Facing Ethical Dilemmas in the Workplace: A Qualitative Study of HR Managers’ Perceptions of the Influences on Their Behavior and the Implications for Building an Ethical Culture in Organizations

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ABSTRACT: This study examined the perceptions of human resource managers who had faced ethical dilemmas in the workplace, to gain an understanding of how they felt their life experiences shaped their values in making ethical decisions. In order to understand their perspectives, in-depth interviews were conducted that helped frame the issue. The experiences of ten human resource managers who believed they chose a right course of action when faced with a real world situation were examined within the context of their life experiences. Each professional shared a personal story through the process of interviews that told of an ethical dilemma, and the development of the value perspectives that made up his or her ethical framework.

Introduction

Ethics is an extremely complex subject. Philosophers, psychologists, sociologists, educators and business professionals have developed numerous theories about how and why people behave ethically. Research has shown that many factors, including job level within an organization, loyalty to the employer, and the need to remain employed influence a person’s decisions and ultimate ethical behavior. (Jamrog, Forcade, Groe, Keller, Lindberg, Vickers, & Williams, 2005; National Business Ethics Survey, 2003).

Within the culture of an organization, complex ethical situations seem to defy clear-cut right or wrong solutions. In a review of ethical decision-making in business, Loe, Ferrell, and Mansfield (2000) attributed the factors of organizational climate, culture, and rewards and sanctions as influencing ethical decision-making within organizations. Jamrog, et al. (2005) found that the two most important factors influencing an ethical business culture are the overall culture of the organization and its leadership. Culture, according to Putnam and Cheney (1985) refers to a group’s collective notion of what reality is, what it means to be a member of a group, and how individuals should act as members of the group. Individuals bring their own moral philosophies or beliefs to an organization, which have been formed by their own experiences over time. Additionally, organizations have values which are either understood through history, or explicitly stated. Finally, social groups within organizations influence each other’s thoughts and behaviors.

There are numerous ethical decision-making models throughout the literature (Bommer, Gratto, Gravander, & Tuttle, 1987; Ferrell & Gresham, 1985; Trevino, 1986). Kohlberg’s (1969) Theory of Cognitive Moral Development serves as a foundation for many which have gone beyond his initial research. Kohlberg’s model was later expanded and researched by his student, James R. Rest (1985, 1986). Rest’s (1986) model of ethical decision-making is a four-stage model which starts with awareness and progresses to judgment, then to intent, and ends with behavior.

Research has been done which shows that those who score high on Rest’s Defining Issues Test, an instrument used to measure moral judgment, do not necessarily score high when faced with scenario-based situations (behavior). Haviv and Leman (2002) explained this as a “should” versus “would you do” difference. Hypothetical situations elicited different responses to “what
should I do” versus “what would I do.” Krebs, Vermeulen, and Denton (1991) and Wark and Krebs (1996) also studied moral judgment in hypothetical scenarios, and reported lower judgment levels in real life situations than in hypothetical ones. A study of nursing students in Finland using Rest’s Defining Issues Test indicated that moral awareness and judgment, the first two steps in Rest’s ethical decision-making model, may be learned (Auvinen, Suominen, Leino-Kilpi, & Helkama, 2004).

Moral intent has not been highly studied, although it is the step prior to behavior and considered most likely the actual determining factor in how or why a person chooses one particular course of action over another. According to Ajzen and Fishbein’s (1980) Theory of Reasoned Action, intent results from an individual’s values toward a behavior and the individual’s subjective norms, which are influenced by social norms based on culture-related variables to perform, or not perform, a specific behavior.

Values are what individuals hold to be important. Dose (1997) developed a values model that separates personal-moral values from social-moral values. She believed that whether individuals will adhere to the ethical standards of an organization will depend on where those values fit within their own personal-moral beliefs.

Studying ethics within the workplace is a complex activity. There is a need for research that focuses on the context of real life ethical dilemmas and how some people are able to make a decision to do the “right” thing. This study, in its attempt to highlight the dilemmas that were faced by HR managers, allowed them to discuss their personal stories regarding the dimensions of their personal values, their work, and their frameworks for ethical decision-making. Through their experiences a greater understanding of how they were able to do the right thing emerged.

