

EMPLOYEE LEARNING AND THE INSTITUTIONALIZATION OF ETHICS

by

MARIANNE F. FOOTE

(Under the Direction of Wendy Ruona)

ABSTRACT

The concept of integrating ethics in the workplace has been traditionally closely associated with federal compliance and regulations. There has been less focus on ways employees learn ethics, which is critical to institutionalize ethics and build more ethical organizations. In this study, an interpretive qualitative design was implemented using interviews to explore ways employees learn ethics at work. Purposeful sampling was used in the selection of the organization and the participants representing senior leaders, directors, and managers.

The data analysis revealed four key themes, which led to three primary conclusions. The conclusions drawn from the findings suggest that informal and incidental learning, experiential learning and self-directed learning as the primary modes of learning ethics at work. Second, organizational systems were critical to support and solidify learning, especially as learning became increasingly self-directed. Finally, this study found that organizational culture actively promotes ethics and clearly fosters continued and enhanced learning around ethics. Implications for the practice and research for the field of HRD are presented.

INDEX WORDS: Employee Learning, Institutionalization of Ethics, Ethics and Learning

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DEDICATION

I dedicate this work to my two best friends: my husband Gary and my son Taylor. Thank you for your unwavering support, your understanding, and your energy in life. I love you both so much. I would also like to say a special thanks to my sisters Kathy Harrison, Elaine Sutton, and Carolyn Reffeitt. Thanks for exercising good listening skills and always being there for me. Finally, I would like to recognize the contributions of my mom and dad, Mary and Frank Ferraro who have passed on but have left me with the inspiration to always do my best.

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CHAPTER 1

INTRODUCTION

Over the past decade the escalation of unethical conduct in corporate America has caused an ethical crisis in the United States and it continues to plague the United States. From 2001 to 2004 alone, the country witnessed a parade of public corporations (Enron, Global Crossing, HealthSouth, Tyco and other) whose leaders' unethical decisions, lack of integrity and abuse of power collapsed companies and negatively impacted countless people. The monetary cost of unethical behavior in United States corporations is estimated to be 3 trillion annually (Hatcher, 2002). Even worse, the loss of trust and confidence by the public in corporate leadership has spiked while the media continues to disclose scandalous activities in organizations (Tichy & McGill, 2003; Sims, 2003).

Societal expectations of organizations to behave ethically and responsibly have, thus, risen significantly (Hatcher, 2002; Sims, 2003) and have triggered a sense of urgency to "restore an ethics consciousness in the workplace" (Sims, 2003, p. 299). Recent literature has begun to provide evidence that ethics impacts the success or failure of an organization (Clark & Lattal, 1993; Hatcher, 2002; Paine, 1997; Sims, 2003) and clearly affects an organization's "reputational capital" (Worden, 2003, p. 1).

Moreover, the historic passage of the Sarbanes-Oxley (SOX) Act in 2002 sent a serious message to public corporations by mandating ethical codes for leadership, strict financial reporting protocols, board oversight mechanisms, and guaranteed protection for whistle-blowers and directors (see <http://www.soxlaw.com/> for more detail). A survey of

corporate boards released by the RHR (Rohrer, Hibler, and Repogle) International and Directorship (2004) revealed annual SOX compliance costs averaged \$16 million per corporation (<http://www.accountingnet.com>, 2009). While costly, it has certainly stimulated many organizations to begin ethics programs and centralize the coordination of the organization's ethics initiatives (Carroll & Buchholtz, 2006). Early surveys indicate that the investment is making a positive difference. The National Business Ethics Survey® (NBES, 2005) reported that organizations have increased steps toward improving ethics in the workplace. The survey reported "... since 1994 written standards of conduct were up by 19%; training on ethics had risen 32%; mechanisms to seek ethics advice or information was up 15%; means to report misconduct anonymously was up 7%; and discipline of employees who violate ethical standards was up 4% (p. iv). Also, a recent survey regarding ethics practices in the workplace indicated that 75% of the respondents indicated their organizations were increasing ethics training and revamping existing programs (Corporate Leadership Council, 2002).

There are also promising trends in other contexts in the United States that indicate that increased attention is being paid to ethics in organizations. For instance, since 1992 the Ethics and Compliance Officers Association (ECO) membership has grown from twelve members to over a thousand members (ECO, 2006). Similar growth can also be seen in ardent endeavors of organizations such as the Ethics Resource Center (ERC) a non-profit organization dedicated to supporting organizational ethics and ethics research. In addition to offering ethics advice and tools for implementing ethics in an organization based on ERC research, the ERC is responsible for the National Business Ethics Surveys® that are published biennially and are the most rigorous longitudinal research

effort in the United States, polling more than 10,000 American workers. This survey is widely viewed as “a premier resource that tracks national trends in organizational ethics from the worker’s perspectives” (ERC, 2009, p. 1). Although most of the research generated by the ERC has been quantitative, with the increasing interest in ethics, the ERC is expanding their research agenda to include qualitative research (ERC, 2009).

Other trends include business schools exploring better ways to prepare business and management students for handling ethical dilemmas they will be faced with in business life (Sims, 2002; Taft & White, 2007), and a noticeable increase of scholarly research tied to ethical behavior and organizational performance (Paine, 1997; Taft & White, 2007; Trevino, Weaver, & Reynolds, 2006).

Institutionalization & Ethics: Moving Beyond Reactive Approaches

Even with the promising trends afoot, though, organizations still have a long journey ahead of them. The NBES® (2007) reported, “Few comprehensive ethics and compliance programs are in place... only one in four companies have a well-implemented ethics and compliance program” (p. 3). Further, although the results of the 2007 NBES® revealed that companies are beginning to move beyond a singular commitment to complying with laws and regulations and that formal program activity is rising, it is also found that “...positive outcomes expected from effective programs either remains unchanged or shows a decline” (p. iv).

These results clearly pointed to how critical it is to move *beyond* programs and initiatives and towards the adoption of an ethical culture. The NBES® reports that “By many indications in this research, what seems to matter most is the extent to which leaders intentionally make ethics a part of their daily conversations and decision-making,

supervisors emphasize integrity when working with their direct reports, and peers encourage each other to act ethically” (ERC, 2007, p. v). Furthermore, Trevino (2007) suggests, “...successful ethics management depends less on formal ethics programs and more on employees’ fairness perceptions, ethical leadership at all levels, and the alignment of multiple formal and informal cultural systems to support ethical conduct” (ERC, p. 1).

For this, scholars agree that institutionalizing ethics in organizations is prudent and indeed necessary (Carroll & Buchholtz, 2006; Hatcher, 2002; Paine, 1997; Sims, 2003). The institutionalization of ethics refers to making ethics in an organization a permanent part of the organization’s daily practice or normal functioning (Cummings & Worley, 2000; Sims, 2003). That is, ethics are “hardwired” (Schlesinger, 2003, p. 6) into the organization and become a permanent part of the organizational culture at all levels of the organization. In a recent report, the ERC (2009) suggests that “An ethics program that exists on paper, but never in the hearts, minds, and actions of the organization’s employees creates a breeding ground for violations” (p. 60). Institutionalization involves the work of creating a culture that ensures ethics is a foundational component of the organization’s values and actions.

Organizations that are striving to institute ethics in the workplace must implement formal programs which address policies, procedures, and practices that communicate the importance of ethics and they must provide resources for employees to handle related ethics issues and problems (ERC, 2005; NBES, 2005; Sims, 2003). They must also ensure that ethics is enmeshed in strategic, organizational, financial, and legal issues of

an organization. To do this, ethics must cease to be perceived by leaders as a “frill or costly diversion”, but rather “...a fundamental duty of leadership” (Paine, 1997, p. 1).

Although progress is being made, institutionalization, like any kind of any major organizational and/or cultural change, is complex and demands a great deal of support from leadership and resources. Sims (2003) suggests the key to institutionalizing ethics is “...by first recognizing and then managing key variables, such as organizational commitment, strong ethical culture, management’s role, creating an environment that encourages whistle-blowing, and structuring an ethics enforcement system” (p. 243). Navern (2003) suggests formal organizational systems are required for instituting ethics in the workplace such as policies and procedures that explicitly define employee expectations and behavior reflected in codes of conduct, statements of values, and ethics policies. Further, ethics oversight committees, ethics “help lines”, and other ethics management mechanisms are desirable (ERC, 2003, p. 1).

The ERC (2007) reports “Despite a 65 percent rise since 2005 in the number of companies that have implemented a comprehensive ethics and compliance program, still less than 40 percent of the companies have put all the necessary elements in place” (p. 20). A common challenge organizations face instituting ethics is the failure to communicate expectations and desired results, both implicitly and explicitly, throughout the organization (Sims, 2003). Often ethical standards remain illusive as a result of an organization’s lack of knowledge, ambiguity, and general hesitancy to address ethical or moral issues openly in the workplace. Many managers have a tendency to view ethics as a personal matter to be dealt with by the individual’s own conscience (Lennick & Keil, 2005; Paine, 1997). Another reason this may be the case is that the “... adoption of a

comprehensive ethics and compliance program is related to the nature of company ownership and company size, with publically-traded and larger companies most likely to have a comprehensive program in place” (ERC, 2007, p. 21). Many scholars have proposed frameworks for instituting ethics in the workplace (Carroll & Buchholtz, 2006; Clark & Lattal, 1993; Costa, 1998; Navern, 2003; Paine, 1997; Sims, 2003; Van Zant, 2005), yet there is no universally accepted model for instituting ethics in an organization.

HRD and Ethics in Organizations

Ethics, and their importance as ‘pillars of vision’ and one of the most driving forces in an organization (Robbins, 2004), send a strong message that serious attention is required to instill ethics in the workplace. Fostering ethics is not an easy task and remains a constant endeavor for organizational leaders and there is still much to learn about the art and science of integrating ethics in the workplace (Foote & Ruona, 2008).

Human Resource Development (HRD) can play a key role in the institutionalization of ethics. Indeed, research shows that both HR and HRD professionals are increasingly taking on responsibilities for ethics programs in their organizations. In a collaborative effort in 2003, the ERC and The Society of Human Resource Management (SHRM) conducted a survey to understand how HR professionals are involved in ethics in their organizations. The survey reported,

...of the HR professionals surveyed, 67% either agreed or strongly agreed that the human resources department is a primary ethics resource for their organization. Similarly, 71% of those surveyed agreed or strongly agreed that HR professionals are involved in formulating the ethics policy of the organization.

The findings of this study confirm that HR plays a vital role in the development of an ethical organizational culture (<http://www.ethics.org/erc-publications/ethics-today>, 2009, p. 1).

In addition, the field of HRD has shown a growing interest in ethics because of the role HRD professionals' perform in organizations and their unique set of skills and expertise (Hatcher, 2002). Many scholars espouse the idea that HRD professionals should play a significant role in the early development of ethics planning, ethics management (Hatcher, 2002), and the process of creating and maintaining ethical cultures (Hatcher, 2002; Meisinger, 2008; Trevino, 2000).

Navern (2003), in conjunction with the ERC, identifies several components for changing the ethical culture of an organization that are synergistic with the competencies of HRD professionals. Some of these components include ensuring the values of the organization are considered in employee decision-making, creating organizational systems, procedures and policies to guide employees in decision-making, communicating expectations through formal and informal means, and implementing communication and educational strategies.

HRD & Institutionalization of Ethics

HRD's role can be particularly valuable due to its emphasis on learning and performance (Swanson & Holton, 2001). There is still a lot to learn about the integration of ethics in the workplace, but clearly central to the institutionalization of ethics is a renewed focus on individuals who need to learn to work in more ethical ways.

This is where the ethics knowledgebase falls short. The predominant emphasis in ethics theory and research during the past two decades has largely focused on aspects of

ethical behavior in an organization such as the process of ethical decision-making in organizations (Jones, 1991; Trevino, 1986; Wooten & White, 1983), ethical decision-making in times of crisis (Christensen & Kohls, 2003; May & Pauli, 2002), ethical decision-making and the influence of situational factors (McDonald, 2000), and ethical decision-making and leadership and groups (Baker & Hunt, 2003; Bowen, 2002; Carlson, Kacmer, & Wadsworth, 2002).

In addition, case studies available in the literature have produced important insights on leadership and integrity in organizations (Paine, 1997) in many disciplines and professions to understand ethical dilemmas pertinent to a specific context (Hatcher, 2002; Kirby, 2005; Sims, 2003).

While this research is absolutely valuable, Brenner (1992) states, "...the literature is much more limited on ethics programs, as is the discussion of their behavioral and structural dimensions" (p. 391). That is, the ethics literature has largely focused on exploring ethical decision-making and ethical dilemmas, but perhaps not focused enough on understanding and investigating the individual learning and change processes that are a fundamental part of the kind of organizational change that is demanded by efforts to institutionalize ethics.

Sims (2003) suggests the institutionalization of ethics implies that ethics is practiced on a daily basis. He states, "An institutionalized act is defined as a behavior that is performed by two or more individuals, persists over time and exists as a part of the daily functioning of the organization" (p. 242). Further, Sims (2003) emphasizes, "ethics is seldom "clear cut"...and the vast majority of decisions employees make concern "gray areas" (p. 31). Yet, outside of formal programs that are ordinarily implemented at

different times throughout the year in an organization, there is no research that addresses how individuals learn ethics so they can practice ethics on a daily basis.

Learning Ethics

Over the past several decades a key role of HRD professionals has been, and still is, to help employees learn in the workplace; and this remains a core concept in support of basic human resource development (McLean, 2006; Swanson & Holton, 2001). Drawing from adult learning, psychology, systems theory, and other theories, HRD professionals have trained and developed employees of an organization through formal programs and other organizational development (OD) strategies used to increase "...individual, group, and organizational effectiveness" (Torraco, 2005, p. 251).

Navern (2003) suggests that adult learning concepts provide the foundation needed for implementation of some core components of an ethics initiative. Adult learning theories can be used as frameworks to understand how employees learn ethics at work. Learning is defined as a process that brings together cognitive, emotional, and environmental influences and experiences for acquiring, enhancing, or making changes in one's knowledge, skills, values, and worldviews (Merriam, Caffarella, & Baumgartner, 2007).

However, Casey (2005) suggests,

Much of the literature on individual learning in the workplace has focused on formal training and development...organizations are finding that the methods used to train people in new roles and skills have not kept pace with the rapid change and complexity of jobs in today's work environment. (p. 133)

In addition to failed training programs, Sims (2003) suggests that organizations that are instituting ethics should develop long-term and short-term goals and the learning that goes in the organization should be supported by the organizational culture.

Research shows that adults learn in many ways in the workplace; many of those ways are outside of formal learning experiences and contexts. In the early 1990's the concept of the learning organization presented new insights about organizational learning (Marsick & Watkins, 1990; Senge, 1990). In the same time period, new findings suggested that individuals in an organization may learn through experience and reflection, and informal and incidental learning. Chiva and Alegre (2005) suggest, "When it comes to studying organizational learning, most authors have looked at how individuals in an organization learn, or have analyzed how individual learning theories could be applied to organizational learning" (p. 52).

Sims (2002) suggests that learning styles and experiential learning are the cornerstones of teaching business ethics. Although adult learning theory has been well documented in the literature, few studies addressed how employees specifically learn ethics in the workplace. More research is needed to examine other ways employees learn ethics at work in addition to formal programs that may enhance the sustainability of ethical behavior and organizational culture.

Problem Statement

The rash of ethics scandals over the past two decades in the United States have disheartened the American people causing a surge of activity from the halls of Congress to the offices of non-profits, professional ethics associations and concerned scholars,

business and community members— all seeking ways to learn how to prevent ethical mishaps and instill ethics in the workplace.

Based on the results of a biennial longitudinal study conducted in 2005 on ethics in organizations, it is suggested that although ethics programs in organizations are rising, these programs are not as effective as predicted (ERC, 2005). Many scholars believe that sustaining ethics in an organization are driven by the notion of the institutionalizing ethics which means that ethics become a permanent part of the organization and employees practice ethical behavior on a daily basis. Although the institutionalization process is complex, many scholars have proposed frameworks describing key components for integrating ethics in the workplace, yet there is no particular framework that is universal. Further, much of the literature available discusses ethics and organizations from the perspective of ethical decision-making in different contexts. Despite the level of ethics activity reflected in government interventions, ethics surveys, and scholarly research, there is minimal literature that addresses how employees learn ethics in the workplace.

Moreover, the complexity of organizational change and helping adults learn in an organizational context require competent skilled leaders. Some scholars believe that HR and HRD are capable of leading and managing ethics in an organization because of their unique skill-set and knowledge of adult learning, organizational development and systems theories.

Lastly, there is a plethora of literature that addresses adult learning methods and strategies in an organization (Merriam, Caffarella, and Baumgartner, 2007), yet little is

known about how employees learn ethics in the workplace. More research is needed to surface ways employees learn ethics in the workplace.

Purpose of Study

The purpose of this study was to understand how employees learn ethics in the workplace. The research questions that guided this study were the following:

1. What formal programs or activities do employees engage in to learn ethics in the workplace?
2. What other ways do employees learn ethics in the workplace?

Significance of Study

Over the past decade scholars in HRD have encouraged more involvement in researching ethics as part of the field's research agenda and to further promote their capabilities and involvement in strategic interventions in the workplace such as ethics. The significance of this study to the field of HRD is multidimensional.

First, this study answers the call for more research in the area of ethics and HRD (Hatcher, 2002). It advances the notion that HRD professionals have and should have a critical role to play in the promotion of ethics in the workplace, and provides guidance around that work for HRD professionals.

Second, the knowledge that is gleaned from this study regarding the different ways employees learn ethics in the workplace will provide new knowledge and add, and/or update the existing knowledgebase in the field of HRD. Much of ethics training literature has focused on the formal learning and its delivery systems. Very little has been published in the literature regarding other ways employees learn ethics. Although adult learning theories are already a foundation of HRD, the multiple ways people learn ethics

requires specific adult learning theories to inform and enhance the practice of HRD. This study will elucidate other ways employees learn ethics and provide guidance as to which theories in adult learning inform best practices. HRD professionals will benefit from this emerging knowledge to use in the planning, implementation, and management of more effective learning experiences for employees.

Third, boards of directors and ethics and compliance officers will benefit from this study because leaders of the organization must support the ethics efforts of the organization, through role-modeling, allocating appropriate resources needed to institutionalize ethics, and understanding the effectiveness and the overall performance of the initiatives. As ethics training becomes a universal practice in organizations' compliance and ethics programs, HRD professionals are being asked to sit on the board. One survey confirmed that boards having oversight of the organizations' ethics has increased from 21% in 1987 to 96% in 2005 of the 225 companies surveyed (HR Magazine, 2007).

Lastly, in addition to this study benefiting HRD professionals, employees in an organization may benefit as well. Adult learning principles recognizes that not all adults learn the same and are motivated for different reasons (Knowles, 1980). These principles are important aspects of helping adults learn.

Research shows that HR and HRD professionals are being called upon in organizations to facilitate the institutionalization of ethics and facilitate ethics programs. Further, HR and HRD professionals are being recognized for their competencies and contributions they can make in strategic change initiatives such as the institutionalization of ethics. As the ethical landscape becomes more dismal in the corporate arena,

organizations need advocates such as HRD professionals that have the skills and the knowledge to be organizational leaders and play a pivotal role in the ethics management in the workplace (Hatcher, 2002; Trevino, 2007).

Definition of Terms

To aid in the comprehension of this study the following terms are defined.

1. Ethics— This term refers to the discipline that studies the philosophical implications of what is good or bad and right and wrong. This term also refers to the duties and obligations of an individual or group to uphold a standard of right and wrong (NBES, 2005).
2. Ethical culture— Cummings and Worley (2001) define organizational culture as a term that refers to the pattern of assumptions, values, norms, and artifacts (Cummings & Worley, 2001). Ethical culture describes the culture of the organization and its members as sharing the commitment to ethics, values, and norms of the organization.
3. Experiential learning— The process of learning from experience involves adults connecting what they have learned from current experiences to those in the past as well to possible future situations (Merriam & Caffarella, 1999).
4. Formal programs— According to the NBES (2005) the term refers to the policies, procedures, and practices that organizations may adopt to help communicate the importance of ethics, provide resources to employees, and handle related issues” (p. 5).

5. Informal learning— This term is defined as usually intentional but not highly structured. Examples of informal learning are coaching, mentoring, self-directed learning, and networking (Marsick & Watkins, 1999).
6. Incidental learning— Learning that is tacit, unconscious. Examples of incidental learning hidden agendas in an organization or classroom, learning from mistakes, unsystematic process of trial and error (Marsick & Watkins, 1999).
7. Institutionalization— This term refers to making organizational changes a permanent part of the organizations normal functioning (Cummings & Worley, 2001).
8. Learning— A process that brings together cognitive, emotional, and environmental influences and experiences for acquiring, enhancing, or making changes in one's knowledge, skills, values, and worldviews (Merriam, Caffarella, & Baumgartner, 2007).

CHAPTER 2

REVIEW OF THE LITERATURE

The purpose of this study was to understand how employees learn ethics in the workplace. The research questions that guided this study are:

1. What formal programs and activities do employees engage in to learn ethics in the workplace?
2. What other ways do employees learn ethics in the workplace?

Conceptual Framework

This study explored how employees learn ethics in the workplace using concepts and theories grounded in (a) ethics, (b) the institutionalization of ethics, and (3) adult learning theory. The convergence of these concepts and theories formed the basis for understanding the dimensional aspects from philosophical and process perspectives. Each area is discussed in depth in this chapter.

First, the predominant ethics theories--teleology, deontology, and virtue ethics--are presented to provide a framework for understanding ethics as an area of philosophy in that these extent ethical principles influence organizational decision-making, moral and ethical leadership, and culture.

Second, this chapter presents several frameworks that describe the process of instituting ethics and provide a holistic view and the structure for understanding the components of the process. Third, adult learning theory provides the framework to explore how individuals learn ethics in the context of an organization which includes key

theories such as self-directed learning, formal, informal and incidental learning, and experiential learning. Finally, the role of human resource development (HRD) is explored in the context of HRD professionals sharing responsibility for leadership and management in the institutionalization process.

Ethics

Ethics is an area of philosophy that presents age old truths, arguments, and critical analysis of the nature and the origin of the field of right and wrong, good and bad, and justice and injustice (Thoms, 2008). Lehmann (1963) states, “In causal and unreflective usage, the terms ‘ethics’ and ‘morality’ tend to be interchangeable as though they were synonymous terms” (p. 240). Moreover, ethics is derived from the Greek word *ethos* that means customs, conduct, or character (Beck & Orr, 1970; *Merriam-Webster Collegiate Dictionary 1999*; Northouse, 2005; Thiroux, 2004). Similarly, ‘morals’, a synonym of ethics, which origins come from the Latin term *moralis*— means character, manners, or customs (Beck & Orr, 1970, p. xiii).

