic extension of this work internationally would be welcome.

The organisations in which participants were working demonstrated a range of ownership structures, from relatively small single country operations to very large multinationals and including both private and public sector concerns. The size of the organisation was the only feature which demonstrated any consistent impact on the core issues of concern here. Neither ownership, location nor sector demonstrated any significant effect on the perception and operation of ethics and ethical behaviours amongst the sample. This parallels the finding above regarding the relative invariance in response by nationality. There appear to be almost universal organisational behaviours in this regard. Still, it was not possible to explore combinations of features which might have systematic effects on ethical behaviour. Multinationals with different national ownerships, or comparable domestic organisations in different countries for example would be obvious comparisons to pursue in future work.

For organisations to embrace ethics and CSR, the strategies and policies that underpin them must be part of the value system of the organisation and be embedded into all core activities, including those for which HR are responsible. However, to bring about change, it is not simply a case of using mechanistic instruments such as changing structures or issuing edicts. There are a number of critical aspects that can influence the success (or otherwise) of changing towards a more ethical, responsible and sustainable organisation. These include paying attention to issues of culture, values and leadership, as well as the OD role of HRM. The notion of what constitutes organisational effectiveness is also brought into question. In taking a triple bottom line perspective; balancing concern for people planet, and profit (Parkes and Harris, 2008) and embracing multiple stakeholders, there is an opportunity to widen the rather narrow economic interpretation of what 'strategic HRM' means. Rather than assuming that 'strategic' equates to showing purely the financial consequences of HRM policies and practices, the legitimate concerns of constituents other than investors can be recognised (McWilliams et al., 2006).
Revisiting Karen Legge's work (discussed earlier) on promoting deviant innovation, Spreitzer and Sonenshein's (2004) positive deviance approach resonate with the call to promote ethical cultures by encouraging prosocial behaviours. Positive deviance is distinct from CSR because it is not focused on reputational measures with stakeholders but requires a departure from the organizational or business norms to emphasis alternative success criteria. For example promoting value in an activity because it is 'doing the right thing' with or without attendant

publicity.

HR's role in CSR has the potential to redefine its interpretation of organisational effectiveness and redirect its strategic focus. In order to achieve this it is important to promote ethical leadership from top management and throughout the organisation including from HR. Kolodinsky (2006) discusses the importance of 'HR wisdom' – a unique perspective that must be part of the organisational discourse on values, ethics and responsibility. However, for this to manifest, HR professionals must take on a leadership role – not just with HR issues but also in influencing the organisation to understand the impact each workers' choices can have on all organisational stakeholders. This is an imperative for any leadership role and HR, as the people focused profession in the organisation, has a responsibility for the explicit (structural) and implicit (processes) aspects of ethics and responsibility within the organisation (Burke, 1999).

The real challenge for organisations (in providing genuine and visible demonstrations of their ethical and social responsibility credentials) is the way in which they respond to all their stakeholders, including employees. In many ways there has never been a better time for HR professionals and the institutions of the profession (academic and professional) to lead in this. However, if they are to stop being 'bystanders', they must be prepared to embrace the ethical imperative in their role. In particular they must strive to be a 'role model' and gain 'the courage to challenge'.

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TABLE 1
Descriptive Statistics and Correlations

		mean	sd	1	2	3	4	5	6	7	8	9	10	11	12
1	My organisation is very clear about the standards of conduct employees are expected to follow.	4.12	.846	1											
2	My organisation expects me to keep within the law but there is little discussion about ethical behaviour.	3.31	1.163	-.229*	1										
3	My organisation expects me to put profits first, way in front of ethics.	2.58	1.116	-.330**	.513**	1									
4	In my organisation, the most senior managers provide a clear lead for everyone else with regard to ethical behaviour.	3.13	1.001	.531**	-.387**	-.457**	1								
5	In my organisation we say we expect ethical behaviour but the reality is quite different.	2.65	1.054	-.378**	.435**	.484**	-.454**	1							
6	I always comply with my organisation's standards of conduct and professional code of ethics.	4.24	.786	.174	-.093	-.161	.320**	-.202*	1						
7	I make a determined effort to consistently do the right thing, rather than the easy thing.	4.15	.819	.117	.073	-.064	.310**	-.032	.363**	1					
8	I feel that in my organisation I could speak out about ethical matters and be heard.	3.48	.995	.425**	-.217*	-.393**	.438**	*.517**	.276**	.274**	1				
9	I use my own discretion when faced with dilemmas at work.	3.78	.813	-.093	.141	.128	-.098	.203*	.043	.024	-.055	1			
10	I am more concerned about getting the job done than I am about complex ethical issues.	2.55	.899	-.156	.161	.300**	-.180	.177	-.216*	-.372**	-.090	-.101	1		
11	I believe that it is important for managers to give clear leadership on ethical values.	4.44	.582	.170	*.151	-.087	.171	-.058	.260**	.294**	-.010	-.058	-.364**	1	
12	If I was faced with an ethical dilemma which could be damaging to my organisation, I would do what I could to cover up the problem.	2.30	1.122	-.142	.369**	.347**	-.295**	.372**	-.217*	-.266**	-.261**	-.004	.404**	-.233*	1
	Ethical Policies	2.25	.912	.408**	-.247*	-.302**	.489**	-.124	.217*	.219*	.261**	-.095	-.095	.113	-.110

1 = strongly disagree, 5 = strongly agree.
** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)

Item		Component		
		1	2	3
8	I feel that in my organisation I could speak out about ethical matters and be heard.	.802		
4	In my organisation, the most senior managers provide a clear lead for everyone else with regard to ethical behaviour.	.708		
1	My organisation is very clear about the standards of conduct employees are expected to follow.	.687		
2	My organisation expects me to keep within the law but there is little discussion about ethical behaviour.		.813	
3	My organisation expects me to put profits first, way in front of ethics.		.688	
5	In my organisation we say we expect ethical behaviour but the reality is quite different.		.566	
12	If I was faced with an ethical dilemma which could be damaging to my organisation, I would do what I could to cover up the problem.		.562	
10	I am more concerned about getting the job done than I am about complex ethical issues.			-.735
7	I make a determined effort to consistently do the right thing, rather than the easy thing.			.701
11	I believe that it is important for managers to give clear leadership on ethical values.			.694
6	I always comply with my organisation's standards of conduct and professional code of ethics.			.490

Means and correlations of ethical scales.

		Mean	sd	1	2	3
1	Espoused ethics	3.58	.760	.720		
2	Ethical Behaviour	2.71	.837	-.567**	.745	
3	Personal ethics	4.07	.539	.345**	.310**	.636
4	Ethics policies.	2.25	.912	.482**	-.264**	.232*

Alpha on leading diagonal
   ** Correlation is significant at the 0.01 level(2-tailed)
   * Correlation is significant at the 0.05 level (2-tailed)