The study was guided by the following questions:
1. What life experiences shaped the development of human resource managers’ moral belief systems which established their ethical frameworks?
2. How do human resource managers describe the link between their moral belief systems, ethical behavior, and organizational influences?
3. How do human resource managers describe the ways that their experiences surrounding these dilemmas informed their understandings of the ethical decision-making process (reasoning) in organizations?

Conceptual and Theoretical Framework

This study on ethical behavior in the workplace draws from a number of disciplines. To make sense of the various influences on ethical decision-making within organizations, three models have been chosen as a basis for discussion of the findings: Rest’s (1986) Model of Ethical Decision-making, Trevino’s (1986) Person-Situation Interactionist Model, and Jones’ (1991) Model of Moral Intensity. The integration of these three models adds to the existing foundational theories of ethics.

Much of the research on ethics focuses on the individual and how that person is able to rationalize and think through all of the factors required to make a decision when confronted with an ethical dilemma. The foundational theories of how an individual develops in his/her thinking
and moral development underlie the subsequent research on ethical decision-making models. Kohlberg’s Cognitive Moral Development Theory (1969) serves as a basis for discussion here.

According to Kohlberg, individuals develop their own cognitive moral thinking based on a natural sequence of maturational development. Each of the six levels represents a shift in the social-moral development of the individual from one who is told what to do at the lowest level of obedience, to one who shows concern for others by developing a universal system of justice at level six. His thinking follows from Piaget, but goes into more detail and is the most widely used developmental theory today.

There are numerous ethical decision-making models throughout the literature. Wyld and Jones (1997) identified nine models which were developed in the last two decades. Kohlberg’s moral development theory was later expanded and researched by Rest (1985, 1986) to develop his own ethical decision-making model. The integration of the following three models of ethical decision-making served as the theoretical basis for this study.

Rest’s model focuses heavily on adult moral development and is a stage-based model, which progresses from awareness to judgment to intent and finally to behavior. In Rest’s first stage, awareness, the individual must be able to discern that a situation has ethical implications to consider the possible alternatives. The second stage is judgment. Kohlberg’s Theory of Cognitive Moral Development explains how moral reasoning develops over time, and should increase with age and education. Kohlberg developed an educational approach that moved subjects through challenging moral discussions, and exposed them to reasoning at one stage higher than their own. This sense of disequilibrium is the beginning of restructuring cognition and moving participants to a higher level of reasoning (Hersh, Miller, & Fielding, 1980).

Moral intent has not been highly studied, although it is the step prior to behavior and an important determining factor in how or why a person chooses one particular course of action over another. According to Ajzen and Fishbein’s (1980) Theory of Reasoned Action, intent results from an individual’s values toward a behavior and the individual’s subjective norm, based on perception of society and the pressure to perform a specific behavior.

Trevino (1986) proposed a model of ethical decision-making that went beyond the individual variables to look at situational variables influencing the individual. She calls them “individual moderators.” She considered the factors of ego strength, field dependence and locus of control and proposed a Person-Situation Interactionist Model. Persons who have a high ego strength and locus of control will not rely heavily on the influence of others in making their own decisions. She stated, “It is important to remember that the individual’s susceptibility to situational influences varies with the cognitive moral development stage. Susceptibility is probably greatest at the conventional level” (p. 610). Kohlberg believed that at higher stages, the person was more proactive in shaping the world.

According to Trevino, a person’s level of moral cognition can either continue to develop or regress, depending on the person’s job and the organizational culture, and she has included “situational moderators” such as the immediate job context and the organizational structure as factors which also influence a person’s ethical behavior. According to Trevino, when a person takes on a role with responsibility for ethical decision-making, the continued resolution of ethical dilemmas will aid in that person’s growth. Similarly, an organizational culture that encourages
individuals to make ethical decisions will further their moral development. Culture also provides a collective set of norms that will guide an individual’s behavior.