Scholars suggest that ethics is the study of morality in terms of what is good, bad, right, and wrong and is an explicit philosophical reflection on moral beliefs and practices (Hinman, 2002, p. 2; Thiroux, 2004). What is ‘good’ and what is ‘right’ have delineating characteristics that differentiate the various classical ethical theories. For example, “what is ‘good’ is thought to be noble and valuable; in contrast, what is ‘right’ is characterized as obligatory and related to personal duty” (Ross, 1939, p. 10). The study of ethics can further be explained as being concerned with the morality and practice of the foundation of human behaviors (Lehmann, 1963) as it relates to “human conduct, voluntary or involuntary action, and having a choice” (Beck and Orr, 1970, p. xiv).

The translation of ethics principles and their practical application has become an important topic of study in business schools and organizations. The expectation society has placed on businesses and their leaders to perform ethically and socially responsible has prompted business schools to place a greater emphasis on ethics courses in the curriculum to instill the importance of ethics in the development of future business leaders (Sims, 2002). The integration of ethics courses into the curriculum is to develop students' "... intellectual capacities for ethical discernment, analysis, judgment, and reflection" (Sims, 2002, p. 17).

Business ethics, a systematic study of business from an ethical perspective, pertains to the 'shoulds and should not's' and proposes there are standards above and beyond regulations (Thoms, 2008). There is a controversy on whether teaching ethics in business school are effective. Williams and Dewitt (2005) disregard the idea that business schools cannot teach ethics because of the inherent self-interest aspect of a capitalist society. Further, critics suggest that students at that point in their scholarly lives have already formed moral perspectives. Other scholars perceive that students should be exposed to ethics theories and concepts to develop analytical skills for resolving personal, professional dilemmas, and moral issues facing the larger society (Nash, 2002; Sims, 2002). Nash (2002) regards the study of ethics to promote students to become "ethical analysts" and encourage students to recognize "ethical complexities, wrestle with opposing views, discover flaws in their own ethical biases, and reach thoughtful, informed, and logical defensible conclusions" (p. 8).

Ethics: Human Being Perspective

Pearson (1995) suggests, “An organization is only ethical to the extent individuals running the organizations are ethical” (p. 1). Pearson surfaces an important aspect of organizational ethics by recognizing the humanistic perspective of ethics. According to Thiroux (2004), ethics on a fundamental level is concerned with how humans act towards each other to encourage mutual “welfare, growth, creativity, and meaning as they strive for good over bad and right over wrong” (p. 29). Further, the study of ethics can be explained as being concerned with the morality and practice of the foundation of human behaviors (Lehman, 1963) as it relates to “human conduct, voluntary or involuntary action, and having a choice” (Beck & Orr, 1970, p. xiv).

Ethics of human beings is aligned with moral behavior reflected in particular customs, precepts, and practices of people and cultures (Brockett & Hiemstra, 2004). Carroll and Buchholtz (1999) suggest that to understand how human beings make morally bound decisions, it is important to understand how individuals develop moral reasoning. Moral development theories, such as Kohlberg’s (1974) levels of moral development and Gilligan’s (1993) ethics of care, provide two different explanations for understanding how human beings develop moral or ethical judgment.

Kohlberg’s Theory

Kohlberg’s (1974) longitudinal study with children culminated in a theoretical framework that has been applied in many different fields to understand moral development in adults. His theoretical framework includes three levels of moral development that an individual transitions through while learning how to think morally. The six stages of Kohlberg’s theory provide a ‘scaffolding effect’ or stages that an

individual transitions through successfully to get to the next level. Kohlberg (1974) describes these levels as the pre-conventional level of moral development, conventional, and post-conventional levels. The pre-conventional level focuses on self. This level is concerned with avoiding punishment and receiving rewards. The conventional level focuses on others and awareness of others needs and welfare. In this level an individual begins to be aware of laws and expectations requiring conformance and learns how to respond to conventional norms. The last level is the post-conventional level. The focus of this level is on humankind. Individuals that make it to this level feel a true sense of right and wrong, and moral principles become a part of self (Carroll & Buchholtz, 2005; Kohlberg, 1974; Thiroux, 2004).

Williams and Dewitt (2005) allude to Kohlberg's *Stages of Moral Development* (1974) and suggest that moral development of an individual is related to the recognition of ethical dilemmas. William and Dewitt (2005) believe "moral and ethical sensitivity" towards the consequences of individual actions must be present in an organization to promote ethical behavior (p.112).

Gilligan's Theory of Care

There are distinct differences in Kohlberg's (1974) and Gilligan's (1993) work. Gilligan's focus on feminist theory concentrates on women's moral development with an emphasis more on caring as opposed to justice and legalese. Gilligan (1993) argues that moral problems are problems of human relations. In her explanation of ethics of care, she distinguishes this theoretical perspective from others as being a "relational ethic which transcends opposition between selfishness and selflessness" (p. xix).

Gilligan's focus on women's development, in contrast to Kohlberg's (1974) use of all male subjects for his research, suggests moral reasoning stems from relationships and connections. She believes that women transition between three different levels, which include self, need for establishment and connection in social life, and the recognition of their own need and needs for others they are in relationships with. Gilligan (1993) calls this 'ethic of care'. The themes that evolve from these levels are the fostering of commitment in relationships, caring, justice, and empowerment (Merriam & Caffarella, 1999). Both, Kohlberg's (1974) and Gilligan's (1993) theories of moral development are frameworks from which to understand how individuals choose to make ethical and moral decisions in their personal and/or organizational lives (Sims, 2002).

Ethics: Organizational Perspective

Moral and ethical behaviors are associated with characteristics of good leadership. Yet, historically moral leadership seems to be represented in the literature as secondary to theoretical frameworks of leadership styles and traits. However, in the last few years, attention has shifted from the predominant theories of leadership, to a more concentrated focus on the moral and ethical aspects such as moral reasoning, ethical decision-making, and principled leadership (Bass, 1990; Carroll, 1987; London, 2005; Northouse, 2004; Penn, 1990; Sims, 2002). Thoms (2008) suggests,

The ethical integrity of leaders is defined as a measure of how they deal with morals, the principles of morality, and right and wrong conduct within the business environment in accordance with the rules or standards for right conduct or practice. (p. 420)

Ethics is embedded in the application of humanistic values and principles and business strategy. Milton-Smith (1999) cites Wharton's Business School's nine principles for humanistic values, which he considers to be operational in a practical market strategy. These nine principles are associated with incentives and disincentives for economic decision-makers. Four of these principles are centered on efficiency driven principles that include due care, honoring contracts, corporate integrity, protection of proprietary information and confidentiality.

Further, four principles are society driven principles that are based on respect for the environment, the rights of others, human well-being, and individual independence. The last principle relates to government compliance, regulations that firms must follow. Pearson (1995) suggests that the application of ethics theories and standards to business can only have practical value if it takes full account of these business realities. Pearson (1995) questions "whether or not a business should be ethical, and if so, to what degree and how can management achieve the required performance" (p. 39). He surmises that the most philosophy can do is provide an approach to the problem; a structured way about thinking of things and of balancing conflicting arguments (Pearson, 1995).

It can be argued that "... unless codes of ethics are applied as part of a strategic management approach they quickly become empty window dressing, at best, and a symbol of a cynical and dishonest management, at worst" (Milton-Smith, 1999, p.18). Milton-Smith (1999) suggests that the focus on ethics and, more specifically, the effective use of a code of ethics to build a corporate culture may be the key to revitalizing the languishing strategic management paradigm. Chakraborty and Chatterjee (1999) suggest that ethical issues are emerging as the most important managerial challenge in all

spheres of organizational life spanning to strategy-making, finance, and technology, marketing, and information systems to the subtle concerns of gender, demography, or cultural diversity and impacting decision-making. Carroll and Buchholtz (2005) believe that ethics principles can improve ethical decision-making if the principles of the various ethics approaches are “factored in” to their proposed actions, decisions, behaviors, and practices...” (p. 214). The concern for ethics in an organization has come full circle, circling back to ethics philosophy and the application of its tenets. Phillips (2003) suggests past attempts to relate moral and political philosophy in organizations has resulted in integrating appropriate theoretical perspectives in the workplace. Many of these ethics theories fall under the domains of either utilitarian or non-utilitarian philosophies and are studied by business and management students. *Table 2.1* represents the primary teleological theories that have application to organizational and individual decision-making.

Teleology

The term teleology is derived from the Greek word ‘telos’ which refers to the outcome or result (Sims, 2002; Thiroux, 2004). This approach to moral and ethical reasoning is the teleological approach and is concerned with the consequences of an act or decision and grounded in principles that infer decisions are dependent on the greatest good for the most people versus whether or not the behavior was good or bad (Sims, 2002; Thiroux, 2004). Further, Hinman (2002) clarifies this teleological position by stating “...any position in ethics which claims that the rightness and wrongness of actions depends on their consequences” (p. 1). Sims (2002) summarizes the teleological approach and states, “An act or decision is right if it results in benefits for people and it is wrong if

it leads to damages or harm” (p. 120). Two well-documented approaches to ethical decision-making are ethical egoism and utilitarianism, which are derived from teleology.

Ethical Egoism

Ethical Egoism is a teleological theory that suggests that individuals’ should act in their own self interest (Hinman, 2002). Sometimes referred to as psychological egoism and materialism (Bowen, 2002), this theory is comprised of three key concepts which are described in the following forms: (a) individual ethical egoism suggests that everyone should act in his/his best “self” interest, (b) an individual acts in his/hers best interest but has no opinion on how others should act, and (c) the universal form maintains that everyone should always act in his or her own self-interest (Thiroux, 2004). The universal form of utilitarianism differs from individual ethical egoism in that the expectation is everyone should consider their self-interests first and not the interests of others.

There are many examples of ethical egoism in the workplace, especially in ethical decision-making, that suggest that ethical egoism is a common ethical framework that people in contemporary organizations utilize. In a business context, ethical egoism is exemplified in organizational leaders making specific decisions to maximize profits. Another illustration of ethical egoism is a situation where a manager of a department is solely motivated to maximize profits in his department to facilitate his/her own promotion (Northouse, 2004).

There are both advantages and disadvantages in subscribing to the theory of ethical egoism. One advantage of ethical egoism is that individuals prescribing to ethical egoism do well in a capitalist society. The advantages of this theoretical perspective include the idea that individuals know more about their own self-interest than moralists,

who think they know what is best for others. Further, ethical egoism encourages individual freedom and responsibility, which works well in limited and isolated arenas, thus limiting conflicts.

The disadvantages are primarily associated with the lack of clarity when defining individual self-interest. Because ethical egoism focuses on self-interest, or on what is good for the individual and negates humanity, to apply ethical egoism to all of humanity would deny one's own self-interest. Ambiguity is the main disadvantage associated with the universal form of ethical egoism.

Additionally, the verbiage used to describe universal egoism lacks clarity with respect to specifically whose self-interest should be satisfied, who should be giving moral advice, and the differentiation of moral and non-moral issues. Overall, individuals prescribing to the theory of ethical egoism may not be successful in professions that require compassion, patience, caring for humanity and caring for others such as medicine, education, and social work (Thiroux, 2004).

Ethics approaches can affect the organizational behavior. In the case of ethical egoism, this approach seems to promote two significant limitations in the workplace. First, from an organizational perspective, this approach causes difficulty in managing conflicts of self-interest. Second, the option of compromise is not an option in the pure sense of ethical egoism. This limitation is significant because of the interdependent nature of society, rapid change, and cultural diversity (Thiroux, 2004).

Utilitarianism

Utilitarianism is another teleological consequentialist approach that dates back to the late 1700's and is identified with the philosophers Jeremy Bentham (1789), John

Stuart Mill (1861), and Henry Sedgwick (1907) (*Stanford Encyclopedia of Philosophy*, 2003; Thiroux, 2004). There are several ways in which utilitarianism has been described. Utilitarianism, which name stems from ‘utility’ meaning usefulness, simply poses that decisions are made to reflect behavior that promotes the greatest good for the most people (Northouse, 2004). Furthermore, what is considered ‘moral or good’ is dependent on the same premise that everyone should act in a way that produces maximum happiness for all concerned as a group (Thiroux, 2004).

Utilitarianism is further explained through its two forms: Act Utilitarianism and the Rule Utilitarianism. Act Utilitarianism is differentiated from the pure definition of Utilitarianism by its assertion that decisions made or actions taken may or may not create the maximum happiness for all, but, that the outcome of good or happiness for all is situational. There is no universal good. What is good for some may not be good for others. Acts that may seem immoral from one ethical perspective may be considered the right or moral way to act under the circumstances because it results in good for the most people. In contrast, Rule Utilitarianism is based on a thoughtfully determined set of rules aimed at determining the appropriate acts or set of behaviors for everyone to achieve good or happiness for the most people (Thiroux, 2004).

The most significant example of the application of utilitarianism is evidenced in the United States government. The utilitarianism approach guides the decision-making process of the United States government, as well as most public and non-profit organizations. A profound illustration of utilitarianism at work is exemplified in federal government’s decisions, specifically in the allocation of monies to programs that will benefit the greater population (Northouse, 2004).

The key concerns of Act Utilitarianism are threefold. First, determining what are good or moral consequences for everyone is a difficult task and may never be achievable. Second, this form is based on a specific situation. Each situation may require different acts or ways to achieve the good for all. The task of evaluating each situation to determine the appropriate actions is time-consuming and unrealistic and third, the ability to educate the “young or uninitiated” (Thiroux, 2004, p. 50) to act morally is difficult without rules or guidelines.

In contrast, the three main criticisms of the Rule Utilitarianism include one common criticism posed in the act form: the difficult task in determining what constitutes good or moral consequences for others. The second criticism or disadvantage regarding this form of utilitarianism is its inability to manage the diversity aspect in determining rules that result in the moral good of everyone concerned. Building on this thought, the third concern is in reality when such rules are prescribed practically assessing exceptions to the rule make the rules become ineffectual and disregarded long-term.

Implications for organizational behavior are found in the determination of what action is good for everyone in the organization. Thiroux (2004) suggests this sometimes is referred to as “cost-benefit analysis or the end justifies the mean” (p. 45). He uses the example of having to decide in an organization, which employees are worth more to society as professionals than others; therefore, the more valued professionals will receive more benefits or bigger monetary rewards.

Table 2.1 reflects the predominant teleological theories indicating the main premise of the theory, motive of the individual or organization, and characteristics.

Table 2.1. Predominant Ethics Theories: Teleology

Theory	Ethical Egoism	Utilitarianism	Act Utilitarianism	Rule Utilitarianism
Main premise	Individuals' should act in their own best interests	Behavior that promotes the greatest good for most people	There is no universal good; circumstances dictate decision	Based on a set of rules that are thought to be good for everyone
Motive of individual or organization	Motivated by achievement and promotion of own interests	Motivated by what is the best approach for the greatest good and happiness	Motivated by doing good for the majority of people	Motivated by a set of rules deemed appropriate for everyone
Characteristics	Encourages individual freedom and responsibility	Government rules and regulations	Difficult task to determine what is good for everyone	Difficult to determine what are good or bad consequences for individuals

Deontology

In contrast, deontology or non-consequentialist theory, is defined as "...any position in ethics which claims that the rightness or wrongness of actions depends on whether they correspond to our duty or not" (Hinman, 2002, p. 2). Deontological, non-consequentialist theories are not concerned about whether the consequences of the acts are in the end morally sound, but rather with the acts themselves being moral. The main assumptions focus on specific moral acts and situations, and how people feel or "intuit" what acts or situations are right or wrong (Thiroux, 2004, p. 59). In an organizational context, this approach focuses on individuals making decisions using their intuition because there are no rules. In comparison, the rule consequentialist theories assume that morality is found in the rules that dictate action.

In addition to act and rule non-consequentialist theories, there are four well-known deontological theoretical frameworks that have relevant implications in moral leadership and duty within an organizational context. These ethical theories include Kant's Duty Ethics (Absolutism), Ross's Prima Facie Duties, John Rawls's Theory of Justice, and Virtue Ethics.

Kant's Duty Ethics

Ross (1939) states, "Kant's ethics has been perhaps the nearest approach to pure ethics of duty..." (p. 4). Kantian ethics is a non-consequentialist theory commonly referred to as "duty ethics" and is considered to be normative or prescriptive in nature. For Kant, all morality depended on a single 'categorical imperative' or unconditional command, i.e. the universal law individuals should use to guide their actions (Hinman, 2002). The theory ascribes to five principles, which include the imperatives of (a) good will, (b) establishing morality by reasoning alone, (c) the categorical imperative, (d) the practical imperative, (e) and duty rather than inclination (Thiroux, 2004). Each of these imperatives builds on one another to form a coherent theoretical moral argument.

Kant's first imperative 'good will' is derived from his belief that good will is the only thing that is good in and of its self. He further believed that 'will' was the unique behavior that allowed humans to follow rules, laws, or principles regardless of personal interests or potential consequences (Thiroux, 2004). The second imperative addresses the establishment of morality by reasoning alone. Embodied in the imperative are what Kant defines as moral absolutes. These moral absolutes are described as possessing specific requirements such as (a) logic, (b) consistency, (c) universal application, and (d) conformity to everything without exception. The third imperative Kant terms the

categorical imperative, which assumes that human acts are immoral if there is no rule that exists that could justify or be made universal to all human beings. The fourth imperative is the practical imperative and is associated with human rights. This imperative suggests that human beings should not be used as a means to someone else's ends, and further, that human beings have their own moral ends. The fifth and final imperative, duty and inclination, promotes human action based on duty in situations where the individual may be inclined to act out in an immoral way. Kant promotes that the individual must choose to abide by the rules, regardless of individual inclinations.

Kant's Duty Ethics theory poses many concerns. The problems exist in the lack of clarity associated with the concepts of universality and consistency with regard to the 'absolutes' or rules. Kant is criticized for negating the clarification of the moral implications in a situation where absolute rules become inconsistent when universalized (Thiroux, 2004). In a pure sense, Kantian ethics would be an ineffective approach to use in the resolution of moral issues or ethical decision-making. Rather, this ethical system could serve as a framework in which to test morally questionable decisions based on organization's values and code of ethics, i.e. rules. Duty ethics apply to certain aspects in an organization such as employment law, federal regulations, and environmental standards because of their universality, consistency, and the moral implications of each.

Ross's Prima Facie Duties

Ross's (1877-1940) theoretical framework has been compared and contrasted with Kantian ethics and rule utilitarianism. The basic premise of his theory is based on the acknowledgement that there exist certain duties called 'prima-facie' duties that must be followed unless extenuating circumstances prevent them. Further, consequences are

not reflective of right or wrong, yet considerations of the potential consequences in the resolution of a moral issue are thought to be prudent. The Prima Facie Duties embedded in his theory are associated with fidelity, reparation, gratitude, justice, beneficence, self-improvement, and preventing injuries to others (Thiroux, 2004).

There are problems that exist with regard to Ross's theoretical framework. These problems are related to the lack of methodology in the selection and ranking of duties. It seems that intuition was used to create the duties, yet a problem exists in the fact that all individuals may not have the same intuition and therefore, would choose different rules. In decision-making there are no clear rules or guidelines to differentiate between the rankings of one prima facie duty over another (Thiroux, 2004).

In an organizational context, there are many instances where prima facie duties may exert dominance in an ethical decision-making scenario. Organizations have rules and usually these rules are situational, when a rule is broken one may look at extenuating circumstances. A common example of prima facie is illustrated by an employee missing more days of work than allotted because of an illness. The employer might view the serious illness as an extenuating circumstance that if not rectified appropriately may be detrimental to the employee and company. In this example the employer is utilizing the prima facie duty and is looking at the situation as an extenuating circumstance, considering the consequences to both employer and employee.

John Rawl's Theory of Justice

Rawl's Theory of Justice is based on two principles derived from a just society; freedom for all and inequality is permissible as long as equal opportunity exists. This

theory is compared and contrasted with Locke (1632-1704) who theorized that human rights were more related to natural rights existing in human beings through nature.

Rawl's Theory of Justice is compatible in societies that employ democracy such as the United States. This theory considers individual freedom, allows for fair and equitable distribution of wealth, and attempts to give equality to the rights of the individual and freedom for the good of the whole (Thiroux, 2004).

There are inevitably obvious concerns in Rawl's Theory of Justice which are associated with taxation of the wealthy members of society, exorbitant salaries paid to professionals that have little to do with helping society, and the myriad of 'loop holes' that those with privilege can take advantage of. Although there are concerns with Rawl's theory, his theory is significant in the examination of ethical theory and ethics in organizations. With regard to the organizational context, Rawl's theory is manifested in examples such as Employment Law and regulations such as equal opportunity acts and minimum wage.

Virtue Ethics/Nichomachean Ethics

The discipline of ethics can be traced back to the scholarly work of Plato and Aristotle during the fourth century B.C. over 2,300 years ago (Peters, 2005; Sims, 2004; Thiroux, 2004). Aristotle's work has come to be known as the *Nicomachean Ethics* and more popularly recognized in the twenty-first century as Virtue Ethics (Rachels, 2003). This work contextualized his thinking on human ethics as the art of living well and flourishing within the context of the state and centered on an individual's character and moral and intellectual development (Nash, 2002; Peters, 2005). Hye-Kyung Kim writes and is stated in Peters (2005),

Aristotle's is an ethics not of principles and rules, but of character, character development, proper deportment, proper and appropriate relations to others, and proper feeling. His guiding idea is not "breaking or keeping the law" but "being or not being the best person possible." It is, in a certain sense, an ethics of self-development, and duties to oneself figure prominently in it (Peters, 2005; p. xiii).

Scholars of Aristotelian ethics recognize that there are two different interpretations of his work that are often referred to as Nicomachean ethics and virtue ethics, yet are fundamentally the same in their end goals. Although Virtue Ethics is derived from Nicomachean ethics, Nicomachean ethics is teleological in nature meaning actions have purpose and aims toward a certain end (Peters, 2005; Thiroux, 2004). While Virtue Ethics outlines traits of character manifested in daily habits (Rachels, 2003) such as honesty, cooperativeness, civility, courage, patience, prudence, and more are thought to be virtuous when practiced consistently.

Contemporary philosophers and ethicists have advanced the notion that Virtue Ethics can be applied in the modern day world (Thiroux, 2004). Rachels (2003) concurs, and outlines several elements that must exist before Virtue Ethics can be fully appreciated as an ethical theory that can be applied. These elements include (a) definition and explanation of what virtue means, (b) identification of character traits that are virtues, (c) provision of an explanation of why these qualities are preferable, and (d) determination whether these virtues are appropriate and good for all human beings regardless of the individual's characteristics and culture.

According to Rachels (2003) there are challenges that exist in the conversation about morality and ethics. She purports that a universal truth regarding morality and

ethics is non-existent because morality is embedded in a culture's customs and moral codes. Nash (2002) defines "real world" ethics as being a "... complex mixture of personal, social, and professional morality" (p. 1). Real world ethics infers that moral bias, feelings and intuition of an individual, and cultural norms and virtues are reflected in the work environment. An individual's actions and perceptions of ethics and morality are embedded in practices such as training, decision-making, workplace norms, roles, and codes of ethics (Nash, 2002), whereas, Weston (2002) alludes to ethics as being a framework for individuals to test or justify their feelings and values.