Jones (1991) supports the notion that ethical decision-making is issue-contingent, and that the moral intensity of the situation is key to an individual’s ethical decision-making and behavior. He focused on the situation, rather than on the individual as being central to the ethical decision-making process. The central construct of Jones’s issue-contingent model is the notion of moral intensity. He found six separate characteristics that would affect the moral intensity of a situation: magnitude of the consequences, social consensus, and the probability of the effect, temporal immediacy, proximity, and concentration of effect.

Research Methodology

The study of ethical dilemmas, stemming from Kohlberg is usually grounded in some form of scenario-based research. This has been important because it gives researchers the ability to compare responses and develop scales. However, the models of decision-making, while certainly complex, are often decontextualized. This is not always the case. Certainly Gilligan (1982) views women’s decision-making processes as contextualized, but offers this as distinctly different than men’s approaches. We felt that this dichotomy might not be appropriate and hoped to examine ethical decision-making within specific individual contexts. In addition, this particular study grew out of a Society for Human Resource Management (SHRM) magazine article entitled “The Ethics Squeeze.” In the article, a total of 11 human resource managers who had faced ethical dilemmas in their work environments came forward to relate their stories (Pomeroy, 2006).

Because we wanted to learn more about individuals’ actual experiences in the workplace instead of using a scenario-based exercise, we chose a qualitative research design for this study. Ten human resource managers who had faced ethical dilemmas in their organizations and were willing to talk openly about their experiences were interviewed. Two of the participants had also participated in the research that led to the SHRM article (Pomeroy, 2006).

The remaining participants were selected through the process of snowball sampling. Participants were asked to refer other individuals who were HR managers, who might be willing to discuss an ethical situation that they had worked through in their workplace (Patton, 2002). The recruitment of subjects was somewhat difficult because of the time commitment necessary for completion of the interviews. The aim was to give the participants a chance to reflect on their experiences and to place it within whatever context they thought applicable. Data were collected over the 2008-2010 timeframe, using semi-structured interviews, following Seidman’s (1998) three-interview approach. Seidman’s (1998) qualitative interview methodology uses a series of three, 90-minute interviews, with each participant: one which focuses on the individual’s life and its relevance to the phenomenon under study; the second which focuses on the phenomenon itself; and the third, which focuses on reflection after the fact and the resultant meaning. This approach seemed to fit best with the research, because of the contextual element embedded within this study. According to Patton (as cited in Seidman, 1998), “People’s behavior becomes meaningful and understandable when placed in the context of their lives and the lives of those around them. Without context, there is little possibility of exploring the meaning of an experience” (p. 11).

Each individual participated in face to face interviews. Interviews were open-ended and designed to capture the essence of what their perceptions were of the ethical situation, their
choices, their influences, and their subsequent actions. The literature on behavioral ethics can be clustered according to: (1) individual values and beliefs (Jones, 1991; Rest, 1986); (2) influences from social values and norms (professional associations and peers, family, friends) (McCabe, Trevino, & Butterfield, 1996; Trevino & Weaver, 2001); and (3) organizational influences (policies, pressures from supervisors, previous history of how situations were handled) (Martin & Cullen, 2006; Victor & Cullen, 1988). The questions probed those areas.

We reversed the order of the first two interviews in the Seidman (1998) sequence. This process allowed the participants to focus on their ethical dilemmas first, and then bring in their background experiences. The first interview began with descriptions of the ethical dilemma encountered in the workplace, and of the course of action the participants took. We felt it was important to leave the situation descriptions open-ended. In addition, it was important to be non-judgmental of what they chose as the “right” course of action. First, individuals described the details of their ethical dilemma (and possibly a second dilemma if time permitted). Questions included topics on the influences of organizational culture as well as family or other social support systems. During the second interview, participants described their individual belief systems and their perceptions of how these had developed. This provided background in how they were able to maintain their own integrity when confronted with a dilemma. The third interview reviewed the details of the first two interviews so that additions could be made. Participants also reflected on what they had said, and the meanings or lessons learned from their experiences. All of the interviews were audiotaped, and then transcribed immediately after each interview. In addition, Mona took notes during the interviews as well, so that other emotions and nuances were not lost.