In a practical sense, ethics provides the structure that allows an individual to clarify, prioritize, and embody values. Weston (2002) suggests the term 'ethics' has a critical aspect, which allows individuals to attempt to go beyond tacitly living out their values to consciously thinking through them. Weston's view of ethics is synergistic with the Aristotelian point of view that the moral function of a human being requires the ability to reason (Thiroux, 2004).

Virtue Ethics is defined as a "moral theory that had its beginnings with Aristotle and which is based not upon consequences, feelings, or rules, but upon human beings developing a moral or virtuous character by doing what an ideal good or virtuous person would do" (Thiroux, 2004, p. 69). According to Thiroux (2004), the qualities associated with virtue ethics are moral excellence, responsibility, righteousness, justice, fortitude, and temperance. Concern for the acts and feelings of human character that promote reason and rationality in human action is a primary tenet of Virtue Ethics.

Within this framework is a discussion on the philosophical and intellectual aspects of happiness, moral virtue, intellectual virtue, friendship, pleasure, and what

constitutes the happiest life (Peters, 2005). Although many positive teachings have derived from Virtue Ethics, there are valid questions regarding the completeness of the theory. Virtue Ethics places emphasis on human character with the aim of promoting the intrinsic good in the human self and actions. In addition, virtue ethics seeks to encourage rationality by linking emotion and reason together and values moderation (Thiroux, 2004).

The problem of ambiguity regarding Aristotle's ethical framework surrounds his assumptions and the belief that he maintains that may not be part of all human belief systems. For example, his beliefs that all human beings have a purpose or end may not be espoused by certain cultures in the modern world and is intangible, therefore, cannot be proved. Furthermore, there are questions regarding what the virtues are, who determines these virtues, and questions whether these virtues are inherent in the human-self or learned behaviors.

Aristotle's philosophical framework is relevant in the discussion of how to develop good moral judgment in ethical leadership. It is imperative to acknowledge that moral judgment is a primary factor in the resolution of moral problems or ethical dilemmas in an organization. How individuals in the workplace look at moral problems and ethical dilemmas are largely attributed to their moral lens derived from introspection of self, how they see themselves and the extent they feel they are moral and good. Virtue ethics is the foundation for the modern day conversations regarding how moral judgment can be developed in leaders and moral intelligence achieved in organizations (Kirby, 2004; Lennick & Keil, 2005).

Table 2.2. Predominant Ethics Theories: Deontology

Theory	Kant's Duty Ethics	Ross's Prima Facie Duties	John Rawl's Theory of Justice	Virtue Ethics
Main premise	Five Imperatives: goodwill, morality through reasoning, the categorical imperative, practical imperative and duty rather than inclination	Recognizes that certain duties must be followed unless extenuating circumstances prevent them; duties are associated with fidelity, reparation, gratitude, justice, beneficence, self-improvement, preventing injuries to others	Embraces two principles: freedom for all, and if inequality exists, equal opportunity must exist; allows for fair and equitable distribution of wealth, and attempts to give equality rights of the individual and freedom for the good of the whole	Moral theory based on human beings developing moral or virtuous character by doing what an ideal, good or virtuous person would do; qualities associated with theory are moral excellence, responsibility, justice, fortitude and temperance
Motive of individual or organization	Lack of clarity of what are the absolutes with the universality and inconsistency	Difficult to rank the importance of duties in decision-making	Concerns are taxation rates for the wealthy, exorbitant salaries paid to executives	Ambiguity exists regarding assumptions and beliefs because they may not be part of everyone's belief system
Characteristics	Employment law, environmental standards	Employer allows employee to miss more days than allotted due to an illness.	Loop holes' for those of privilege to take advantage of.	Theory used in modern day conversations; how leaders develop moral judgment.

Table 2.2 reflects the predominant deontology ethics theories that will be discussed in this chapter.

Applied Ethics

In organizational life, the environment is largely influenced by leadership and is a reflection of the principles that are conceptually born from ethical theory such as respect, service, justice, honesty, and community (Northouse, 2004). Figuratively speaking, if one would overlay any one of the classic ethical theories on an ethical dilemma or moral issue, one would gain insight to one's belief system and the personal theoretical framework from which they tend to operate.

One of the skills becoming highly regarded in organizations today is a leader's ability to demonstrate adeptness in moral reasoning and making decisions based on an ethical framework (Sims, 2003). The current trend in business schools today is reflective of this value and is illustrated in the inclusion of ethics courses that teach the importance of the development of moral judgment through basic understanding of ethical theory and the unique opportunity to use case studies to develop and practice moral reasoning (Sims, 2003).

To provide some clarity about the phenomenon of theory in practice it is important to define two key points. Firstly, the applicability of ethics theories in an organization is likely to be relative to the situation and context. The theory of relativism is contrary to absolutism and supports the claim that morality is relative to particular cultures, groups, and individuals. Inherent in this belief is the individuals' right to determine their own ethics and values (Thiroux, 2004). This theory is relevant in the business community and organizations because of the diversity of the global economy as well as its stakeholders.

Secondly, there is some confusion regarding the nomenclature used to describe ethics in the workplace. Applied ethics refers to the application of ethical theories to real situations at work. Business ethics, organizational ethics, and applied ethics are similar in that all are concerned with principles of right and wrong, fairness, justice, and moral conduct.

One differentiation of these terms may be found in the normative and descriptive ethics perspectives in the context of the organization. Normative and descriptive ethics are two key branches of moral philosophy and ethics. Normative ethics is concerned with supplying and justifying a coherent moral system of thinking and judging. Also, in a business context, norms and standards are established in which businesses might be guided and judged. Sims (2003) suggests that normative behaviors are guided by the expectations of ethical behavior and standards in the workplace.

Moreover, descriptive ethics refers to the description, characterization, and study of morality of people in an organizational culture. In regard to descriptive ethics, the focus is on learning what is really happening in the organization, such as behavior, actions, decisions, policies and procedures...especially visible in the practices of leaders. The focus of descriptive ethics is on “what is” the prevailing set of ethical standards in the organization (Sims, 2003, p. 14).

Another differentiation may occur in the approach that an organization takes towards decision-making. Carroll and Buchholtz (2006) suggest in business ethics a conventional approach to making moral judgments enables the decision maker to test options with “prevailing norms of acceptability” (p. 175) or legitimate sources including norms of a profession, employer, fellow workers, family, and codified laws.

Lastly, ethical climate of an organization is driven by the commitment and intentional integration and practice of values to inform decisions of an organizational system (Davis, 2002). According to Taylor (2001) 'moral agency' is the ability to act consistently in a manner of moral integrity, which is reflected in hiring, firing, advancement, sanctions, and rewards. Further, he suggests that moral agency is also dependent on a set of competencies, which include moral sensibility, responsiveness, reasoning, accountability, character, valuing, and transformative leadership.

A Moral Lens for Organizational Leadership

There is a new wave of thinking about leadership, moral fortitude, and organizational performance. Emphasis is increasingly being placed on a leader's ability to impart moral judgment in the highly subjective process of resolving morally bound decisions (Kirby, 2004). Research shows that often a leader's moral subjectivity reflects their personal philosophical bias in the ethical decision-making process (Bowen 2002; Northouse, 2004). Lennick and Keil (2005) introduce the notion of 'moral intelligence' in an organization and correlate it with organizational performance. Moral intelligence is a term used to describe principles of good leadership, which include integrity, responsibility, compassion, and forgiveness. Although there is no research to support their claim, they suggest that organizations that exhibit moral intelligence attract talented individuals and are perceived to be more financially sound.

Moral and ethical behavior has been associated with characteristics of good leadership, yet historically, has been represented in the literature as an afterthought or secondary to theoretical frameworks of leadership styles and traits. However, in the last few years, attention has shifted from the predominant theories of leadership (i.e.

leadership traits, charisma, skills approach versus style approach, power and politics) to a more concentrated focus on the moral and ethical aspects of leadership such as moral reasoning, ethical decision-making, and principled leadership (Bass, 1990; Carroll, 1987; London, 2005; Northouse, 2004; Penn, 1990; Sims, 2002).

Given the nature of this study and its emphasis on ethical leadership in organizations, Thiroux's (2004) definition of ethics and morality is more orientated to an organizational context focusing on the human relationships aspect and the aim of achieving what is good and what is right in the treatment of others, their mutual welfare, growth, creativity, and meaning. Metaphorically speaking, ethical theory provides a moral lens for leaders in their interactions with others, the environment, and the process of moral and ethical decision-making (Bowen, 2002).

Thiroux's (2004) explanation can be used in framing morality and organizational culture. He clearly makes the distinction between absolutism, an absolute truth, and relativism in relationship to morality. He believes that there are no absolutes and morality is closely tied to particular cultures, groups, or even individuals. Further, he believes individuals must determine his/her own values and ethics. In the context of organizational culture and leadership, relativism considers the variables associated with a culture's make-up in an organization. Northouse (2004) makes a clear distinction regarding the discussion of ethical theory and ethical leadership in the same context. He suggests that ethical theories only provide the foundations that pose guidelines for ethical leadership. In other words, he is not suggesting that there is a theoretical framework specifically for ethical leadership. In essence, he argues that ethical leadership deals primarily with "what leaders do and what leaders are" (p. 302).

Further, some scholars argue that leadership commitment to ethical behavior in the upper echelons of the organization, such as the Board of Directors and higher-level managers must be visible to the organization (Sims, 2003). The integrity and honesty of organizational leadership are perceived by employees to be important characteristics of a leader (Corporate Executive Board, 2003). A study that was conducted by the Council surveyed 8,000 leaders regarding the important attributes of leaders. Sixty-one percent of the respondents selected honesty and integrity as the most important qualities of a leader (p. 1). Further, the creation of an ethical culture is largely dependent on ethical leadership (Carroll & Buchholtz, 2006; Lennick & Keil, 2005); Sims, 2003; Trevino, 2007). Trevino (2007) suggests;

Ethical leadership is vital to creating an ethical workforce. It is a myth that employees are fully formed moral agents who can ‘lead themselves’ when it comes to ethics. Research indicates that most employees look outside themselves to significant others for guidance in ethical dilemma situations. If this leadership and guidance is not provided by the leaders of the organization, employees will seek it elsewhere, most likely from peers. (p. 1)

Institutionalization of Ethics

Paine (1997) suggests that “Building and maintaining organizational integrity around a sense of purpose, responsibility, and shared ideals is a far greater challenge than setting up a legal compliance program ... rather, organizational integrity must be based on an ethical framework” (p. 99). The quest to increase the understanding of ethics and ethical conduct pertaining to organizations continues to be a challenging pursuit for researchers, trainers, and teachers of ethics (Giacalone & Thompson, 2006; Sims 2002).

Many scholars believe that theory plays an important role in both formal and informal practice because it provides the assumptions about how things (systems, organizational dynamics) work and informs the actions of practitioners (Tschudy, 2006). Key theoretical bases and concepts that inform the process of institutionalizing ethics are (1) ethics, (2) adult learning, and (3) organizational culture.

Thoms (2008) suggests that organizational leaders must be involved in building the organization's value system by developing, and aligning the organization, with an ethical framework and leading by example. The concept of integrating ethics in the workplace has been described in different theoretical frameworks by scholars representing the fields of business management, philosophy, and human resource development. Although their emphasis on specific components may differ, the commonality of these frameworks is the goal to create, build, and maintain an ethical organization. An exploration of several different frameworks will provide insight into the important components of the process of instituting ethics in the workplace.

Sims (2003)

Although the federal government's initiatives to systematize and regulate ethical practices in corporations have addressed some ethical concerns, (ERC, 2005; Hatcher, 2002; Pearson, 1995; Sims, 2003), there are many scholars that believe that instilling ethics in an organization goes beyond compliance-based ethics, and rather, is a process that garners ethical practices for long-term sustainability (Carroll & Buchholtz, 2006; Clark & Lattal, 1993; Hatcher, 2002; Paine, 1997; Sims, 2003).

According to Sims (2003), the institutionalization of ethics integrates formal and explicit ethics practices into daily business life. He purports that ethical practices

instituted into the workplace start with company policy initiated by the board of directors and top management levels. Company policy is based on a formal code of ethics used to facilitate ethical decision-making and work practices that are observed at all levels of the organization (Sims, 2003). He suggests that organizations that are committed to institutionalizing ethics create an ethical climate through normative behaviors and build ethical components into the hiring, training and development, performance reviews, and employee career paths (Sims, 2003; Van Zant, 2005).

Like Sims (2003), Van Zant (2005) promotes integrating ethics into employee orientation, performance reviews, succession planning and other areas. *The Employee Life Cycle* model (Van Zant (2005) focuses on primarily practical ways to integrate ethics learning in the course of the employees 'life cycle' in the organization which would not require exorbitant costs or resources. From an HR perspective, this model is used to identify key areas of employee transitions where ethics can be instilled to support the institutionalization of ethics. These include orientation and socialization, business infrastructure, job performance, development, and succession planning. Each of these phases is continuously being informed by teaching, communication, and performance management. Van Zant's (2005) uses this model to target areas of the HR system which present logical places to integrate ethics into the organization systematically. Organizational values and ethics shroud the components of her model, which is similar in concept to the human resource system model proposed by Tichy, Frombrun, and Devanna (1984).

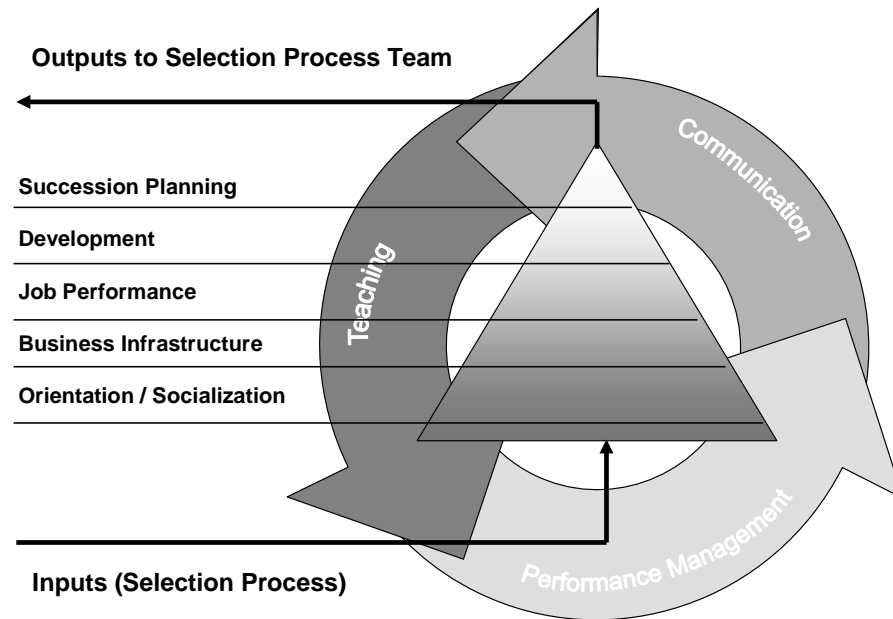


Figure 2.1. Employee Life Cycle Model (Van Zant, 2005)

Clark and Lattal (1993)

Clark and Lattal (1993) argue that ethical practices in an organization are “...part of the usual and customary way business is done” (p. 1). In their ethical framework, organizational commitment is assumed and emphasis is placed first on the moral fortitude of an individual that is observed through actions at work. He believes the organization can integrate measures to support an ethical climate that enhance ethical behavior. Both Sims (2003) and Clark et al. (1993) agree that an ethical climate promotes an ethical culture through the normative behavior in a particular context and is concerned with the implementation of the steps necessary to reinforce and maintain it.

Costa (1998)

Costa (1998) argues that ethics and, more specifically, moral leadership are imperative for success in business. His perspective focuses on achieving an ethical

orientation in an organization, which requires six areas that are present in the organization to align and ensure successful implementation of ethics. These areas include (1) board of directors, (2) leadership, (3) strategic sensibility, (4) open culture, (5) group dynamics, and (6) the individual. Costa's multifaceted approach to aligning ethics with these areas is the first step in the process of the institutionalization of ethics and establishment of an ethical orientation. Of these areas listed, the term least familiar to the previous frameworks mentioned is strategic sensibility.

According to Costa (1998) the concept of strategic sensibility relates to the act of consciously integrating an ethical orientation into organizational strategy. He states, "Since strategy cannot adequately prepare people for all eventualities, ethics can at least provide a belief structure to guide the creation of solutions and the realization of new opportunities" (p. 217). Although others have suggested that the institutionalization of ethics is a strategy to increase organizational performance (Lennick & Keil, 2005; Paine, 1997; Sims, 2003), Costa (1998) defines it in such a way to allow flexibility and creativity in solutions to ethically oriented challenges.

Carroll and Buchholtz (2006)

Carroll and Buchholtz (2006) believe that moral leadership exhibited at the top by management in the organization influences organizational members to behave ethically and is the primary factor in creating and sustaining an ethical climate in the organization. Although an organization's ethical climate is only a part of an organization's culture, ethical climate and culture have a symbiotic relationship in that the organizational culture must support the activities and behaviors that promote an ethical climate. Like Sims (2003), Carroll and Buchholtz imply that the ethical climate and culture of an

organization is predicated by the commitment level of the organizational leaders to model ethical behavior and support the practices that promote an ethical environment. The process in which leadership commitment to practice that encourages ethics in the organization is referred to as *institutionalizing ethics*.

Based on years of studying ethics in organizations, Carroll and Buchholtz (2006) found that organizations that exhibited ethical behavior engaged in specific activities and practices that encouraged ethics in the in the workplace. Consequently, they developed a framework that represents these activities and practices, which they refer to as *best practices*. Their model, *Best Practices for Improving an Organization's Ethical Climate or Culture* (p. 233), reflects ethics best practices that influence the ethical climate and culture of an organization. These include: ethics programs and ethics officers, realistic organizational objectives, ethical decision-making processes, codes of conduct, effective communication, discipline of violators, ethics audits, Board of Director's oversight, ethics training, corporate transparency, and whistle-blowing mechanisms. As depicted in *Figure 2.2*, these ethics best practices are directly associated with moral leadership and management.

Effective communication is considered a best practice to improve an organization's ethical climate and culture because it is a characteristic of ethical leadership. Ethical leaders communicate openly and honesty in both written and oral communications with candor, fidelity, and confidentiality (Carroll & Buchholtz, 2006). Candor refers to forthright sincere and honest communication without prejudice. Fidelity describes communication as being accurate and void of deception and exaggeration. Finally, confidentiality is an important principle in communication because it builds trust.

Ethical leaders and managers discriminate between information that should be disclosed and kept confidential (Carroll & Buchholtz, 2006). Further leadership and management's ability to set and communicate realistic objectives is important. The practice of *setting realistic objectives* may help to prevent unethical behavior in the organization. Carroll and Buchholtz suggest that unrealistic organizational goals may cause pressure for individuals in the organization to act in unethical ways to achieve the established goals or misrepresentation of the progress on these goals.

Ethics officers and *ethics programs* are both considered to be ethics best practices. Carroll and Buchholtz (2006) suggest that ethics officers in the organization often times are responsible for leading and managing the implementation of ethics programs in an organization. Components of ethics programs include dissemination of codes of ethics, training in ethical decision-making processes, recognizing ethical behavior, and understanding the protocol for reporting unethical behavior. *Codes of conduct*, considered an ethics best practice in an organization, primary purpose is to convey the ethical standards and behavior throughout the organization. These codes of ethics make a statement about expectations of behavior and the principles of the organization. Effectiveness of codes of ethics is based on how these codes are communicated and used in ethical decision-making.

Business ethics training for managers is a practice that is recommended to promote an ethical climate and culture by (a) increasing a manager's sensitivity towards ethical problems, (b) encouraging critical evaluation of value priorities, (c) increasing awareness of organizational and societal realities, (d) examining the ethical facts of

business decision-making, and (e) encouraging fairness and honesty in the workplace (Carroll & Buchholtz, 2006, 247).

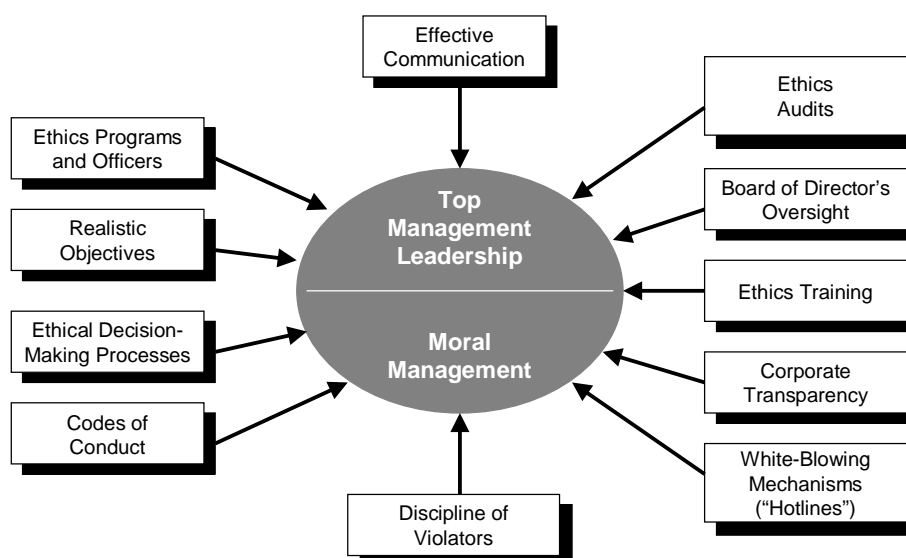
Other best practices include ethics audits, corporate transparency, and board of director's oversight of ethics in the organization. According to Carroll and Buchholtz (2006) ethics audits and self-assessments, generally employed through a written instrument, interviews, or committees, are intended to carefully review the organization's ethics initiatives (e.g. ethics programs, codes of conduct, hotlines, and ethics training programs). Ethics audits are a method that can also be used to uncover and gain insight into how internal stakeholders perceive managements' commitment regarding ethics, communication, incentive and reward systems and other management activities.

Corporate transparency is a relatively new practice that became popular in organizations after the string of high profile corporate scandals primarily as a proactive measure to create a reputation of honesty and openness to stakeholders and to enhance ethics programs. Carroll and Buchholtz (2006) refer to corporate transparency "as a quality, characteristic, or state in which activities, processes, practices, and decisions that take place in companies become open or visible to the outside world" (p. 248). The benefits organizations receive from adopting this practice are related to an enhanced reputation, credibility, and stakeholder loyalty.

Finally, Carroll and Buchholtz (2006) name the Board of Directors Leadership and Oversight as a best practice for improving an ethical climate and culture. Although it is a fundamental responsibility of a board to ultimately oversee the ethical aspects of the organization, many times as witnessed in the recent corporate scandals, boards of

directors have failed to be involved or were not privy to what is transpiring in the organization.