Data collection and analysis were conducted simultaneously using the “constant comparative method” (Glaser and Strauss, 1967). Analysis of each transcript involved open coding notations and the creation of a story map using the transcripts and notes.

Participants

Participants ranged in age from 39 to 61. Only one participant had fewer than 10 years of experience in human resource management and five of the participants had at least 20 years of experience. Six were female and four male. Three respondents were African American and seven were Caucasian. All were highly educated, with six having master’s degrees. Since the study was designed to look at the context of an ethical situation in the workplace, a diverse range of employers was included as well. Organizations ranged from private, non-profit, religious-affiliated to large, publicly-owned for-profit enterprises. They were located in various regions of the United States, and some also operated globally.

Summary of the Findings

Because of the way this study was structured, the findings focused on the ways that ethical decision-making were rooted in the life histories of the participants. The findings therefore are extremely particular while also pointing to some interesting trends that need further examination. In this sense, they shift the discussion of ethics in the workplace away from strict adherence to codes and more toward a focus on the individual. What is particularly interesting, but not surprising, is that these individuals view their actions as inextricable parts of their
identities rather than as a moral calculus directing their lives. For them, there is no separation between who they are, and how they act.

**Role of the HR Professional**

The human resource managers’ stories revealed that their professional identities are framed by their personal values, and their sense of what is right is shaped by their professional identities. These individuals see their role as that of caretaker, the fixer, the person who will make things right. This coincides well with their personal value of doing the right thing. They feel obligated to act according to their own conscience and to serve as the organization’s conscience. They each have constructed their sense of themselves within their idea of how they need to do their jobs. For example, many of them saw themselves as caretakers. Their professional identity was framed around the idea that as professionals, their roles were to tend to the organization.

Lisa, saw her position in HR as a search for meaning in her work life.

I grew the human resources department into my perfect vision of what the HR department should be which was based on my belief that employees who are taken care of, … well, how can I say this? You can buy someone’s time, you cannot buy their willingness to be energetic in the pursuit of their duties. You can only earn that. I believed that it was HR’s responsibility to take care of the employees in every conceivable way, and then they would buy in and give 100% or at least 80% every day.

The role of caretaker is not just self-imposed. Participants felt other employees in their organizations saw them as caretakers as well. Tricia described the feelings of their employees, “I believe that’s what employees think, that’s what our role is. They think we are going to fix the problems and make them go away, whether it’s an ethical situation or not.”

Walter, was faced with an ongoing love affair at the highest level of the organization, and would have gladly stayed out of the situation had the two people involved kept it to themselves, but it was interfering with productivity in the workplace. The employees came to him one day looking for his help:

There were 30 people who all said, “We do not mind her insights, her creativity, all those things are good, but it’s not a desirable place to work when you can’t express your feelings to someone, and then have the ultimate boss, the owner [whom the vice president was having the affair with], come in and bang you over the head for disagreeing with her. It’s not upfront. You think you’ve finished the conversation and moved past that. So, of course, you’re the HR person, you have to do something about it.”

The role of the caretaker was a nuanced notion. It involved the imperative to action and an all-encompassing protective stance toward employees. But it also was framed in terms of protection of the organization itself. Tony’s sense of professionalism was grounded in an ethical stance that he felt was obvious and not open to debate. He told of a consultant who was hired to evaluate software packages for his company to purchase, while receiving kickbacks from some vendors.

I went to my boss and said, “I need to talk to you about this. I have some real concerns about this process and about the process of elimination of the vendors. And here’s why.” And I explained the whole circumstance. I figured he would support me. The company’s whole venue for the last few years was all about work ethics and ethics in the workplace.
So, I was floored that we had a consultant who was doing this, apparently unbeknown to our organization.

Tony had such a clear sense of the wrongness of this situation, that he did not consider that his superiors would not agree. His narrative is filled with a sense of his bewilderment at what he considered to be obvious. His story focused on this as a contradiction within the corporate hierarchy.

**Values**

These narratives were rooted in professional imperatives and individual values. Regardless of the action chosen, the choice was made on the basis of rules or laws. Their own professional identities developed from their sense of personal responsibility to make things right, and fix problems. Their actions stemmed from particular values or perhaps character traits such as integrity, credibility, honesty, a commitment to fairness, justice and doing no harm. Richard epitomized this:

> Probably the greatest thing was learning not to harm people. I think people can be easily harmed, particularly in work environments, because work is so much about what people do. It’s a big part of their lives. For me it’s about fair play and treating people with respect, and I always go back to the town I grew up in—people lived and worked there and they had a sense of pride about their accomplishments. It’s about fairness and preserving people’s integrity. It is that sort of critical thinking about a problem, it’s a discussion of the situation. Even if there is a clear-cut solution to a problem, I am not going to mistreat that person.

They were principle-focused, while also considering the consequences of their actions, and the long-term impacts on the organization, following the ideals of both formalism and utilitarianism. Diane spoke of her role of advocating for the individual while protecting the institution:

> I think it’s important that you be willing to identify issues, means, and problems, and often it’s how you do it that makes it acceptable. It has to be tactful. I try to find solutions that are reasonable and fair both to the individual and meet the organization’s needs. It’s always a balancing act. “Do no harm” is the foundation. My obligation is to take care of the organization and its interests, and to protect it from harm and liability whenever possible. Secondarily, I strive to treat our employees in the fairest and most reasonable way. Advocating on behalf of a person who has been treated unfairly in a situation, I see as a way to protect the institution.

It is interesting that while this study has examined values and ethics contextually, these participants all noted that they also view right and wrong within a context. They note that they are concerned with the ‘greater good’.

**The Ethical Decision-making Process as a Reflective Activity**

This study found a very complex interaction among personal, situational, and organizational factors to be at the heart of the ethical decision-making process. The process as
described by the research participants incorporates the individual cognitive stages of decision-making that Rest (1985, 1986) proposed, as well as the interaction of social factors and organizational influences proposed by Trevino (1986) as experienced by these human resource managers. It also incorporates the moral intensity model of Jones (1991) who identified several components of a situation that will influence an individual’s behavior. Additionally, participants sought out others’ perspectives even when the organizational structure did not provide a mechanism to do so. In theory, according to Rest, action should follow intent. However, in real life intent is often mediated by potential consequences, not only to individuals but to the organizations they serve.

For these individuals, the process of reflection was conscious and involved weighing of options. Tricia reflected on a situation in which she took no action, and based her decision on the least harmful path.

When I first got that letter, I thought that for the greater good, I could be doing more harm to so many lives, so I made a choice not to say anything. I still feel that I’m ethical and it all goes back to choices – I could have made that phone call to our hotline, but I feel it would have made a bigger issue out of something small, and adversely affected the lives of 200 people. For the greater good, I chose not to report it. I couldn’t take the chance on ruining many lives and having people lose their jobs.

It is interesting that these HR professionals’ stories portrayed themselves as essentially disinterested. None of them discussed situations that affected them personally. Lisa searched for the source of her actions:

I have thought a lot about my values, long before you contacted me. Why would I have a deeper sense of obligation to my fellow community than the president of a religious college? How can I be led by that? I was in a position to say I won’t do it. I still had a good life and my principles, but if I were in a different situation with children, what do you do? My motivation for being the way that I am is that somebody has to set a standard. If I will forego my principles, compromise my principles, then that will impact the people around me. Those ripples that go through our community, I think we have a responsibility for. If I send out bad ripples, that will affect my community in negative ways. As a member of these communities, I feel I have a responsibility to not have a negative impact on others if I can help it. Sometimes we do things that we don’t always know will have a negative impact. But you at least have to try.

Conclusions

The design of this study framed the issue of ethical action within a profoundly personal context. What we found was that human resources managers operate from their personal perspectives and they merge their personal and professional identities. Of course, this study involved individuals who took action. It remains to be seen whether this would hold true for others.
References


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