Since the implementation of SOX in publicly-held corporations, there has been an increase in board of director's involvement in their organizations ethic programs, primarily working with oversight of financial reporting, ensuring the organization remains in strict compliance with federal regulations, and investigating reports of unethical behavior in the organization (Carroll & Buchholtz, 2006).



Used by permission of the author. Model published in: Carroll, A.B. & Buchholtz, A.K. (2006). *Business and society: Ethics and stakeholder management* (p. 233, Figure 7-6). Cincinnati, Ohio: South-western.

Figure 2.2. Best Practices for Improving an Organization's Ethical Climate or Culture

This model provides a framework to study the institutionalizing of ethics and also provide organizations with the elements that are required for a comprehensive ethics

program. What this model does not demonstrate is the how to implement these components efficiently, effectively and sustainability.

Lennick and Keil (2005)

Similar to Carroll and Buchholtz (2006) perspectives on the centrality of moral leadership and moral management in the pursuit of an ethical climate and culture, Lennick and Keil (2005) believe that moral leadership is at the crux of organizations behaving morally and ethically. A unique characteristic of their framework is the notion that moral leaders possess moral *intelligence*. The term embodies specific moral competencies leaders must possess that make them effective moral leaders (Lennick & Keil, 2005). The core competencies identified in moral leaders by Lennick and Keil originated from their extensive research of the successful behaviors of over seventy-five top leaders of high performance companies. Their findings reflect integrity, responsibility, compassion, and forgiveness as being four core competencies of a moral leader and that can be promoted throughout the organization and that encourage a moral and ethical climate.

Paine (1997)

Paine's (1997) view of instituting ethics in an organization is the building of organizational integrity founded on an ethical framework that focuses on three dimensions which include (a) purpose, (b) principles, and (c) people. Purpose addresses the articulation of the mission and goals of the organization. Principles refer to the identification of the organizations, duties, and rights. The people aspect of this framework is concerned with the rights, claims, and legitimate interests of the stakeholders in the organization. Studies indicate that organizations that function by well-

defined values, purpose, and further observe leadership integrity (honesty, fairness, and reliability) are more likely to enjoy organizational excellence regardless of external factors in the environment (Paine, 1997).

Phillips (2003)

Phillips (2003) agrees that there is a need for “constructing an ethics for organizations” (p. 41). On a philosophical level, he strongly believes that discourse exists between moral theory, political theory, and the modern organization, and further suggests that these dated theories are incapable to guide specific daily needs of a contemporary organization. Phillips (2003) acknowledges the importance of an ethical construct in which organizations function and proposes an ethical framework that includes substantive aims, conceptual independence, and “stakeholder fairness”(p. 61). He describes substantive aims as being prescriptive rather than descriptive which is more consistent with other ethical models.

Substantive aims refer to the ethical direction or the organization’s position on ethics, which allows the individuals in the organization to look at ethical concerns on a holistic and individual basis with out predetermination. Phillips (2003) suggests that conceptual independence refers to breaking from the assumption that organizational ethics is based on specific moral or political theory, but, “...appeals to a plurality of political and moral points of view without necessitating assumptions about prior political conditions and individual attributes...” (p. 59). Further, according to Phillips (2003) the principle of stakeholder fairness embedded in stakeholder theory provides an adequate moral framework for organizations. The notion of organizations requiring “an ethics of

their own” (p. 61) suggests that the differences in organizations and individuals need to be recognized.

Table 2.3 provides an overview of the institutionalization of ethics frameworks discussed in this section. Most of the frameworks embrace a well-rounded perspective of ethics in an organization. Although, Phillips (1997) and Costa (1998) place primary emphasis on leadership and the stakeholders, in order to create the moral and ethical leadership with concern for the stakeholders, practical initiatives must also be considered as reflected in the other frameworks reviewed.

In *Table 2.3*, Foote and Ruona (2008) summarize the key components of the institutionalization of ethics frameworks and found many similarities in the author’s understanding and approach to instituting ethics in the workplace.

Table 2.3. Typology of Selected Institutionalization of Ethics Frameworks (Foote & Ruona, 2008)

Author	Leadership	Stakeholders	Values Statement	Code of Ethics	Culture	Ethics Programs	Ethics Officers	Training
Paine (1997)	X	X	X	X	X	X	X	X
Phillips (1997)	X	X			X			
Costa (1998)	X	X			X			
Hatcher (2002)	X	X	X	X	X	X		X
Sims (2003)	X	X	X	X	X	X	X	X
Carrol & Buchholtz (2005)	X	X	X	X	X	X	X	X

As indicated in *Table 2.3*, Phillips (1997) and Costa (1998) place a greater emphasis on the philosophical aspects of moral and fair leadership with regard to the stakeholders of the organization. Like all scholars indicated in *Table 2.3*, leadership and

organizational culture provide a supportive ethical environment and reinforce ethical standards of the organization. Carroll and Buchholtz (2006), Sims (2003), and Paine (1997) look at the holistic perspective and reflect many of the tenets of federal legislation. Hatcher (2002) framework, like others, reflects ethics as the responsibility of the organization, its systems, structures, programs and management of these support structures for sustaining an ethical culture.

Although helping employees learn in organizations is the primary aim of human resource development, HRD professionals play a role in developing training programs, structures and systems to support the organizational culture. Trevino (2007) states, “Overall, HR and ethics managers must focus on how cultural systems fit together or align in support of ethical conduct as a common goal” (p. 2). Yet, studies have not confirmed the relationship between organizational culture and successful training in an organization, which some scholars believe there is a correlation between the two (Bunch, 2007). Effective training is associated with what “...learning affects before, during, and after training” (Bunch, 2007, p. 144). Bunch (2007) states, “Organizations spend as much as \$200 billion in the United States annually on training and development; however, much of this investment is squandered on ill-conceived or poorly implemented interventions...recent interest in the role of organizational context rarely extends to organizational culture” (p. 142).

Williams and Dewitt (2005) suggest, “That is a broad sense, the organization’s culture can predispose organization members to take right or wrong courses of action...” (p. 114). Further, they purport that ethical climates of organizations can be on the lowest

level of ethics or primitive to the highest levels of ethics or principled. Ethical behavior of individuals can shape organizational cultures and visa-a- versa.

Organizational culture in the context of ethics is described in many ways. Meyerson and Martin (1987) posit that “Culture is often defined by what is shared by and/or unique to a group” (p. 624). Thoms (2008) defines moral culture as “...total organizational and cross generational behavior, built by a group of executives and their employees, contractors, suppliers demonstrating their distinction between right and wrong and principles or rules of right conduct” (p. 420). Further, culture in an organization is characterized by its pattern of basic assumptions, values, norms, and artifacts shared by the organizational members. These elements help create shared meanings amongst members of the organization regarding work life, expectations, and relationships (Cummings & Worley, 2001; Myerson & Martin, 1987).

Mayhew (2006) suggests that organizations are social systems that are comprised of structures, customs, and relationships that are interconnected. He believes that all complex organizational change begins with systems thinking. A systems thinking approach to change is an important aspect in the process of institutionalization because it looks at the organization as a whole and considers the events patterns, and structure of the organization to determine where to focus activities.

Organizational Culture and Institutionalizing Ethics

The elevated interest in organizational culture is derived from its presumed impact on an organization’s effectiveness (Cummings & Worley, 2001; Smircich, 1983). The links between ethics, ethical climate, ethical culture, and organizational performance have been connected with the process of institutionalizing ethics (Carroll & Buchholtz,

2006; Sims, 2003). Organizational culture is an important aspect of institutionalizing and reinforcing employee learning, particularly in ethics in the workplace. Over the past two decades the study of culture linked with organizations has increased as a result of what Smircich (1983) refers to as the “symbolic aspects of organized setting...” (p. 339). Thoms (2008) suggests that “...ethical standards need to be such a part of an organization that they no longer need to be discussed they are simply there underpinning the entire ethos of the place” (p. 425).

Elements of an Ethical Culture

Some scholars believe that organizational culture exists on three levels and include (a) visible organizational structures and processes (artifacts), (b) strategies, goals, philosophies (espoused values), and (c) unconscious beliefs, perceptions, thoughts, feelings, and ultimate source of values and action (underlying assumptions) (Cummings & Worley, 2001; Schein, 2006). Further, Bunch (2007) suggests that elements of an organizational culture include artifacts, patterns of behavior, behavioral norms, values, and fundamental assumptions as affecting the norms, values, and assumptions of the organization.

Based on these elements of organizational culture, it is evident that culture plays a key factor in the performance of the organization. Organizational culture either can promote or hinder change initiatives. The purpose of change initiatives in organizations is to change or modify various facets of an organizational culture such as “patterns of behaviors, values, meanings, strategies, structure, and leadership” (Meyerson & Martin, 1987, p. 624). The symbolic nature of leadership with respect to the leaders’ influence on organizational culture (Smircich, 1983) is a critical component of change and is often

reflective of a strong or weak organizational culture. Sims (2003) states, “leaders can create, maintain, or change the culture” (p. 126) and leadership will always be the primary influence on an organizational culture (Thoms, 2008).

Adult Learning Theories

Merriam (2001) states, “Adult Learning is probably the most studied topic in adult education” (p. 1). The depth and breadth of adult learning theory and principles is profound. Adult learning knows no boundaries and our understanding of it has changed significantly based on what scholars have learned about how adults learn in different contexts. Although early definitions of learning were recognized as a change of behavior in an individual, Merriam, Caffarella, and Baumgartner (2007) suggest that the essence of learning is what transpires in an individual when the learning takes place. They propose, “Learning is a process that brings together cognitive, emotional, environmental influences and experiences for acquiring, enhancing, or making changes in one’s knowledge, skills, values, and worldviews” (p. 277).

Much of adult learning in the United States takes place in a work environment. Doornbos, Bolhuis, and Simons (2004) suggest that workplace learning is strongly influenced by adult learning theory. For decades, strategies and/or typologies have been developed by HRD professionals who take into account how adults learn in the context of an organization and (Swanson & Holton, 2001). Swanson & Holton, (2001) suggest there are metatheories, commonly referred to as orientations of learning (Merriam & Baumgartner, 2007), that ground the theories of adult learning such as formal, informal and incidental learning, and experiential learning.

Metatheories or Orientations of Adult Learning

Swanson and Holton (2001) state, “Learning has always been at the heart of HRD, and continues to be a part of all paradigms of HRD” (p. 149). There are several key foundational adult learning “Metatheories” (Swanson & Holton, 2001, p. 150) or “orientations” (Merriam & Caffarella, 2007, p. 296) that inform adult learning in an organization. These metatheories or orientations of adult learning are behaviorism, cognitivism, humanism, social learning, and constructivism.

A behaviorist approach surmises that learning takes place when there is an observed change in behavior as a result of a stimulus in the environment. The facilitator of the learning “arranges the environment to elicit the desired behavior” (Merriam, Caffarella, & Baumgartner, 2007, p. 296). The behavioral orientation is embedded in HRD and training, behavioral objectives, accountability and performance, and skill development.

A cognitive orientation perspective to learning in the workplace relates to information processing which is directly associated with insight, memory, and perception to develop the capacity and skills to learn better. With structured activities provided for the learner, “...learning manifests in the learner how to learn, social roles, intelligence, memory, and memory related to age” (Merriam, Caffarella, & Baumgartner, 2007, p. 296). Further, the social cognitive orientation is associated with learning through observation and interaction of others in a social context to learn new roles and behaviors. This orientation of learning depends on the facilitator of learning modeling and guiding new roles and behaviors and is reflected in socialization, self-directed learning, and mentoring.

The constructivist orientation refers to making meaning from individual or social construction of knowledge whereby the facilitator of learning “negotiates making meaning with the learner” (Merriam, Caffarella, & Baumgartner, 2007, p. 298). This type of orientation is reflected in experiential and transformational learning, reflective practice, communities of practice, and situated learning.

Lastly, the purpose of the humanist orientation of learning is to develop the whole person and is associated with self-actualization. Further, the humanistic orientation is embedded in Andragogy, self-directed learning, cognitive development, and transformational learning (Merriam, Caffarella, & Baumgartner, 2007).

These orientations to learning can be found in many different contexts where adult learning opportunities exist. Although, Swanson and Holton (2001) suggest that behaviorism and cognitivism are the core metatheories of the HRD theoretical framework, HRD draws from all or some of the metatheories which provide an “eclectic blend” to fit the circumstances (p. 150).

Organizational Learning

Merriam, Caffarella, and Baumgartner (2007) suggest that “organizational learning is a flexible concept spanning a number disciplines and perspectives...” (p. 43). They suggest that organizational learning is concerned with “how to incorporate learning into a changing and organization’s practices and culture” (p. 43). The impact of the external environmental factors on organizations has resulted in accelerated changes in technology, diversity in the workforce, and downsizing that require new strategies for employees to efficiently, and effectively, keep pace with the changing environment (Swanson & Holton, 2001; Senge, 1990).

Organizational learning is defined as an area of knowledge within organizational theory that studies models and theories about the way an organization learns (<http://en.wikipedia.org/wiki/Organizationallearning>, 2009, p. 1). Since the mid-1970's scholars have studied learning in an organizational context to understand the link between individual learning and organizational learning. Casey (2005) states, "For decades individual learning in organizations has been seen as a critical component to an organization's capacity to change and survive overtime" (p. 131).

Argyris and Schön's (1978) theory of single-loop and double-loop learning suggests that individuals, groups or organizations modify their actions based on expected versus obtained outcomes in an organization. March and Olson (1975) link individual learning to organizational learning and theorize that individual beliefs lead to individual action which may lead to organizational action. Kim (1993) synthesizes the two preceding theories of organizational learning into a single comprehensive model.

Recognizing that individual learning is a prerequisite for organizational learning to exist, individual learning must be fostered and captured to ensure the learning is useful to an organization. Some scholars believe that organizational learning is exhibited as continuous improvement, competence, acquisition, and experimentation qualities.

Elkjaer (2004)

Elkjaer (2004) suggests there is a "third way" organizational learning can be approached. She defines the third way as a synthesis of the first and second ways of organizational learning; the first being the acquisition of knowledge and analytic and communicative skills, and the second, learning through participation in communities of practice and all takes place in "social worlds" (p. 420).

Knowledge and the transference of knowledge in an organization are critical components of the third way of organizational learning. Some scholars propose that there are several types of knowledge that is embedded in the concept of organizational learning. Blackler (1995) categorizes knowledge types that he believes are indicative of all organizations and identifies these types as (a) embrained knowledge, (b) embodied knowledge, (c) enclutred knowledge, (d) embedded knowledge, and (e) encoded knowledge.

Embrained knowledge is associated with conceptual skills and cognitive abilities. Blackler (1995) describes this category to represent practical, high-level knowledge where objectives are achieved through on-going recognition and re-evaluation. Although tacit knowledge is considered to subsist on a subconscious level, it can also be part of embrained knowledge.

Embodied knowledge refers to actions in relationship to contextual practices, social acquisitions, and how individuals interpret and interact within the particular context. Blackler (1995) refers to this also being non-explicit type of knowledge. Enclutred knowledge is process-oriented and is related to achievement of shared understandings derived from socialization and acculturation. Embedded knowledge is explicit and is associated with systems and is embedded in formal procedures, roles, technologies, and emerging routines within a complex system. The last category, encoded knowledge, relates to the information that is conveyed in the artifacts in an organization. Artifacts can include signs and symbols and alludes to the transmission and storage of knowledge.

Organizational learning is concerned with the practical side of ensuring the transmission of knowledge throughout an organization and is the process for the organization, creation, and the capture of knowledge so it is available and easily accessed for individuals in an organization. Methods for capturing knowledge and experience are exemplified in publications, activity reports, lessons learned, interviews, and presentations. In addition, the term “capturing” refers to the storage of knowledge for easy access. Repositories, libraries, and databases are examples of how organizations store knowledge.

Other ways an organization can transfer knowledge for learning purpose is through search engines, communication, network infrastructure, communities of practice and consulting experts. The fourth tenet of organizational learning is the mobilization of knowledge. This pertains to the integration of relevant knowledge sources to address issues and resolve problems. The key aspect of organizational learning is the interaction that takes place among individuals and leads to organizational learning.

Moreover, Elkjaer (2004) believes that the focus of a learning organization should be spent more on individual acquisition of knowledge and skills and participation in the organization, rather than focusing on the individuals’ organizational paradigm related to systems approach. Elkjaer states, “In a social worlds understanding of organizations, individuals and organizations are understood as being mutually constituted and constituting the ‘systematic’ order of organizational actions and interactions kept together by individuals and groups commitment to organizational life and work.” (p. 420).

Swanson and Holton (2001) suggest that there is a differentiation between organizational learning and learning in an organization. Organizational learning is related

to systems in an organization and is the intentional use of learning processes on the individual, group, and system to continually transform the organization in positive ways.

Others believe that organizational learning is the accumulative knowledge that is present deep within the organizational culture and systems and are reflected in the organization's rules, roles, routines, procedures, and shared values. In addition, organizational learning has been described by some scholars as a social process which is affected by contextual factors that influence how individuals learn in an organization (Antonacopoulou, 2006; Casey, 2005).

Senge (1990) characterizes organizational learning as an area of knowledge within organizational theory that studies models and theories about the way an organization learns and adapts, promotes and rewards collective learning. Yet, Marsick and Watkins (1999) suggest that a "learning organization" actively (a) creates, (b) captures, (c) transfer, and (d) mobilizes knowledge to enable it to adapt to a changing environment for the individual employee.

Learning in an Organization

Merriam, Caffarella, and Baumgartner (2007) suggest "The concepts of organizational learning and learning in an organization are so interrelated that is so difficult to speak of one without reference to another" (p. 42). In addition, they suggest that the concept of learning in an organization is being referred to as "...adaptive, resilient, and innovative organizations..." (p. 45).

Marsick and Watkins (1999) suggest that a *learning organization* actively (a) creates, (b) captures, (c) transfers, and (d) mobilizes knowledge to enable it to adapt to a changing environment for the individual employee. Senge (1990) popularized the concept

learning organization in the early 1990's. His unique approach to learning in an organization is derived from organizational development, systems, and cognitive theories.

Senge (1990)

Senge (1990) suggests that there are ways to specifically create and sustain learning in an organization. His model reflects prescribed components that help individuals' ability to think of organizations as systems to promote the practice of continuous learning in an organization. These are (1) systems thinking, (2) personal mastery, (3) mental models, (4) building a shared vision, and (5) team learning.

First, Senge (1990) suggests systems thinking is related to the way individuals think. He states, "Business and other human endeavors are also systems. They too, are bound by invisible fabrics of interrelated actions, which often take years to fully play out their effects on each other...and to see the patterns of change" (p. 7). Further, he explains that "Systems thinking is a conceptual framework, a body of knowledge and tools that has been developed over the past fifty years, to make the full patterns clearer, and to help us see how to change them effectively." (p. 7)

Second, personal mastery refers to the processes "...of continually clarifying and deepening our personal vision, of focusing personal energies, of developing patience, and seeing reality objectively. As such, it is an essential cornerstone of the learning organization, as it is the learning organization's spiritual foundation (Senge, 1990, p. 7)."

Third, Senge (1990) states that "...mental models are deeply ingrained in assumptions, generalizations, or even pictures or images that influence how we understand the world and take action" (p. 8). An important aspect of this particular

discipline is that individuals must have the ability to engage in productive and insightful conversations while exhibiting balance between “inquiry and advocacy” (p. 8).

The fourth and fifth disciplines pertain to building a shared vision and team learning respectively. Shared vision typically starts with the leaders of an organization. They create the vision and mission of the organization, goals, objectives, and a set of principles and practices for the organization. Senge (1990) states, “When there is a genuine vision, people excel and learn, not because they are told to, but because they want to” (p. 9). He characterizes team learning as individuals dialoguing as a group and thinking as a group, recognizing the patterns of logic in problem solving and creativity. Senge’s groundbreaking conceptual framework that defines a learning organization has caused other scholars to study and conceptualize alternative perspectives of organizational learning.

Marsick and Watkins (1993)

Marsick and Watkins (1993) suggest that a learning organization is an entity that is always learning and transforming itself and is where learning is a continuous strategic process integrated in to the workplace. Like Senge’s (1990) model, their perception of a learning organization acknowledges individual, group, and organizational learning. They suggest that learning in an organization reflects “total employee involvement in a process of collaboratively conducted, collectively accountable change directed towards shared values or principles” (p. 4).

Their perspective suggests that learning is a continuous process and one of a social nature. Their model of the learning organization reflects six imperatives that perpetuate learning. These include (1) the creation of learning opportunities, (2) the

promotion of inquiry and dialogue, (3) the encouragement of collaboration and team learning, (4) the establishment of systems to capture and shared vision, (5) the empowerment of people toward a collective vision, and (6) development of the organization and its environment.

Individual Learning in an Organization

Chiva and Alegre (2005) suggest that “When it comes to organizational learning, most authors have looked at how individuals in organizations learn, or have analyzed how individual learning theories could be applied to organizational learning” (p. 52).

Individual learning can take place in an organization, institution, or any activity in any context. Merriam and Baumgartner (2007) suggest there are many theories that have been developed to explain individual learning in adults in addition to formal learning. Some scholars believe that individuals learn through self-directed, informal and incidental learning, and experiential and reflection.

Formal Learning

Most of the literature on individual learning in the past few decades has primarily focused on formal learning (Casey, 2005). Formal learning is characterized by programs that are highly structured. Merriam and Caffarella (1999) suggest that formal learning is generally distinguished by and provided by educational institutions. Formal learning has been a traditional way of training and developing employees in the workplace and used to educate and train the workforce to facilitate change initiatives and other unexpected changes that require new skills and knowledge (Casey, 2005). Further, Casey (2005) suggests that “Traditional individual learning in organizations is seen as an outcome of training and development programs in classrooms” (p. 133).

Eraut (2000) recognizes that formal learning must exist in organizations, but concludes that most of the learning in the workplace is non-formal learning. In addition, he suggests that formal and non-formal learning have distinctive characteristics, which are inherent in the strategies. The primary difference is in the intent to learn and the whether or not the learning is implicit, reactive, or deliberative. Further, he promotes the notion that "...implicit knowledge is more powerful than explicit knowledge, which he believes is accessed through observation, induction, and increasing participation rather than formal inquiry" (p. 122).

The facilitation of formal learning programs and activities in organizations, historically, has been the role of HRD. Bierema and Eraut (2004) suggest the profession has been defined by providing "training, career development and organization development activities" (p. 53). These formal learning programs influence the organization in efforts "to build the capacity in individuals, teams, and organization with a systematic approach with a long-term focus." (p. 54).

Illeris's (2002) model, *Learning Processes and Dimensions*, presents a unique way in understanding the impact of society, environment, cognition, and emotion in an individual. He describes society as being where all learning takes place. Illeris (2002) places emphasis on societal impact on learning. In a social context the interaction between the individual and the individual's social context "shapes individual learning" (Merriam, Caffarella, & Baumgartner, 2007, p. 97). Environment alludes to the interaction, participation, cooperation, and communication an individual experiences. Cognitive and emotion are "internal process" that relates "to knowledge and skills and feeling and motivations" (Merriam, Caffarella, & Baumgartner, 2007).

Self-Directed Learning

Merriam, Caffarella, and Baumgartner (2007) define self-directed learning as “a process of learning, in which people take the primary initiative for planning, carrying out, and evaluating their own learning experiences” (p. 110). Self-directed learning can transpire both in and out of an organizational and institutional context and is an important way of learning in adult life (Merriam, Caffarella, & Baumgartner, 2007).

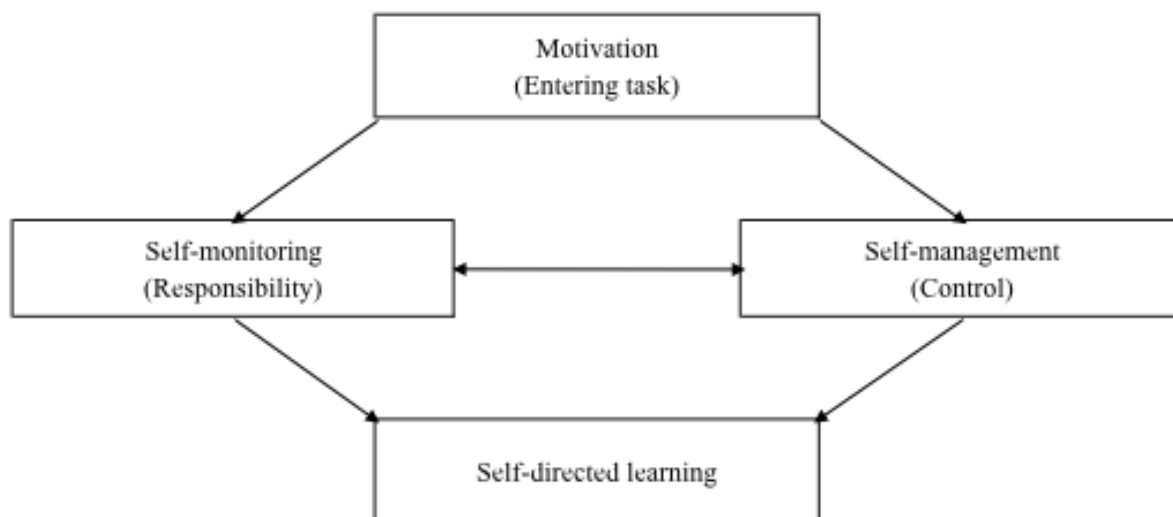
Many scholars throughout the years have developed models that explain self-directedness as linear and interactive. Linear models were developed by Tough (1971) and later, Knowles (1975). These early models of self-directed learning describe steps that individuals transition through in the process of planning their learning. Tough’s model included over ten steps he perceived individuals would go through in making personal decisions about when and where the learning would take place, resources required to implement learning, and the potential barriers to the self-planned learning (Merriam, Caffarella, & Baumgartner, 2007). Knowles’ (1975) model reflects six steps that he believes are essential in self-directed learning. They are (1) climate setting, (2) diagnosing learning needs, (3) formulating learning goals, (4) identifying human and material resources for learning, (5) choosing and implementing appropriate learning strategies, and (6) evaluating learning outcomes (Merriam, Caffarella, & Baumgartner, 2007).

Interactive models of self-directed learning were later developed by Spear (1988), Brockett and Hiemstra (1991), and Garrison (1997) which focused less on a well-planned linear process and more on the context, and the opportunities for learning with

the context. The interactive models focus more on the individual's personality, cognitive abilities, motivation, and previous knowledge (Merriam & Baumgartner, 2007).

The premise of Spear's Model (1991) was founded on three elements. These elements include (1) opportunities in the environment that an individual recognizes as an opportunity to learn, (2) past and present knowledge, and (3) unexpected occurrences (Merriam, Caffarella, & Baumgartner, 2007). Brockett and Hiemstra's (1991) model focuses on the self-direction in learning and instructional processes and personality of the individual. The learner assumes responsibility for their own learning and "thoughts and actions" (Merriam, Caffarella, & Baumgartner, 2007, p. 113). Garrison's Model (1997), dimensions of self-directed learning suggests that there are four key elements. These are (1) motivation, (2) self-monitoring, (3) self-management, and (4) self-directed learning. These key elements as shown in *Figure 2.3*, illustrate how individuals start with engaging in a task, taking responsibility of the task to be learned, controlling the speed and environment in which individual learns and becomes self-directed (Merriam, Caffarella, & Baumgartner, 2007). Self-directed learning is not limited to a specific context and is becoming more common in the workplace with the advance of technology and the emerging global marketplace.

FIGURE 5.1. DIMENSIONS OF SELF-DIRECTED LEARNING



Source: Garrison, 1997, P.22. Reprinted by permission.

Figure 2.3. Dimensions of Self-Directed Learning

Informal and Incidental Learning

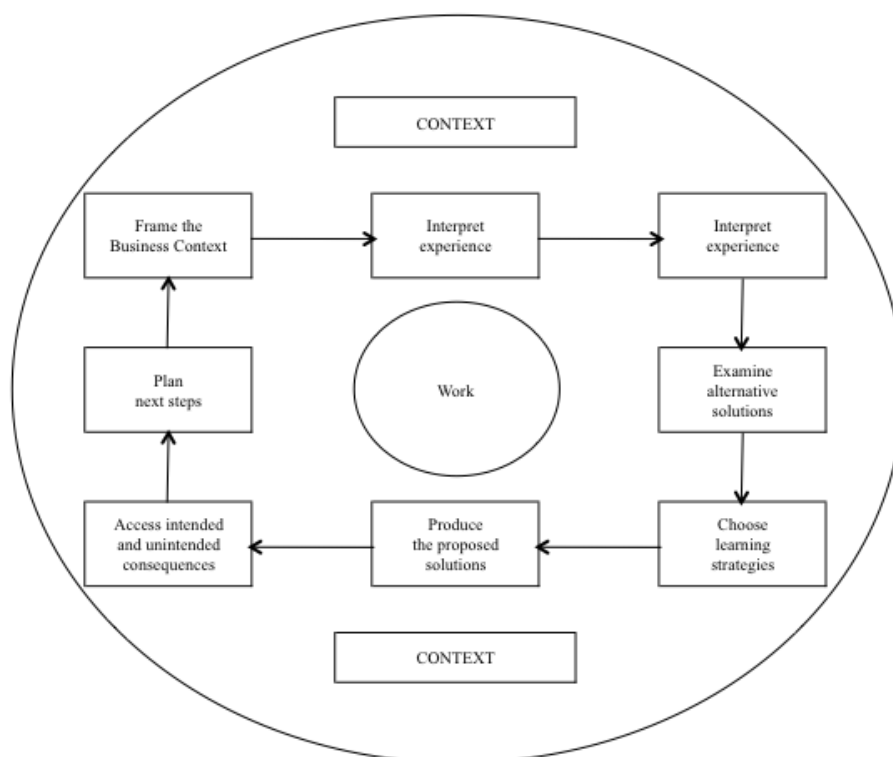
The changing landscape of technology of organizations is impacting the nature of learning in an organization, particularly on formal and informal learning. In fact, "...given the distributed, asynchronous nature of technology-facilitated interactions, more may be learned incidentally by learners reading between the lines" (Marsick & Watkins, 2001, p. 32).

There is an increased awareness that much valuable learning happens informally on the job, in groups, or through conversations. Marsick, Watkins, Wilson, and Volpe (2006) suggest, "Leaders and employees of today's organizations typically assume increasing responsibility for their own and their organization's learning...much of that learning is informal or incidental learning" (p. 794). Fenwick (2003) suggests that there is

a debate among some scholars whether informal learning and experiential learning are similar. She says experiential learning in the context of the workplace is often thought of as informal learning or ‘practice-based learning’.

Cseh, Watkins and Marsick (1999) developed a model that depicts the process of learning in the workplace where learning is essential to keep up with the demands of change. *Figure 2.4* illustrates the process between the individual and the context in which learning transpires, reflecting both informal and incidental learning.

Figure 8.2 Reconceptualized Informal and Incidental Learning Model



Source: Cseh, Watkins, & Marsick, 1999, p. 354. Reprinted by permission.

Source: M. Cseh, K.E. Watkins, and V. J. Marsick, “Informal and Incidental Learning in the Workplace, Proceedings of the Annual Conference of the Academy of Human Resource Development, 1998.

Figure 2.4. Reconceptualized Informal and Incidental Learning Model

The circle in the center represents their belief that learning grows out everyday encounters while working and living in a given context. The outer circle represents the context in which the experience occurs. The remaining rectangles and arrows throughout the model represent the progression of learning. The learning process starts with triggers in the environment and may or may not be linear or sequential.

Based on an extensive review of the literature, Cseh, Marsick, Wilson, and Volpe (1999) found that seventy-percent of the workforce learning that transpires in organizations is informal. Marsick and Volpe (1999) suggest that the characteristics of informal learning include activities that are “intentional but not highly structured” (Marsick & Watkins, 2001, p. 25) and usually take place during the individual’s daily activities. Informal learning usually happens “...when people face challenges, problems, or unanticipated needs” (p. 4). Examples of informal learning differ from incidental learning and include “self-directed learning, networking, coaching, mentoring, performance planning that includes opportunities to review learning needs” (Marsick & Watkins, 2001, p. 26).

The theory of communities of practice “provides insight into how people interact around common interests, and hence, can be used to better leverage informal and incidental learning by providing support, structures, and incentives for this kind of learning” (Cseh, Marsick, Wilson, & Volpe, 2006, p. 799). To support such learning, one needs to build a learning climate and culture. Climate and culture are built by leaders and other key people who learn from their experiences, influence the learning of others, and create an environment of expectations that shapes and supports desired results that in turn get measured and rewarded (Marsick & Watkins, 2003, p. 134). Based on earlier works

of Dewey (1936) and Lewin (1946), Marsick and Watkins (2003) explain how people engage in the culture of learning. They describe the process of informal and incidental learning:

Learning takes place when disjuncture's, discrepancies, surprises, or challenges act as triggers that stimulate response. Individuals select a strategy or action based on cognitive and affective understanding of the meaning of the initial trigger. Once a strategy or plan of action is determined, the individual implements the strategy. The strategy then either works or does not work as expected. When it does not work, there is dissonance and the cycle is triggered again. (p. 134)

Marsick and Watkins (2003) suggest that there is an "implicit filtering" phase that the individual passes through filtering the experience through perceptions, values, beliefs, bounding the situation in past experiences and social context" (p. 134). They suggest that an individual's behavior can be constrained by other influences in the organization such as the individual's skill-set, authority figures, power, and resources. Individuals may or may not perceive they have learned from the process of make meaning from the positive or negative consequences that they endure based on their actions. Marsick and Watkins (2003) suggest this cycle of individual learning repeats itself whenever triggers happen in the workplace.

Critical Reflection

Informal and incidental learning can be enhanced by critical reflection to surface tacit knowledge and beliefs because these types of learning tend to be unstructured and learners may not always see the situation clearly (Marsick & Watkins, 2003). Critical reflection is an important aspect of the adult learning process. According to Mezirow

(2000) there are three types of processes that define critical reflection. These are (1) content reflection, (2) process reflection, and (3) premise reflection. Content reflection involves the individual reflecting upon their actual experience. Process reflection is the thought process that considers ways to reconcile the experience, and premise reflection takes into consideration the examination of the individual's assumption, beliefs and values held about the experience. Critical reflection is a component of learning through experience, as well as collaboration with others. As learners participate in their community of practice (such as the workplace), reflection on their experiences can affect future actions, decision-making, and changes in behavior or practices (Merriam, Caffarella, & Baumgartner, 2007).

Experiential Learning

The theory around experiential learning did not gain popularity amongst scholars until early-1980. One of the first scholars to suggest experience plays a significant role in an individual's learning and development stems from early research conducted by Piaget (1923). Based on his findings, he theorized learners follow age-specific developmental stages. Research continued to explore learning through the lens of cognitive and humanist theoretical perspectives and found that life experience was an internal experience-based process (Kelly, 2009). In the early 1980's, Kolb (1984) suggested that the core of all learning was associated with how an individual processes their experiences, which leads to reflection and then to action (Kelly, 2009).

Kolb's (1984) concept of experiential learning is thought of as cycles, which begins with the individual engaged in a concrete learning experience. The individual then passes through an observation and reflection phase examining his/her experiences. The

next phase is where the individual forms their own theories about what they experienced and lastly, the individual uses his/her theories for personal decision-making and problem solving. Kolb (1984) further defined his model by including abstract conceptualization and active experimentation. Abstract conceptualization is connected with the critical reflection part of learning and refers to the individual asking questions about past experiences to determine if the present experience relates to past experiences. The Active experimentation phase is when the individual employs the action that he concluded was the appropriate action.

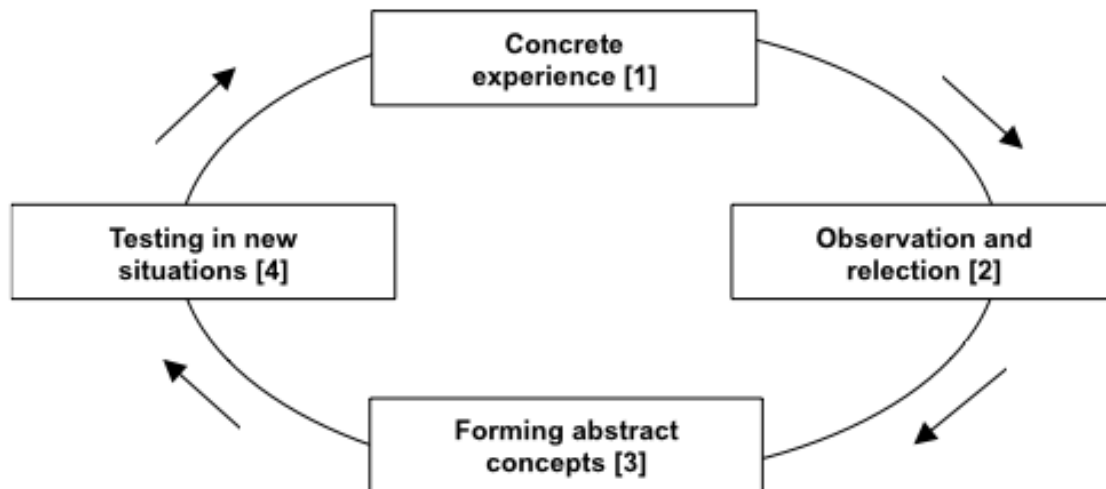


Figure 2.5. Kolb's (1984) Experiential Learning Model

Although, some scholars argue that Kolb's model did not recognize goals and objectives in the process of learning, Kolb's research on experiential learning placed the locus of control more on the learner and less on the instructor (Kelly, 2009). Scholars have found over the decades of studying experiential learning that this perspective of learning is multidimensional and it engages the learner physically, mentally, and emotionally (Merriam & Baumgartner, 2005). The process of experiential learning is

highly individualized to the extent that the learner has experiences, reflects upon each experience, and develops knowledge each time (Fenwick, 2003). Doornbos et al. (2004) suggest that circumstances control experiential learning and states,

...it is not so much a teacher or trainer or even predetermined goals that control the learning, but rather circumstances, personal motives, the ideas of others, discoveries, experiments and so forth. Learning is a side effect of the activities one undertakes, and an explicit set of learning goals simply does not exist (p. 251)

Other models have emerged in the experiential learning literature in the last decade. Fenwick's (2000) model of experiential learning is comprised of five perspectives. They are (1) reflection, (2) interference, (3) participation, (4) resistance, and (5) co-emergence.

The first perspective, reflection, is grounded in the Constructivist perspective. Fenwick (2000) describes reflection as individualized learning where the individual reflects on each experience they have, and develops knowledge each time. She suggests that critics of her model view it as too simplified and do not consider the individuals' desire to learn, the learning environment, and the ability to learn without a conscious effort.

The second perspective in Fenwick's (2000) model is termed interference. She purports that "Learning is derived from interactions in both the conscious and unconscious mind as they wrestle to make sense of the individual's environment" (p. 1). Some critics suggest that this explanation of interference relies too heavily on internal

factors and learning is referred to as solely a cerebral function with out reference to socially constructed environment.

The third perspective is participation. Fenwick (2000) states “Learning is derived through physical activities and tasks” (p. 2). This means that individuals learn through participating and interacting with community, providing resources, and activities. Again, critics argue that participation is “too dependent on dependency” and the inequality of resources exists for individuals, learning can take place conceptually and does not need physical activity for learning to occur.

The fourth perspective is resistance, which Fenwick (2000) suggests is cultural in nature. It alludes to the power structure of dominance among learner, teacher and the environment significantly affecting learning. Further, critics of this perspective and the fifth perspective suggest that individuals can be deeply embedded and defined by their environment making it hard to deviate from these environmental factors. The fifth perspective, co-emergence, and suggests learning occurs through cognitive and sensory analysis. The mind and the environment work in concert to foster learning. Fenwick says “...that the individual’s presence alone impacts his or her environment” (p. 2).

Fenwick (2000) suggests, “Models of experiential learning exemplify learning as a process in which concepts are derived and continuously modified by experience” (p. 4).

Swanson and Holton (2001) suggest that HRD professionals recognize that experiential learning is a valuable strategy in improving performance in an organization. Some techniques that are used to build on an individual’s experience-base in the workplace are on-the-job training, mentoring, simulation, group interaction, and environmental awareness.

Relevance of HRD and Ethics in the Workplace

Helping adults learn in an organizational context is a primary role of HRD in an organization. With the growing importance of ethical behavior in organizations as well as the need to sustain an ethical culture, it is imperative for HRD professionals to be actively engaged in the planning, design and implementation and management of ethics initiatives in the workplace Hatcher (2002). Hatcher (2002) describes a new agenda developed for ethics and social ethics [social responsibility] in the workplace has been a particular interest to some scholars in the field of HRD. This interest, in part, is a result of the changing organizational roles in general and the wide spread movement to incorporate ethics into organizations.

Ethics in the workplace has been a particular interest to some scholars in the field of HRD. This interest, in part, is a result of the changing organizational roles in general and the widespread movement to incorporate ethics into organizations. Furthermore the widespread use of human resources (HR) professionals to administer ethics policies and programs in the workplace (SHRM, 2005) has also impacted the nature of the roles and responsibilities HR traditionally perform with an organization. A recent study reported that 69% of the HR professionals serve as the primary ethics resource in their organizations, 71% of HR professionals are involved in formulating ethics policies, and 40% of the HR professionals surveyed disclosed their function seemed to be one handling the ethical dilemmas in the organization (SHRM/ERC, 2003). As a result, human resource development (HRD) professionals are becoming increasingly involved in assisting the organization in the administration of compliance and ethics training. Trevino (2007) states,

It is important for HR managers to work with the ethics/compliance office to follow up on employees' ethics concerns because a large percentage of reported concerns are fairness and therefore HR system-related. Most employees equate ethics and fairness; for them, there is no bright line between the ethics and HR offices (p. 2)

Hatcher (2002) believes that ethics should be a “primary focus for HRD research and practice” (Hatcher, 2002, p. 204). Within this framework he encourages HRD professionals to take responsibility for helping lead and manage ethics in the workplace. He believes it is imperative for HRD involvement in establishing a climate of integrity, keeping an organization ready for change, and making ethics a priority in HRD (Hatcher, 2002). He suggests that having an ethics code and training is not sufficient in an organization. He states, “We must move beyond talking about ethical culture and values to implementing specific systems that proactively reinforce ethical and responsible values through measures, rewards and punishment, and employee learning and development” (Hatcher, 2002, p. 44).

Although ethics are intentional acts in organizations (Sims, 2003) reactions to unethical behavior that occurs in an organization should be intentional as well. Organizations must have a systematic approach, which clearly identifies the resources needed to develop the organizational structure and systems to accommodate ethics procedures and communication to employees (Cummings & Worley, 2001) in order to for employees to react consistently towards ethical dilemmas.

How organizations implement ethics for long-term sustainability is unclear, but debates among scholars infer this task requires competent individuals whom are trained

in facilitating initiatives within the workplace (Hatcher, 2002). Because of the inherent characteristics of these professions and the roles they play in organizations HR, HRD, and OD are highly relevant to this study as a means to inform the institutionalization of ethics across organizations.

The Evolving Role and Core Competencies of the HR, HRD, & OD Professions

The core competencies of the HR, HRD, and OD professions are clearly evolving to meet the demands of the contemporary organization. Meeting the demands of organizations today requires HR, HRD, and OD professionals to be strategic thinkers, planners, and facilitators of change. In addition, recent models delineating the field increasingly emphasize a stakeholder approach as well as increased involvement in ethics and long-term sustainability of organizations.

HR, HRD, and OD have evolved considerably since the early-1970 when HRD recognized increasingly being a profession. The field of HRD was built on the core competencies of training and development (Nadler, 1970). These competencies have evolved and continue to be a focal point of scholarly discourse. Although there have been many models of HRD proposed over the past thirty years, more recent models within the past 10-15 years have increasingly emphasized the incorporation of strategic components into the role and competencies expected of HRD professionals. This strategic orientation lends well to the institutionalization process, which requires transformational change and strategic leadership.

McLagan (1987)

In her landmark study of the professions, McLagan (1987) defined the function of HRD as the “integrative use of training and development, organizational development,

and career development to improve individual, group, and organizational effectiveness” (p. 7). Based on this belief regarding the function of HRD in the workplace, she developed a model that the key domains of HRD were (a) training and development, (b) organizational development, and (c) career development. Within these domains, the roles, which included HRD manager, administrator, researcher, marketer, organization change agent, needs analyst, program designer, HRD materials developer, instructor/facilitator, individual career development, and evaluator.

Although, this model enjoys longevity in the literature and is still the most commonly used model to explain the scope of the profession, in 1996 McLagan modified her model to include competencies to reflect the changing focus of HRD from individual learning to organizational learning as the primary thrust in the field. Based on her reflection of the future competencies and trends for HRD, McLagan (1996) identifies several roles that are essential for HRD professionals to perform in the workplace. These roles include HR strategic advisor, HR systems designer and developer, organization change and design consultant, learning program specialist, and performance consultant. McLagan (1996) concludes that through its new roles, HRD’s function within an organization may be in a strategic position to promote ethics and morality.

Swanson & Holton (2001)

Swanson and Holton (2001) suggest the purpose of HRD is to improve organizational performance through the process of developing and empowering individuals through organization development and training and development. The core competencies of practice include training and development, employee development, technical training, management development, executive and leadership development,

human performance technology, and organizational development/learning. Further, Swanson and Holton suggest that the core OD practices are associated with change practices, trust and integrity in OD, and OD dynamics.

Gilley and Maycunich (2000) developed principles that reflect effective HRD practice. Although not an exhaustive list of their principles they suggest to promote the effective practice of HRD, the following principles reflect on those that are strategic in nature. They are (a) transformation of strategic HRD, (b) organizational learning, (c) analysis, design, and evaluation, (d) organizational change, (e) organizational performance, and (f) strategic HRD leadership. They contend that the practice of HRD draws from many theoretical foundations, bases actions on stakeholder needs and partnerships, focuses on being responsive, responsible, and results-oriented, and utilizes strategic planning to help the organization.

Ulrich & Brockbank (2006)

Further, Ulrich and Brockbank (2006) use the phrase “value proposition” (p. 10) to bring to the forefront the importance of HR responsiveness to organizational and stakeholder needs. They believe for HR to effectively influence and impact the organization they must understand the make-up of the stakeholders that receive services from HR and understand their goals and values. They conducted a landmark study over a period of 15 years with survey data of 25,000 people and concluded that there are five key areas that make a difference in HR competencies and overall effectiveness in an organization. These areas include (1) strategic contribution (2) HR delivery, (3) business knowledge, (4) personal credibility, and (5) HR technology (Ulrich & Brockbank, 2006).

Under each of these categories are sub-sets that further define each category based on HR professionals' work in high performance companies demonstrate.

Since the 1990's scholars in the field of HRD have argued that the role and function of HRD in an organization be broadened to assume a more strategic role. Garavan (2007) presents the most recent model for strategic human resource development (SHRD), which he describes as "multi-level and focusing on the interaction between context, HRD processes, stakeholder satisfaction, and characteristics of the HRD profession" (p. 11). This model is concerned with the organization's knowledge and skills, organizational values and norms, evaluation of organizational strategies, and how HRD systems, policies, and practices incorporate the multiple perspectives of stakeholders.

Garavan's (2007) model share similarities of the models previously discussed, but it focuses more acutely on organizational performance, organizational learning, organizational change, and stakeholder satisfaction. Also, it reflects core competencies that overlap, linking the functions of HRD and OD closer together. Further, HRD's particular interest in the perspectives of employees and fostering a cooperative relationship is an important aspect of enabling ethical systems and practices in the process of institutionalizing ethics.

Although these models are highly descriptive, Worley (2001) defines organizational development as a "process or system with application of behavioral science knowledge to the planned development, improvement, and reinforcement of strategies, structures, and processes that lead to organizational effectiveness. OD is relevant in the institutionalization of ethics in an organization because of its role and deep

theoretical foundations that promote planned change on all levels of an organization. Of the various professions, it is imperative to demonstrate the importance of HR, HRD, and OD professionals as strategic partners in an organization in the process of institutionalizing ethics. Further, these models help to illustrate the crossover functions of HR, HRD, and OD. Ruona and Gibson (2005) suggest “the evolutions of these fields help to explain why the distinctions between them continue to blur and how the similarities among them provide the necessary synergy for HR to be a truly valued organizational partner” (p. 49).

Summary of Chapter

The institutionalization of ethics process in an organization is informed by theories of ethics, adult learning, organizational learning, and other theories that influence the core competencies of HRD. These theories intersect to provide the foundation that supports the philosophical assumptions and practical guidance to facilitate the process that organizations must go through to build and foster an ethical climate and culture and to use strategies to help individuals to learn ethics.

Pearson (1995) suggests that “People in business operate in an ethically ambiguous environment” (p. 23). He believes that a significant contributing factor that supports an ambiguous environment stems from the decision-making of individuals in positions of power whose “autonomy and freedom to exercise their own personal value systems, for good or ill” (Pearson, p. 23). Ethics and moral theories can provide the rationale and reasoning for ethical decision-making, resolving ethical dilemmas, and understanding how organizational and leadership decisions impact the organization on individual, organizational, and societal levels (Carroll & Buchholtz, 2006).

The increasing need for organizations to develop an ethical consciousness (Sims, 2003) has been the impetus for business schools to develop both technical as well as moral leaders (Sims, 2002). Further, it can be argued that a key aspect of developing good leadership is the development of good ethical judgment. The ethics movement prevalent in the past two decades has prompted ethicists in business and other fields to explore the applicability of moral philosophy in relationship to the function of organizations and the individuals who lead them (Pearson, 1995).

Third, theories that inform HRD relevant to understanding and fostering the institutionalization of ethics were discussed. Similarly, the characteristics of HRD, SHRD, and OD seem to overlap in definition and organizational functions.

In a recent study, Ruona and Gibson (2005) conduct a historical analysis of the change witnessed over the years in the various disciplines of HR, HRD, HRM, and OD. After a through analysis of the state of each discipline, they conclude that these disciplines have evolved in the contemporary organization to reflect cross-over functions in an organization. Moreover, Ruona and Gibson (2005) suggest that “HR is emerging to uniquely combine the activities and processes of human resource management, human resource development, and organizational development ...” (p. 46).

Widespread use of human resources (HR) professionals to administer ethics policies and programs in the workplace (SHRM, 2005) has also impacted the nature of the roles and responsibilities HR traditionally perform with an organization. Research shows that HR and HRD professionals are becoming increasingly involved in assisting the organization in the administration of compliance and ethics training.

The implications of ethics and HRD are many. There are several adult-learning theories that HRD professionals can draw upon to inform their strategies in helping adults learn ethics in the workplace. This chapter presented, and differentiated between the conceptual frameworks of organizational learning and learning in an organization. Senge (1990) and Marsick and Watkins (1993) were presented respectively. Other adult learning theories reviewed in this chapter include formal learning, informal and incidental, experiential learning, and critical reflection.

CHAPTER 3

RESEARCH METHODOLOGY

This chapter presents the methodology that was used in this qualitative inquiry designed to study how employees learn ethics in the workplace. The research questions that addressed the purpose of this study were the following:

1. What formal programs or activities do employees engage in to learn ethics?
2. What other ways do employees learn ethics in the workplace?

Design of the Study

A basic qualitative research approach was used in this study. Merriam and Simpson (2000) describe this design as "...a type of research that is motivated by the intellectual interest alone and is concerned with knowledge for its own sake" (p. 225). Further, Patton (2001) suggests that "The basic researcher's purpose is to understand and explain" (p. 215). This approach is generally utilized in applied fields, with the intent of the research focused primarily on improving the quality of the practice and extension of knowledge in a field or contribution to theory of a discipline (Merriam & Simpson, 2000; Patton, 2001). This approach allowed for creativity and flexibility in the selection of the methodology, the methods for data collection, data analysis, and a systematic process to study social phenomena (Creswell, 2003; Crotty, 2001; Maxwell, 2005; Merriam & Simpson, 2000; Ruona, 2005; Schwandt, 2001).

The qualitative approach provides an "umbrella concept" which covers many forms of inquiry to study human perceptions. Further, qualitative inquiry provides a

framework to study human behaviors such as communication, perceptions, and motivations that are embedded in a specific context with minimal disruption (deMarris, 1998; Merriam, 1998).

There are several core assumptions that distinguish qualitative research from alternative forms of inquiry compatible with the aim of this study. First is the belief that individuals construct meaning through their experiences (Crotty, 2003). This assumption is grounded in social constructionism, which bases meaning on social constructs derived from observations and social interaction with the environment (Creswell, 2003; Crotty, 2001; Merriam, 1998) and knowledge that is embedded with “ideology, political, or permeated with values” (Schwandt, 1994, p. 189).

The second assumption pertains to the researcher as the sole instrument in the collection of data (Merriam, 1998). In this study the researcher assumed this responsibility and appropriately employed methods for data collection that ensured a systematic approach. The method of bracketing was used to minimize the researcher’s personal assumptions and/or biases and their influence on the study (Creswell, 2003).

The third assumption suggests that the researcher engages in fieldwork. Fieldwork is loosely defined as the collection of data in a naturalistic setting. In a naturalistic setting, the researcher must respond to the circumstances of the setting while maintaining a systematic approach to collect substantive data that can be written up in rich and detailed descriptions (Esterberg, 2002; Merriam, 1998; Wolcott, 1998). Although the fieldwork was conducted in an organized setting, the researcher, at times, needed to adapt to the situation. For example, three of the participants in this study arrived late to their interview as a result of work-related circumstances. As the researcher, a tactic that was

used to maintain interview schedules for the remaining participants was to reduce the number of probes during the interview in order to cover all the questions with each participant. If additional clarification was needed, the researcher made a note to follow-up in the member check phase.

Fourth, qualitative research is an inductive strategy and was used by the researcher to analyze the data. As the data emerged, the researcher implemented the appropriate data analysis protocols that allowed for constant comparison and analysis of the data. This process was a viable approach to employ as a result of minimal knowledge or theory in the area already being studied (Creswell, 1998; Esterberg, 2002; Merriam, 1998).

Further, a systematic protocol was followed by the researcher which included (1) listening to the audio-tapes and making notes, (2) reading and editing the transcripts, (3) identifying initial patterns and themes in the data and (4) using sticky notes and a white board to help in categorizing the data. This protocol was used several times before the data reached a point of saturation and categories were completed (Esterberg, 2002; Patton, 2002). Once the categories were completed initial generalizations were made based on the findings (Merriam & Simpson, 2000).

The final assumption refers to the presentation of data. The data was written up by the researcher, which reflected a thick and rich description of the findings. The findings were written to give the reader understanding of the depth and breadth of the topic studied and a holistic perspective (Merriam, 1998). Wolcott (1994) suggests that an underlying assumption "... is that the data should speak for themselves" (p. 10) and whenever possible prepare graphic displays for conveying data (Creswell, 1998; Esterberg, 2002; Miles & Huberman, 1994; Wolcott, 1994). Consistent with this

assumption, the researcher created tables, diagrams, and figures, which emphasize specific data (Wolcott, 1994). The researcher used tables and figures to provide visual representations of the data and to help streamline the findings.

Theoretical Framework

Epistemological assumptions ground research. They dictate ideas of how one comes to know the world and what one deems as knowledge. Since qualitative research offers a variety of approaches for designing a study, the researcher makes multiple decisions on “interrelated levels” (Creswell, 2003, p. 5) starting with the research paradigm. This paradigm has a scaffolding effect, which provides the structure and logic for developing the criteria for data collection, data analysis, and the interpretation of the data (Crotty, 2001; Merriam, 1998). Two paradigms informed the approach for this study.

Constructionism

Constructionism is the paradigm used to explore how employees learn ethics in the workplace. The term *constructionism* is an epistemological stream of thought that is based on the inquiry of exploring the nature of the relationship between the knower, the would-be knower, and what can be known (Guba & Lincoln, 1994). Constructionism is defined as all knowledge and meaningful reality that is based on “human practices, which are constructed in and out of interaction between human beings and their world, developed and transmitted within a social context” (Crotty, 2003, p. 42).

Crotty (2003) defines constructionism further by using the term *social constructionism*, which refers to how human beings make meaning in their lives. Social constructionists purport that meaning is made through the social constructs obtained and sustained through social realities derived from observation and social interaction with

their environment. An assumption of social constructionism is that knowledge is connected with one's ideology and political views, or permeated values (Schwandt, 2001, p. 189). Permeated values refer to the values that pervade an individual's thinking. These values can be exemplified in societal values, historical or cultural myths and organizational or religious beliefs. Further, social constructs influence ideas, practices, experiences, and beliefs that are socially bound and inherent in an organizational context (Schwandt, 2001).

Interpretivism

Additionally, this study is considered to be interpretive in nature because of the synergy that exists between social constructionism and interpretivism. According to Schwandt (2001), interpretivism is a synonym for qualitative inquiry, which denotes those approaches that promote the study of social life in a specific context. The researcher provides an interpretation of how individuals in a specific context "...recognize, produce, and reproduce social actions and how they come to share an intersubjective understanding of specific life circumstances" (Crotty, 2003, p. 31-32). Merriam (1998) notes that "...understanding the meaning of the process or experience constitutes the knowledge gained from the inductive, hypothesis, or theory generating mode of inquiry" (p. 4).

Sample Selection

Since the sample selection is a critical aspect of qualitative research, the researcher selected a research site where the participants would be instrumental in surfacing understanding and causes relative to the research topic (Creswell, 2003; Patton, 2002). According to Patton (2002), in selecting and making decisions about an

appropriate sample, the researcher must stay focused on the purpose of the study. In this study, it was imperative that the researcher located a site where the participants employed by the organization provided an information-rich and insightful dialogue for generating rich descriptive data (Merriam, 1998; Patton, 2002).

Site Selection

There were several criteria used in the selection of the site for this study. The following criterions were used to select the research site:

1. Parent organization was recently recognized for being a top 100 Most Ethical Company by *Ethisphere Magazine*.
2. Employs an Ethics and Compliance Officer.
3. Organization agrees to allow a minimum a minimum of ten employees to participate in a sixty-minute interview with the researcher and a follow-up (member check) upon transcription of interviews via e-mail or phone.

The organization selected for this study was located in metropolitan Atlanta. It is a subsidiary of a conglomerate that recently was named one of the “100 Most Ethical Companies in the World” in 2007, 2008, and 2009 by *Ethisphere Magazine*. The company employs an Ethics and Compliance Officer, and provided eleven employees to participate in the study. Access to the organization was gained through privilege.

Participant Selection

Purposeful sampling techniques were used in the selection of the participants for this study. The assumptions that ground purposeful sampling are based on the researcher’s desire to discover, understand, and gain insight into a particular subject

within a particular sample of people/or context in which the most information can be learned (Merriam, 1998). Further, relevance of the participants to the topic being studied was important in the sampling process. Some of the participants were selected based on their knowledge of the organizational processes and concepts regarding ethics (Schwandt, 2001).

Prior to entry into the organization, the Vice President of Operations identified four senior managers who he considered would provide rich information to begin the interviewing process. In addition, the Administrative Assistant sent a mass e-mail to the Vice President of Operations, which targeted employees that would be information-rich participants for this study. The respondents were selected by the administrative assistant and the Vice President of Operations based on the researcher's desire to recruit a cross-section of senior leaders, directors, and managers.

All participants signed two copies of the Informed Consent Form (Appendix A) that was approved by the Institutional Review Board (IRB). One copy was given to the participant and the second copy was placed in the participant's file and is being kept in a secure place with the researcher. Prior to each interview the researcher explained the purpose of the Informed Consent Form, the confidential nature of the interview, and the potential risks that may occur as a result of this study. The researcher's contact information was reflected on the form. In addition participants were informed they could withdraw for any reason without negative ramifications.

Further, to protect the privacy of the company, prior to entry, the Senior Vice President of Legal who oversees ethics and compliance for the company reviewed the Consent Form and approved it. Notification that it was approved was delivered by e-mail

from the Vice President of Operations. The company understood that a pseudonym would be used for the company and further, both Vice Presidents were made aware that this study was a doctoral dissertation and that it would be published and data may be used for further research and/or journal articles in the future. This was a verbal understanding prior to entry into the organization. This was also in the informed consent form.

Data Collection

Interviews were used as the primary method of data collection. Interviews are the most common form of collecting data in qualitative research (Patton, 2002) and one of the richest sources of data (deMarris & Lapan, 2004). Interviews are useful when participants cannot be directly observed (Creswell, 2003). Therefore, through the interview process, the researcher gains a better understanding of an individual's worldview about a specific topic or event by allowing the individual to express their thoughts and feelings in their own words.

Interviews

Although there are a variety of interview instruments that can be used to collect data (Patton, 2001), an interview guide was employed to ensure that all participants were asked similar questions during the interview process. The factors that were considered in the selection of this approach were based on the characteristics and strengths of the interview guide as outlined by Patton (2001). The interview questions were specified in advance in outline form and the interviewer decided the appropriate sequence and wording of questions during the course of the interview. The use of the interview guide was effective in that the tool increased the comprehensiveness of the data and the data collection became somewhat systematic for each respondent. Further, the interview

process enabled the researcher to discuss the topic in a conversational manner (Patton, 2001).

In addition, consideration was given to the primary weakness inherent in the interview guide approach. Patton (2001) suggests that the weakness lies in the omission of important topics. He states, "...important and salient topics may be inadvertently omitted and the interviewer's flexibility in sequencing and wording questions can result in substantially different responses from different perspectives, thus reducing the ability comparability of responses" (Patton, 2001, p. 349). This issue cannot be resolved in its entirety. However, to help minimize this concern, the researcher implemented memos to note any omissions of specific issues that were not addressed by the participant or questions that were raised during the interview. When this transpired, the researcher would clarify the issues at the end of the interview with the participant. Further, upon completion of the interviews, the researcher edited interview transcripts to eliminate any data that did not address or was superfluous to the purpose of this study. The interview guide that was used to explore how the participants learned ethics in the workplace is provided in Appendix B.

A sixty-minute interview was conducted with each participant. During this time period, the participant was asked questions and probed about their learning experiences involving ethics at work. The researcher took into consideration the guidelines Patton (2001) recommends concerning logistics for collecting raw data using recorded interviews and the transcription of data. These guidelines discuss the use of equipment before, during, and after the interview. The researcher implemented these guidelines using the following actions:

1. Ensured that good quality digital recording equipment was used and was working effectively by practicing a mock interview.
2. Conducted a test of the digital recorder equipment prior to each interview and contingency batteries and an additional recorder were available.
3. All interviews were conducted either in the participant's office or a private conference room. This allowed for a quiet environment and minimal interruptions during the interviews.
4. During each interview the researcher maintained awareness of the potential of the malfunctions of equipment and appropriate voice levels and clarity of both the interviewer and the participant.
5. The researcher acquired permission from the participant to take notes during the interview.

All interviews were downloaded to the researcher's computer. At that time the researcher listened to each interview and took notes prior to sending it to be professionally transcribed. Transcription of the interviews took place after all the interviews were conducted. Each interview was transcribed word-for-word. In order to expedite the member checks within a three-week timeframe, the researcher elected to use a reputable professional transcriptionist company to streamline the process.

Confidentiality

Upon completion of each of the interview transcriptions, the digital audio files were labeled using an assigned pseudonym to protect the privacy of the participant's identity (Esterberg, 2002). A master list with the participant's name correlating with the participant number and their pseudonym was stored with the audio files and stored in an

environment at the researcher's home to ensure the integrity and safety of the records. All audio files and participants' transcripts will be destroyed in December 2009.

Data Analysis

The data was collected within a six-day period. Although it is ideal to collect and analyze data simultaneously and systematically (Merriam & Simpson, 2000) so it becomes a "...recursive process" (Ruona, 2005, p. 237), for this study, given the aggressive interview schedule to accommodate the research site's time constraints, it was difficult to do an in-depth analysis before the next day of interviews. The researcher used memos during and immediately after the interview to reflect on interesting data that raised questions. The next section describes the constant comparative method that was used in this study to analyze the data.

Constant Comparative Method

The constant comparative method, an inductive approach commonly used in qualitative research (Ezzy, 2002), was used for the data analysis for this study. Schwandt (2001) states, "Analysis begins with the processes of organizing, reducing, and describing data and continues through the activity of drawing conclusions or interpretations from the data and warranting those interpretations" (p. 6). This method refers to the continuous act of comparing the data looking specifically for similarities and differences. Data are then grouped together in similar dimensions, assigned categorical names, and then reviewed by the researcher to identify patterns, themes, and categories in the data (LeCompte & Preissle, 1993; Patton 2002).

Through this process, concepts emerged from the data and focused on specific events that were significant within the context of the research setting (Charmaz, 2002;

Patton, 2002). The units of data extracted from the early stages of conceptualization were examined through coding and analysis and then further investigated (Bogdan & Bilken, 2003; LeCompte & Preissle, 1993; Schwandt 2001), and continuously examined through this interactive process (Charmez, 1999; Creswell, 1998; Glaser & Straus, 1967; LeCompte & Preissle, 1993) until theoretical saturation was achieved. Theoretical saturation refers to category development where no new properties, dimensions, or relationships emerge during analysis (Straus & Corbin, 1998).

The researcher used open coding as a means to organize and analyze the data from different perspectives. The researcher started the analysis process by forming categories. 'Sticky notes' and a white board were used to visually see the clusters of data that emerged. The clusters of data were further reduced into categories and, through the analysis process categories were described in more detail (Merriam, 1998; Straus & Corbin, 1990). Open coding captured the properties and dimensional aspects of the data that ultimately contributed to the emergent concepts of the data (Straus & Corbin, 1990). Data-driven codes (Boyatzis, 1998) were used during the initial phases of data analysis and streamlined later in the analysis process.

Further, the process of open coding is characterized by the constant reduction of data to the smallest unit of analysis without diminishing the essence of the data (Charmaz, 1999). The tactics used in the reduction process included (a) identification of the units of analysis, (b) coding for meanings, feelings, and actions, (c) experimenting with codes, (d) comparing and contrasting events, actions, and feelings, (e) codes compiled into subcategories, and (f) integrating codes into more inclusive codes (Ezzy, 2001).

Ruona's Data Management Protocol

To help promote a systematic approach in the organization, management, and retrieval of meaningful data from the data collected, this study utilized an approach developed by Ruona (2005). This process utilizes familiar word processing software that includes easy to use tables for organizing data. Similar to other data analysis processes (Ezzy, 2001; Miles & Huberman, 1998), the process included four phases which were (a) data preparation, (b) familiarization of data, (c) coding, and (d) merging and working with data to make meaning.

Using a series of tables, coded data was entered with descriptions, numbered interview questions, and identification of the participant using a number. In addition, a “turn number” (Ruona, 2005, p. 253), which represented a specific line, sentence, passage or paragraph in a transcript, was automatically entered. The data from each interview transcript had its own table. Once the data from each interview transcript had been sorted and coded, Ruona’s (2005) process than offered directions on how to merge all coded interviews on a large table format which allowed the researcher to sort data by the questions, participant, and emergent themes. Figure 3.1 display’s the table to organize data.

Code	ID	Q#	Turn	Interview Data	Notes
10000	2	1	1	We are members of the General Council Roundtable (GCR).	Applicable research generated by organization

Figure 3.1. Ruona’s (2005) Data Management Table for Analysis

Provisions for Trustworthiness

Questions that must be answered throughout the research process focus on (a) whether or not the findings are congruent with reality, (b) are the findings capturing what is really there, and (c) is the researcher measuring what he/she thinks they are measuring (Merriam, 1998). Ruona (2005) states, “It is incumbent on you [the researcher] to reflect on what threatens the trustworthiness of your data analysis and to utilize strategies such as these to ensure that the findings you generate are credible, consistent/dependable, and transferable...” (p. 249). Credibility of qualitative research is dependent on rigorous methods, credibility of the researcher, and the researcher’s philosophical stance that supports the value of qualitative inquiry (Patton, 2002). Moreover, “trustworthiness and authenticity” are critical factors in the rigor and credibility of the research (Lincoln & Guba, 1994, p. 166).

Although the concepts of validity and reliability originate from quantitative constructs in which findings can be tested or generalized against statistical data, qualitative research is also subject to rigorous standards that help to assess its trustworthiness and offers methods to promote internal and external reliability. A system of ‘checks and balances’ built into the protocol of the study can enhance both validity and reliability. Rigorous strategies can be employed in the selection of methods used to collect and to analyze data (Creswell, 2003). This is especially important in qualitative research because of the researcher’s interaction with people and their lives (Merriam, 1998).

Internal Validity

Schwandt (2001) suggests that ‘validity’ in qualitative research means that the “...findings accurately reflect the phenomena” and the “findings are backed by evidence” (p. 267). There are several strategies that can be employed to ensure the internal validity of a study. This study employed member checks, memos, expert audits, and bracketing.

Member Checks. The purpose of using member checking is to determine the accuracy of the findings by allowing the participants to review the themes or description of the findings (Creswell, 2003). This was an important procedure for “corroborating and verifying findings or ensuring they are valid and meet the criterion of confirmability” (Schwandt, 2001, p. 155). *Confirmability* refers to the researcher establishing that the data and interpretations of the researcher are accurate (Schwandt, 2001).

Member checks were implemented approximately two weeks after transcripts were received by the researcher. The timing of the member checks fell around the holidays and many of the participants were going to be out of the office. Each participant received, via e-mail, their interview transcript for their review. Although member checks are a way for the researcher to continue a conversation with the participant to ask further questions regarding ambiguous or unclear participant responses, only three participants returned e-mails stating that the transcript was an accurate account of their interview. In addition, messages were left with four of the participants for clarification with regard to their interviews; only one of the participants returned the researcher’s follow-up call. Although a higher return of confirmations was expected based on the professionalism of the company, the researcher gleaned from the time of year, the holidays and vacation time were factors contributing to the lack of responses.

Memos. Ezzy (2002) suggests “Journals and memos are a systematic attempt to facilitate the interpretive process that is at the heart of qualitative research” (p. 71). The memos allowed the researcher to reflect upon what is transpiring in the study in relationship to the researcher’s learning, questions, and biases that may arise. Ruona (2005) suggests that memos can be helpful in staying engaged in how the researcher influences the study. Memos were used concurrently during collection and data analysis phases in this study (Ezzy, 2002).

The researcher took memos during each interview. Notes were jotted down on a pad of paper and organized per participant. Some interviews required less notes than others. Extensive notes were not taken because the researcher wanted to ensure full attentiveness to the participant and the questioning process during the interview. Memos were also used while listening to the interviews for the first time. These memos were much more extensive and played a role in the follow-up member checks with the participants. The researcher consulted the memos during the data analysis phase for supplementing the data. Sticky notes were used to note interesting perspectives, contradictory remarks of how the organization delivers ethics programs, and participant attitudes.

Expert Audits. Patton (2002) suggests that “...within a particular framework, expert reviews can increase credibility for those who are unsure how to distinguish high-quality work” (p. 562). He suggests that the role of the doctoral committee is to provide expert reviews for graduate students. Expert audits were used in the dissertation process and were conducted by the researcher’s major professor to review strategic points in the

process. The expert audit was on-going throughout the process based on expert availability and during critical times in the process.

Bracketing. Schwandt (2001) alludes to ‘bracketing’ as the researcher setting aside or suspending his/her personal assumptions in order to concentrate on the phenomena being studied. The researcher in this study employed the use of a Personal Disclosure Statement (Appendix C), which was written prior to the onset of the study. The purpose of a personal disclosure statement was to clarify the assumptions and biases the researcher held that were relevant to the study (Merriam, 1998). Scholars recommend that the researcher refer back to the personal disclosure statement periodically in order to continually be aware of personal beliefs and how they may influence “...what the researcher hears, observes, and understands” (Ruona, 2005, p. 35).

As difficult as it may seem for researchers to keep their beliefs about the world, values, and lived experiences from affecting their research, a written statement reflecting personal bias and subjectivities reviewed throughout the study may counter the influences of personal biases. Further, a personal disclosure (Ruona, 2005) or subjectivity audit (Peshkin, 1993) acts as a filter or lenses through which the researcher understands the study. Since value-free research is not likely (Patton, 2002), a real concern for qualitative researchers striving for validity and reliability is the influence the researcher has on the study.

External Validity

External validity is associated with the extent to which the findings of one study are transferable to other settings is referred to as ‘reader generalizability’ (Merriam, 2000). Merriam (2000) suggests that the reader determines if the context is similar,

hence, determines if the findings are applicable. The researcher used thick and rich descriptions of the setting and the findings in order to assist the readers themselves to form their own conclusions about the transferability of this research.

Reliability

Schwandt (2001) defines 'reliability' as research that can replicated by another inquirer and is concerned with whether findings can be replicated using the same methods (Merriam, 1998). This can be accomplished by comparing data with similar studies, relevant theoretical frameworks and the use of rigorous methods during fieldwork (Patton, 2002). After the analysis took place, the data was compared with several ethical frameworks that informed this study.

Chapter Summary

This chapter presented an overview of the qualitative research design that was used for this study. A basic interview study methodology was presented and was used to study how employees learn ethics in the workplace.

An interview guide was the primary method of data collection. Memos were also taken during and immediately after each interview to supplement the data, and notate any questions that surfaced. The constant comparative analysis method was used to organize and analyze the data. During the initial phases of analysis, the data themes were generated and clustered into similar groups and further reduction of data took place. Data was coded and entered in to a table. To manage the data efficiently, Ruona's (2005) data management protocol was used. Further, internal validity and reliability strategies were also used in this study to promote trustworthiness, credibility, and rigor of this study.

CHAPTER 4

FINDINGS

The purpose of this study was to understand how employees learn ethics in the workplace. While the term 'ethics' is often defined from an individual, socio-cultural, and contextual perspectives, the aim of this research was to understand how employees learned ethics in the context of their work life. Further this study acknowledges that some of the participants' perceptions of ethics at work were equated with the morals and values that are formed and internalized outside of the workplace and overlap into ethical decision-making at work. Although this is an important aspect of how employees behave and make decisions that are ethically based in an organization, the primary purpose was to study how employees learned ethics at work. The research questions that guided this study were:

1. What formal programs or activities do employees engage in to learn ethics?
2. What other ways do employees learn ethics in the workplace?

This study distinguishes between delivery systems or the delivery of content (i.e. organizing, creating, capturing, and distributing the content) in an organizational setting and how employees internalized and applied what they learned about ethics in the workplace. Further, this study used Marsick and Watkins' (1990) model which contextualizes individual learning at work and defines learning based on how individuals or groups acquire, interpret, reorganize, change or assimilate a related cluster of information, skills, and feelings.

This chapter is organized into two sections. The first section describes the demographics of the company and a brief profile for each participant in this study. The second section reports the findings related to the two research questions and presents the supporting data from the interviews.

The Company

The company that provided the context for this study is a subsidiary of a Fortune 500 company and is located in metropolitan Atlanta. This company employs approximately 1,800 employees and is the leading global provider of set-top boxes, end-to-end video distribution networks and video systems integration. This high tech company employs a highly educated, highly skilled, and computer-literate workforce and was characterized by some of the participants in this study as “*conservative*”, “*engineering-centric company and people*” and having “*a strong work ethic.*”

In 2007, 2008, and 2009, this company was named by *Ethisphere Magazine* as one of the Top One-Hundred Most Ethical Companies in the World. Criteria used by *Ethisphere Magazine* in the selection process of the companies that earned this distinction were (1) innovation that contributes to public well-being, (2) corporate citizenship and responsibility, (3) corporate governance, (4) internal systems and ethics/compliance program, (5) industry leadership, (6) executive leadership and tone from the top, and (7) legal regulatory and reputation track record (www.ethisphere.com/WME2008/).

The Participants

Eleven employees representing senior leaders, directors, managers and development engineers participated in this study. In order to acquire rich descriptive data, purposeful sampling was used to ensure the participants were knowledgeable about the

formal ethics programs and activities in the company. Each of the eight men and the three women interviewed had worked at the company for a minimum of six years.

Participants were asked how they learned ethics while employed with the company.

Table 4.1 presents the demographic information of the participants. Pseudonyms were used to protect the participants' identity. The participants' role, gender, ethnicity and tenure with the company are also indicated in *Table 4.1*.

Table 4.1. Participant Demographics

Name	Predeepe	John	Uma	Kim	Andy	Tom
Role	Director	VP	Manager	Manager	Director	Director
Gender	Male	Male	Female	Female	Male	Male
Ethnicity	Indian	Caucasian	Indian	Caucasian	Caucasian	Caucasian
Tenure	10 yrs.	6 yrs.	10 yrs.	11 yrs.	6 yrs.	30 yrs.
Name	Pete	Sunglee	Suna	Henry	Ben	
Role	Engineer	Director	Manager	Manager	Director	
Gender	Male	Male	Female	Male	Male	
Ethnicity	Australian	Asian	Indian	Caucasian	Caucasian	
Tenure	8 yrs.	13 yrs.	13 yrs.	15 yrs.	14 yrs.	

Predeepe

Predeepe is the Director of IT Technical Development and has worked for the company for ten years. He is responsible for implementing the technical side of the

online training programs for compliance and ethics training, and the code of conduct, referred to as the COBC. Several years ago, the company sent him to Harvard Business School for management development training. He stated, *“I found out that they must have sent one or two employees besides me over the history of the company, so I was really blessed — very lucky.”*

A small pleasant Indian man, Predeepe responded philosophically about how he learned ethics in the workplace. He stated,

I think this opportunity that you are taking to study ethics is a very opportune time at this time in society and it's – because society today is not just an American society or it is an Indian society or a Chinese society or a European society...it's a global environment today.

He also talked about how he and others learned ethics at work:

We go...we talk to our managers, we talk to the HR department and we follow the company guidelines.

John

John is the Senior Vice President, Secretary General Counsel, Compliance and Ethics Officer for the company, and serves as the company's senior attorney. He is a member of the General Council Roundtable. Among his many responsibilities, he ensures that employee compliance and ethics training is implemented annually. John helps with the design related to the content for the online compliance and ethics training and reports to the company's board of directors the participation results of the annual training.

John is Caucasian and has worked for the company for six years. He reflected on his past experiences as having significant on-the-job training because of his involvement

in the resolution of ethical dilemmas at other companies he had been employed. John described an ethical dilemma he was involved in with the federal government that was well publicized on all the national television networks. He was the lead attorney at the time for his company and stated that he learned so much from that particular case.

John was responsible for overseeing the integration of the Sarbanes-Oxley Act (2002) at the company and commented on the complexity of the integration process. He stated,

I think we identified 804 control type issues that we had to address. Working with the outside auditors, we worked through every one of those control issues and I think that really had an impact [elevated awareness] in terms of compliance.

He suggested that he learned ethics at work through the responsibilities of his position, and outside sources of ethics information and government regulations that are enforced.

Uma

Uma is an Indian woman and has worked at the company for 13 years. Her role in the company is Manager of IT Applications and Development. She participates in the company's diversity outreach programs in the company. A soft-spoken person, she related her personal beliefs about values, morals and ethics to her ethics in the workplace. She stated,

It's very difficult for me, as a person to separate my personal values or the values that I have at home and then go into other situations and not have the same values. It's very hard for me to understand, how can you separate your values?

When asked how she specifically learned ethics in the workplace she automatically suggested she learned ethics through the online ethics and compliance-training program. Probing by the researcher uncovered how strongly she felt and relied on the policies and procedures to guide her ethical behavior. She stated,

...regardless of whether you believe in the policies or not, there shouldn't be any negotiation. It should be just part of what you do.

Kim

Kim is Caucasian and the Manager of Contracts Administration and has worked for the company for 11 years. Her job is to work with the legal department to ensure that contracts are legally-based per the company's compliance and ethics codes. She was candid when she responded to the questions. She remarked about the work ethic in the context of ethics in the workplace and said, "*Generally speaking...you don't last in this company if you are not giving 120 or a 130 percent.*" Kim affirmed she primarily learned ethics through observation in the workplace and stated,

...if you are concerned about such things [about ethics] you certainly see it in the workplace in the sense that you see those people who promote a sense of integrity, etc. I think, generally hands-on-training, direct training, and the, just the softer portions of just, relationships between colleagues and managers, etc.

Andy

Andy is Caucasian and has worked for the company for six years. He is presently the Director of Finance, Financial Planning, and Analysis and the former compliance and ethics officer for the company. He has been involved in the internal audit and compliance for over twenty years. Andy described his responsibilities as an internal auditor, which

included ethics, crisis planning, and risk assessment. Andy believes that an ethical organization is not achieved using one strategy. He stated, *“I think you need to have a mix of both online training and in-person sessions for balance...policies and procedures are the bedrocks...”*

Tom

Tom is Caucasian and is a Technical Director and holds a Ph.D. in Engineering. He has worked for the company for 30 years. He was confident, deeply committed to his work, and was proud that he was one of the first employees hired by the company thirty years ago. Tom was realistic about the company and remarked, *“...the company has had their ups and downs with ethical dilemmas, but the leadership is a real support system in demonstrating ethical standards.”* Tom was a strong proponent of seeking advice from HR and he talked about how he often will go to HR with an ethical issue and they advise him on how to handle the situation.

Pete

Pete is Australian and is the Vice President of Applications Southwest Engineering. He has worked for the company for eight years and holds a Ph.D. in Engineering. Pete is responsible for quality-based projects that are part of the software organization at the company. He works with teams developing quality initiatives and improvement projects that are primarily software engineering in nature. He suggested that ethics is related to quality assurance. He stated, *“As I think about ethics from a quality side, you have to be real aware when we’re dealing with issues and product quality.”*

When asked about other ways he learns ethics at work in addition to online ethics and compliance training, he alluded to “*many ways*” and thought it depended on the “*individual situation.*”

Sunglee

Sunglee is the Director of Engineering, IP Set Top Development and holds a Ph.D. in Engineering. He is Asian and was recruited by the company 13 years ago. His job responsibilities include directing a group of engineers and a program management team. He and his team manage product development and management of the partnerships in Asia. Sunglee was difficult to understand at times due to his heavy Asian accent. Sunglee joined the company because of its strong technical attributes. He stated,

I met a few very strong technical people from the company...I feel that it's a strong company and it would be good to join them to work together. I think that's the major driver for me to come and join the company.

Sunglee suggested that he and his colleagues learned ethics through experience. He stated:

...training is one way, but from the daily business practice perspective we are interacting with people all the time and people influence each other. Most of the time it's the senior manager leader that can best say what is a good thing to do and what we should not do. So, in our daily business practice we do learn from real events

Suna

Suna is the Manager of Software Test Engineering and has worked for the company for ten years. She is responsible for a team of engineers from Atlanta and a

team from Chennai, India for ensuring quality testing of the software has been completed. Suna believed that one example of ethics that related to her job dealt with complete transparency in the communication of quality related issues.

An Indian woman, soft-spoken held similar beliefs as Suna regarding personal ethics transferring from the home to work. She commented,

I think that it's very challenging to not bring your values to work. I think you are who you are. There are some people who draw a fine line between how they are at work versus how they behave at home, and in my mind, it's one and the same.

When she was asked about other ways she learned besides online training she responded, “*by watching and learning.*”

Henry

Henry is Caucasian and the Director of Software Testing Engineer. He has worked for the company for fifteen years. He is responsible for all the client architecture which he described as the architecture that goes into the set top boxes across cable IP TV. Henry defined the term architecture as referring to how the company’s product is compatible with the customer’s environments and how the software platforms are built that run on the set tips.

Henry spends most of his time with customers and oversees the goals and objectives of this part of the business. He has no direct reports, yet is in a position of influence and stated, “*I end up directing the organization so people to do the right thing.*” He shared many ways he learns ethics. Henry found that the “*stable environment that promotes trust and honesty*”, “*leadership as role-models*”, “*seeking advice from*

HR” and “*colleagues whom he had long-term relationships*” were various ways he learned this at work.

Ben

Ben, Caucasian, is the Director of Engineering and has worked for the company for fourteen years. He said he “*grew up*” in Research and Development (R & D) and has done everything from managing the R & D organization to what he is responsible for now, a higher level of coordinating multiple R & D groups and project management for a business unit in the company. Coming from a military background, he prided himself as being a loyal and committed member of the company. He stated, “...*I think of ethics in terms of right and there’s a wrong.*” He suggested that there are multiple ways he learned ethics that ranges from the online ethics and compliance training to working in an ethical culture where the leadership models ethical behavior.

Overview of Findings

Two sets of findings emerged based on the two questions that guided this study. These are overviewed in Table 4.2.

Table 4.2. How Participants Learned Ethics in the Workplace

Formal Ethics and Compliance Programs	Characteristics
Online Compliance and Ethics Training-Video on Demand (VODS)	<ul style="list-style-type: none"> • Mandatory Online training conducted annually. • Six hours in length. • Segments are interactive and promote ethical decision-making. • VODS updated regularly and covers compliance and ethics policies, procedures, and behavioral expectations in the workplace.
Live Large Group Meetings in a Formal Setting	<ul style="list-style-type: none"> • In-person training facilitated by senior leaders • HR Professionals • Compliance Officer and Ethics Officer • Review Policies, Procedures, Code of Behavioral Conduct (COCB) • Generally off-site.
Small Group Meetings ‘Sector Specific’	<ul style="list-style-type: none"> • In-person training facilitated by HR, Compliance Officer. Training includes specific ethics and compliance standards for specific roles in the company. • Generally held on-site.
Organizational Systems	<ul style="list-style-type: none"> • Ethics Hotline • HR Counseling • Individual employees can seek out the advice of managers, HR, Compliance Office, or respected leader in the company
Informal and Incidental Learning, Experiential Learning, Critical Reflection	Characteristics
Ethics artifacts in the work environment	<ul style="list-style-type: none"> • HR generate ethics literature and postings in company
Peer Relationships	<ul style="list-style-type: none"> • Friends and/or colleagues at work are consulted for advice; mentoring
Experience	<ul style="list-style-type: none"> • Learning ethics through an ethical dilemma and experiences at work related to ethics.
Observation	<ul style="list-style-type: none"> • Learning ethics by observing specific situation at work and emulating behavior of peers and leaders
The influence of Organizational Culture	<ul style="list-style-type: none"> • Learning ethics by observing ethical behaviors in the workplace reflected in transparency, honest communication, work ethic, trust and respect for colleagues • Tenure of employees promotes ethical relationships
Leadership	<ul style="list-style-type: none"> • Learn ethics from observing leaders’ behavior and tone at the top, modeling of ethical leaders behavior

The first set of findings was based on the participants’ perceptions on how they learned ethics by engaging in formal ethics programs and activities at work. Two distinct

categories emerged from the data. The first category describes the formal compliance and ethics programs, activities, and delivery systems (online training, large and small group meetings). The second category describes the formal organizational systems instituted in the workplace that helped participants learn ethics or sought out expert advice and/or resolved ethical dilemmas.

The second set of findings, the participants described examples of how they learned ethics at work other than through formal programs and activities. Examples are taken from the data, which illustrate how the participants' acquired, interpreted, and assimilated what they had learned about ethics at work. Six categories emerged from the data:

1. Participants observed artifacts in the work environment that reinforced ethics
2. Participants confided in a peer for advice;
3. Participants experienced ethical dilemmas in the workplace;
4. Participants observed ethical dilemmas at work;
5. Observed leaderships' ethical behavior and 'tone at the top';
6. Participants were influenced by the company's organizational culture.

Finding One: Formal Compliance and Ethic Programs and Activities

Formal ethics programs and activities, i.e. delivery systems, are defined as the actions the company engages in to convey policies, procedures, and practices that organizations adopt to help communicate the importance of ethics, provide resources to employees, and handle related issues and problems (Ethics Resource Center, 2005; NBES, 2005). The participants described four formal ways they learned ethics at work which include (a) online compliance and ethics training, (b) large group meetings, (c)

small group meetings referred to as “sector specific”, and (d) organizational systems that are available for employees with ethical concerns.

Table 4.3 provides an overview of the different ways the participants identified they learned ethics in the workplace. “Formal Programs and activities refer to the policies, procedures, and practices that organizations may adopt to help communicate the importance of ethics, provide resources to employees, and handle related issues (NBES, 2005, p. 5).” Delivery systems refer to the way this knowledge is transferred.

Table 4.3. How Participants Learned Ethics in the Workplace

Formal Ethics and Compliance Programs	Characteristics
Online Compliance and Ethics Training-Video on Demand (VODS)	<ul style="list-style-type: none"> • Mandatory Online training conducted annually. • Six hours in length. • Segments are interactive and promote ethical decision-making. • VODS updated regularly and covers compliance and ethics policies, procedures, and behavioral expectations in the workplace.
Live Large Group Meetings in a Formal Setting	<ul style="list-style-type: none"> • In-person training facilitated by senior leaders • HR Professionals • Compliance Officer and Ethics Officer • Review Policies, Procedures, Code of Behavioral Conduct (COCB) • Generally off-site.
Small Group Meetings ‘Sector Specific’	<ul style="list-style-type: none"> • In-person training facilitated by HR, Compliance Officer. Training includes specific ethics and compliance standards for specific roles in the company. • Generally held on-site.
Organizational Systems	<ul style="list-style-type: none"> • Ethics Hotline • HR Counseling • Individual employees can seek out the advice of managers, HR, Compliance Office, or respected leader in the company

Online Compliance and Ethics Training

Online compliance and ethics training is the primary way that the participants said they learned ethics in the workplace. This training is referred to as Video On Demand

(VODS). The VODS are updated annually and provides six hours of online training. There are approximately fifteen different VODS that cover common issues that the legal department, the Compliance and Ethics Officer, and the HR staff identified as potential ethical concerns for the company. Some of these potential ethical concerns relate to electronic communications, reporting ethical misconduct, signature policies related to contracts, and harassment issues. Other subjects covered in the VODS are conflict of interest, gifts and entertainment, and exports. Further, employees working in the areas of federal procurement or foreign sales are required to review the supplemental codes of ethics and guidelines on an annual basis. The compliance and ethics training videos are comprised of five topics, which include the Federal Ethics Code and the Foreign Corrupt Practices Act.

Employee certification of the Code of Business Conduct (COBC) is required annually for all employees. According to the Compliance and Ethics Officer ‘certification’ means that the employee understands the COBC and ethics policies and procedures adopted by the company. The Chairman of the Board and Chief Executive Officer requests that all employees review and understand the code of business conduct. Employees are “*strongly encouraged*” to complete the COBC training within a designated timeframe.

The participants described online compliance and ethics training as the primary formal way they learned ethics in the workplace. Comments about the nature of online ethics training varied amongst the participants in this study. For example, Tom, Kim, and Ben suggested many things in the online compliance and ethics training were “*common sense.*” John commented on the benchmarking study published by the General Council

Round Table regarding the effectiveness of employees learning compliance and ethics online versus in-person training;

Here's a [ethics] round table benchmarking analysis that indicated— while companies do not necessarily perceive any difference in the effectiveness of online training, they do report cost advantages to online compliance training. When I read that, their benchmarking says that maybe there's not much of a difference.

Uma felt online compliance and ethics training was effective and reinforced ethical behavior expectations at work. She said,

It encourages you to make sure you understand what the questions are about, what the company's policies are and what ethics means to the company. In doing that every year, the company is repeating and repeating its ethics and making sure that it[ethics] is getting down to the employee level.

Again she underscores the nature of the reinforcement of ethics and “new” learning online training provides. She stated, “...*although we have been doing it for several years, every year I learn something else or something else sticks out. It points out different things that, in everyday work relationships that you don't consider until someone points it out.*”

Tom, a Technical Director at the company and a tenured employee of thirty years, perceived that the online compliance and ethics training “...*is not a huge contributor to the overall behavior of people at large.*” He stated,

...it [ethics] is really largely common sense and, frankly, to a lot of people doing this year after year, it becomes a bit of a game as to how quickly you can get through the training rather than anything else.

He did confirm that online training is useful in learning ethics in some areas that have a tendency to change, and in this case, the online compliance and ethics training provided a good source for learning and staying current with the changes in ethics and compliance policies and procedures.

Suna suggested online compliance and ethics training was procedural as far as becoming familiarized with the legal side of the business, code of conduct, and ethics regarding international business. Her concern was not the training itself, but the enforcement of ethics behavior on a daily basis. She stated,

...100 percent of the workforce has completed the training, but how much of that is actually because you really want to do it versus you're being forced to do it...are you really following that in your day to day life? Who's policing that? Nobody.

Yet, Suna believed that online ethics training helped her understand how to identify unethical behavior and, further, taught her how to react to ethical issues. Pete, a software-testing engineer who has worked for the company eight years, was pragmatic in his response to online compliance and ethics training. He said *"I actually like the online stuff ...you also know how to find more information and how to get it. Doing the training every year... at least people can't say they're not aware of it."*

The other participants expressed similar perceptions regarding the importance of online training and further suggested that this form of training serves as a constant resource, which can be accessed when needed.

Large Group Meetings

Large group meetings held annually or as needed was another venue in which compliance and ethics training was delivered to employees. Participants suggested that the large group meetings are generally held off-site in a nearby arena. Large group meetings are designed to reinforce the online compliance and ethics training. Employees from the executive team (legal department, Compliance and Ethics Officer, HR staff) communicate and reinforce the overall compliance and ethics policies and procedures. Periodically, the President and CEO will make an appearance at these meetings to reinforce the COBC and the ethics position of the company. In addition, there is an opportunity in the large group meeting venue for employees to ask the ‘experts’ questions during the meeting.

There was a general feeling among the participants that large group compliance and ethics training meetings were not as effective as other ways they learned ethics, yet a few participants suggested they learned more through the interaction with the group and leaders. Henry described the large group compliance and ethics training was primarily an extension of the online training, but “live”.

He said,

We then have a mandatory session that every employee has to be at that’s an in-person one that we normally do at the local arena and everybody piles in there. That’s typically a lot of the legal compliance ones where you’ve got to be there and all of our legal team get up and walk through their presentations kind of thing. And that’s a good two, three hours probably of material. It can be challenging because it’s so much information, and you’re trying to focus and

remember this, that, and the other. It's more that you heard it... hoping that it all registered.

Suna described her perceptions on learning compliance and ethics in a large group setting.

The subscriber [employee] goes off to the big arena down the road—so we just go there and people present their topics and we just sit and listen. At the end, they just circulate a piece of paper where you say you've attended the session, and that counts towards one of the sessions you attended.

She added,

... 'Live' is probably better because you get more interaction...if you really want to take something away and if you really want to ask questions and get direct feedback. There is really no feedback, so to speak, on the online sessions.

Although Pete preferred the online compliance and ethics training versus large group meetings, he did recognize that “...some people really get a lot out of the question and answer sort of stuff.”

Andy perceived in-person training in large groups was just as important as online compliance and ethics training in the employees' learning process because employees are exposed to the leadership team who facilitate the learning in the meeting. He stated, “*Get the people [leaders] up in front and have the leadership team do the training...I think that is a great way to expose employees to the leadership tone at the top.*”

Ben referred to the large group meetings as a mandatory follow-up to the online compliance and ethics training. He commented that these meetings were...

more or less a formal training class on specific areas, whether it's patents, international business or whether it's the general code of ethics, we do those on a fairly regular basis...it comes basically down to understanding and ...what you can and can't do...within the company itself, I think largely, as decisions are made, you've got to evaluate them on a case to case basis...and be proud you can step up and say, "Yeah, I've made that decision and it's a worthwhile thing to do..."

Small Group Meetings

In addition, small group meetings, referred to as "sector specific" meetings, were a way some participants learned compliance and ethics procedures that pertained to their specific roles and responsibilities in the company. Participants suggested that small group meetings provided a safe interactive environment to learn about specific compliance and ethics policies and to discuss ethical issues or concerns in-depth.

Ben described the sector specific training as *"...an onsite class, they call sector specific, but it's all part of the compliance training..."* Predeepe referred to small group meetings as a cohort group. He described a cohort meeting in IT he had been involved in the day before the interview. He said, *"It's [small cohort meeting] led by the Vice President and he has directors and managers in different parts of the organization who form the cohort. We discussed ethics yesterday. Why is ethics important? Why is trust important?"*

Although participants did not give detailed examples of their discussions in the sector specific small group meetings, these participants viewed these meetings to be

effective because compliance and ethics issues relevant to the group were discussed in-depth.

Organizational Support Systems

Several support systems in the organization were available to the employees that provided guidance for the resolution of ethical concerns or ethical dilemmas as needed. Participants described the support systems available in the organization were (a) the Compliance and Ethics Officer, (b) an employee ethics hotline used to report breaches of ethics, and (c) HR professionals.

Compliance and Ethics Officer. In accordance with the Sarbanes-Oxley Act (2002) which was implemented at the company several years ago, all public corporations must designate an employee to serve as the Compliance and Ethics Officer. John, the Compliance and Ethics Officer for the company, described his primary responsibility. He stated “*We have a corporate compliance committee...what this committee does is basically oversees all of our ethics processes and procedures... I run the compliance committee.*” Further, John described the composition of the compliance committee. He stated,

In the compliance committee we have senior executives from HR, from finance, from accounting and from our three-business groups and sales organization. We meet once a quarter as a minimum and then, if there is a particular issue that needs to be addressed, we’ll convene the compliance committee.

Andy served on the compliance, internal audit, and governance committees. In compliance with the Sarbanes-Oxley (2002), he explained that the audit committee “*...specifically addresses issues regarding ethics and compliance...*” and is responsible

for “*debriefing the company’s board of directors on ethics issues and future action plans.*”

Ethics Hotline. In accordance with the Sarbanes-Oxley Act (2002) all public companies are required to implement a procedure whereby an employee can report unethical behavior in the company and remain anonymous. This vehicle for reporting ethical misconduct in the company is referred to as the ethics hotline. Through the online compliance and ethics training, participants learned the protocol for accessing the ethics hotline.

All the participants in this study referenced the ethics hotline and were cognizant of the purpose of hotline and how to access it. Henry described how to access the hotline; “*You just go to the main internal employee web site that we’ve got and all the directions are there for doing it. But it’s not something I’ve had to personally go chase down.*” Uma explained her knowledge regarding the ethics hotline “*...we also have a hotline for anyone who has an incident or a concern, they can call this hotline, and it could be anonymous, or you could tell them who you are if you want. But they can report it and they can also talk with someone— one-on-one if need be.*”

Kim alluded to the ethics hotline and the company’s conservative characteristic; “*That’s probably one reason you aren’t getting a lot of [ethics complaints] although, I don’t have the hotline at my desk so who knows what goes on behind the scenes.*” Andy commented about the hotline with regard to fear of reporting unethical behavior. He said, “*...if somebody’s trying to push you in a way that you don’t think is ethical, I think you have the ability to raise your hand or call the hotline or say, hey, this isn’t right without fear of reprisal.*” Although all the participants commented that they had awareness of the

hotline and when to use it, only one participant commented that she knew employees at the company that used the hotline other than the Compliance and Ethics Officer and the Chief financial Officer. Ben suggested that he was well aware as a result of ethics training of the company's "... *various hotlines and escalation procedures*" in place to help support the employee with ethical issues. John said that they investigate all calls to the ethics hotline and stated, "... *we get about a dozen calls a year, if that.*"

HR Professionals. According to many of the participants in this study, HR at the company has a strong presence with regard to ethics in the organization. HR was mentioned twenty-two times in the context of employees seeking support, reporting issues, or receiving training, information, or coaching.

Pete, (originally from Australia which accounts for all the questions ending with a question mark) stated,

This company has had, since I've been here a strong HR presence, I guess you could say, right? We all know who they are, right? And they actually do the training a lot of the times too, so if you have questions and things, it's pretty easy to pick up the phone and ask them, right?

He compared the other HR departments at the other companies he had worked for with his present company. He said "*I'm just thinking about other companies I worked at where you had to stop and think of whom the HR rep that we would escalate problems to, and that kind.*"

With regard to online ethics training follow-up, Sunglee said, "*I got notified by our admin in HR who [employee] has not done online training. Some of them [HR] teach some of the principles so they [employees] are aware or refreshed on an annual basis.*"

Further, Sunglee comments on receiving gifts from vendors. He said, “*We report this [entertainment or gifts] to the chain of command and HR.*”

Andy talked about HR as a resource for ethics advice or counseling that employees could go to discuss ethical concerns. He stated,

I think how we directed people is to their HR person, their HR manager, or...if you didn't feel that you got an adequate [from the employee's manager] answer you'd go to HR, and ...you would go to compliance officer and than you'd go to the general counsel

Suna said, “*Sometimes I just go to HR.*” Henry said because of “*...relationships over the years, I look for advice in HR for example.*” Predeepe said,

...we talk to our managers, we talk to HR department and we follow company guidelines...I know – if there is an ethical issue in the company, there is a whole legal organization that will probe the ethical issue and is very fair on both sides.

He mentioned that the legal department was “*approachable*” and that if he did not feel comfortable talking with his boss there were multiple things he could do including discussing issues with legal. Predeepe stated, “*He's [VP of Legal] definitely someone you could trust to go have conversations with.*”

Uma commented on an ethical dilemma she experienced with a peer. She said, “*I could have run to this person and scolded this person or reported formally to HR.*”

Henry stated,

There are people that I would go to, which are a different way of answering your question. Because if it's a well-known set policy that this is where you go, then sure, your manager – unless it involves your managers. And then historically

there was the Compliance Officer kind of thing. So, I'm sure if I look online there is the equivalent statement for within the company/ organization now, but there are particular managers, for example, and executives here that I would go to kind of thing to get information and get some coaching from as well.

Henry commented that he goes to HR for advice when he needs clarification on ethics issues and policy.

The evidence shows that the participants' were aware of the different systems and protocols they could access for help with ethical issues or concerns. Some participants commented that the annual compliance and ethics training acted as a constant reinforcement of ethics in the company. Sunglee stated, *"This kind of example shows that this kind of training is effective and people remember."* Andy summarized his thoughts on the mandatory compliance and ethics online training as being one component of a well-rounded and effective compliance and ethics program. He stated,

You can put the basics in place and you should have the basics in place, but that won't necessarily get you all the way there. But I think having the policies and procedures that are frequently updated that are assessable, I think that's kind of one of the bedrocks. I think having a training program around the policies and procedures is important. I think also having compliance programs that is also about training not just policies and procedures, but more about behavior and what's acceptable and not acceptable.

Figure 4.1 illustrates the pool of support systems that participants stated that reinforced and/or helped them to learn ethics.

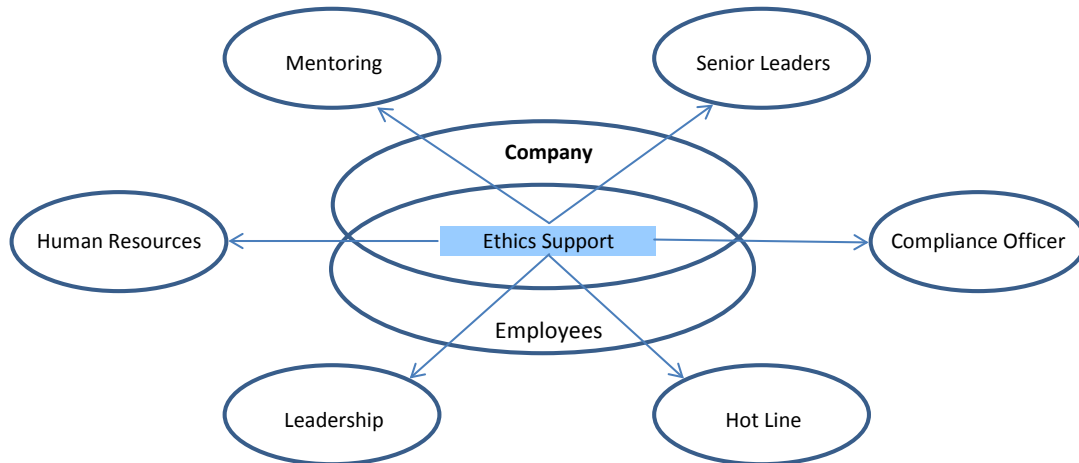


Figure 4.1. Pool of Support Systems

Finding Two: Other Ways Participants Learned Ethics

Participants were asked what other ways in addition to formal programs and activities they perceived they learned ethics in the workplace. Six themes emerged which included (1) ethics artifacts in the work environment, (2) the participants confided in their peer group about ethics concerns, (3) the participants experienced an ethical dilemma or knew of someone who experienced an ethical issue at work, (4) the participants observed peer group ethical behavior, (5) the participants observed the leaderships' behavior and 'tone at the top', and (6) the participants' behavior was influenced by the company's organizational culture. These are reviewed in *Table 4.4*.

Table 4.4. How Participants Learned Ethics in the Workplace

Informal and Incidental Learning, Experiential Learning, Critical Reflection	Characteristics
Ethics artifacts in the work environment	<ul style="list-style-type: none"> • HR generate ethics literature and postings in company
Peer Relationships	<ul style="list-style-type: none"> • Friends and/or colleagues at work are consulted for advice; mentoring
Experience	<ul style="list-style-type: none"> • Learning ethics through an ethical dilemma and experiences at work related to ethics.
Observation	<ul style="list-style-type: none"> • Learning ethics by observing specific situation at work and emulating behavior of peers and leaders
The influence of Organizational Culture	<ul style="list-style-type: none"> • Learning ethics by observing ethical behaviors in the workplace reflected in transparency, honest communication, work ethic, trust and respect for colleagues • Tenure of employees promotes ethical relationships
Leadership	<ul style="list-style-type: none"> • Learn ethics from observing leaders' behavior and tone at the top, modeling of ethical leaders behavior

Ethics Artifacts in the Work Environment

Participants indicated that one way the company reinforced what they learned about ethics regarding specific systems was through the signage that appeared on the walls in the work environment. Many of the participants commented on having observed signage that discussed the ethics hotline procedures, quality, and values in the organization.

John commented on how the company reinforced what employees learned about ethics. He said,

Ethics is very high on the CEO's priority list... [John points to his employee badge]. Here are our '08 initiatives, and these are sort of the key initiatives in terms for the fiscal year... here's the company mission, and then here's our culture...open communications, trust, fairness, integrity, right there.

Pete commented on the signage that he had seen that reinforced what he had learned about ethics. He said, “...*all the facilities have got some sort of break station and then there typically are some paper posted in there that are describing the ethical issues, or describing a whole bunch of things, ethical issues come up...they post these pretty much every place.*”

Henry commented, “...*certain conference rooms you’d have little things on the wall as well...the things ‘potted’ around that you come into contact with to refine it [ethics] a little bit.*” He also commented on the employee reviews. Henry stated, ...*one other thing [ethics] is in our reviews, you’ve probably got six or seven different categories hiding in there on a review for during the year...it actually forces managers to actually think about it [ethics] during the review process as well...if there were any [employee] behaviors that needed to be corrected— that’s where they would get caught.*

Suna commented that she learned ethics or was reminded of what she had learned and said, “...*periodic e-mail announcement and in the break room where they have the vending machines...there are things posted on ethics on the bulletin boards. It’s quite prolific.*” Uma commented, “*We do have a set of codes, but we do not have a book anymore. Everything is online.*” Further she talked about the importance of reinforcing ethics in the work environment and stated, “...*the important thing, I think consistency and just making sure that it [ethics] is repeated.*”

Peer Relationships

Some of the participants in this study described situations where they confided in a peer about an ethical concern. ‘Peer group’, referenced in this study, is comprised of senior leaders, directors, managers, or a “*well-respected friend*” in the organization.

According to the participants who confided in their peers, this interaction with their peers about ethics, whether it was an ethical issue with each or another employee, most of these informal conversations resulted in resolving the issue and prevented the situation to be taken to the next level. Further, some of the participants alluded to the tenure of employees in the company and its [tenure] affects on promoting ethical relationships and a strong ethical environment.

Some of the participants employed at the company for several years or more emphasized that they learned ethics more informally as a result of the establishment of relationships with respected peers. Tom said “...comes down to peers working with each other and having close working relationships so you will know if somebody’s doing something that’s not thought of as very good behavior.” He believed that his tenure with the company has contributed to his present knowledge and understanding of ethical behavior expectations.

Henry commented on the relationship between ethics and tenure in the company. He stated,

We’re very fortunate to have as a general statement, employees, long tenured who, if you ask most of them, they work here because of the other people who work here. And so because of that, there is a kind of very strong relationships...it’s very much a loyalty culture...and attached to the loyalty piece is the expectation on the ethics as well.

For example, Ben said,

Though, I would say the large majority of [ethical] cases or issues like this get worked out on an individual to manager or peer-to-peer type basis where, hey,

this isn't proper behavior...you can't do this. It never has to go into the more formal procedures.

Uma had an ethical issue arise related to an informal gathering of work colleagues after work hours at a nearby eatery. Two colleagues, who were married to different people, were flirting with each other. Their behavior carried on into the workplace and became very uncomfortable for some of their colleagues. Uma, as the manager, sought advice from a respected peer regarding what her ethical responsibility was in this situation. After her conversation with the peer she came away with a sense of how she should approach the situation from an ethical responsibility perspective.

Other participants expressed various situations when they confided in a respected peer for advice regarding an ethical situation or dilemma. Most of the participants suggested that confiding in a peer helped prevent taking the ethical issue to the next level of management.

Experience at Work

The participants in this study also described situations or incidents in which the participant learned about ethics by being involved in an ethical dilemma, or had observed an ethical dilemma in the workplace unfolding. Suna said,

A lot of what we go through in our day-to-day lives is something you learn on the job...you can't find that information. It's not comprehensive enough that it teaches you exact scenarios, how you would react in a certain situation...a lot of it [learning ethics] I would say is by watching and learning.

Sunglee described a situation where he had to draw on what he learned in the workplace about ethics. The situation was a case that involved an employee “cheating the

company” by doing unrelated work during company hours and did not accomplish the work needed for the company. He approached legal council and HR for advice on how to handle the situation. Sunglee lamented that he was fair to the employee, gave him warnings, moved him into a job where he had little responsibility, and eventually had to let the employee go. Sunglee talked about fairness, working hard, and employee responsibility to the company as part of an employee’s ethical responsibility at work.

Suna talked in general about getting product out when promised; “...*the higher up you go the more balancing act you have to do...what’s good for the business versus ...is it really ethical or not.*” Further, Suna said, “... *its [ethics training] not comprehensive enough that it teaches...how you would react in a certain situation, for example working in the area of international business...*”

Kim experienced a situation where she used what she learned about ethics in a contract negotiation. The third party gave her a “*wink-wink*” suggesting what was being discussed would be their secret. Kim immediately said, “*No, we don’t ...I’m not going forward with this...No, that’s not how we do business here.*” Kim expressed that her decision was based on her ethical judgment, which she knew would be supported by the company.

Peter experienced ethics issues from a quality standpoint. He said, “...*from a quality standpoint, often we are in a position to where we have to identify defects in products, and things like that. Quality folks have to stand up and say, picture this, hey, there’s a problem here, it’s going to cause...that borders on ethical issues.*”

Observation of Peer and Group Behavior at Work

Predeepe emphasized his thoughts on observing unethical behavior of other employees in the workplace. He said,

...at some point in the food chain or in that tree, somebody decides that they can be unethical because of whatever gains or the position that they may have that allows them to get that gain, everybody sees it. It is only people trying to fool themselves that they think other people don't see it and everything catches up with you over a period of time.

Tom observed that...

People deal with each other very straightforwardly and I think that's very important. I guess it's really tradition. You know, you start out with people that are really centered on that, centered on making good products and making good business deals, not tolerating those that don't, and the organization grows in that manner, I think. It's always happened that way here. Occasionally, there's been a bad apple here and there, but they don't last very long.

Suna expressed that she learned ethics many ways in the workplace, which included "hands-on-training." She stated,

Formal training is one way, and then, certainly your managers and from your colleagues around you. I would say another key factor is what you bring to the table when you come to work everyday. If you are concerned about such things, you certainly see it in your workplace in the sense that you see those people who promote a sense of integrity. I think, generally, it's hands-on training, direct

training, and then, just the softer portions of relationships between colleagues and managers.

Leadership and “Tone at the Top”

Many of the participants used the phrase “*tone at the top*” to describe leaderships’ commitment to ethics at the company. Some of the participants referred to the “*trickle-down effect*” which suggests that the leaders’ commitment to ethics is reaching the entire organization by the leaders being visible in the company and providing the resources needed to promote ethics.

Predeepe stated, “*If I look at ethics in the organization, it will start with the ethical standard and will always start some place at the top and it will have a waterfall effect.*” He explained, “*...if you have a person at the top that’s very ethical, then you significantly increased the chances of building a top down ethical organization.*”

Suna stated, “*I think if you don’t have buy-in from up at the top it doesn’t matter what protocols are set down here. I guarantee it will get overridden.* She gave an example of what could happen if leadership did not support ethical behavior in the company. She said,

If I am sending some message to my team and it so happens that a senior leader is out there with my team member and I’m not there to intercept it. Since this person is in a higher authority than me, the obvious choice is to do what this person is telling him to do.

Suna explained, “*All this drives from the top. If you are not setting the right example and they’re not sending the right message, then it doesn’t matter what the employees does or feels.*”

Uma talked about ethics being “... *not only from the top down, but from the bottom-up.*” She stated, “*Sometimes, a CEO can learn something from someone at the bottom... I think it is very important coming from the top down and bottom-up.*”

Ben talked about management intervention in situations when unethical behavior occurs. He said, “*That requires excellent ethics from the top down and we’ve been very fortunate, I think, in having very, very good people... leadership in the company.*” Kim made a similar comment about leadership and said, “*I know that from the CEO on down, ethics and environmental issues are key items for a lot of people.*”

Tom commented,

We’re required to read the code of conduct and things like that, but I really think it come down to the people and the heritage of the leadership in the company is and what they do and how they present themselves. It works its way down the ladder to the point where one manager will not tolerate behavior from his subordinates in a non-ethical way or a non-productive way and it really becomes institutionalized in the whole culture of the organization rather than something that you really learn through these kinds of training programs.

Influence of the Ethical Organizational Culture on Participants

The participants’ perceived that they learned ethics by being part of an ethical organizational culture. Some of the participants used words and phrases to describe the organizational culture which included “*transparent and transparency*”, “*honest and open communication*”, “*trust*”, “*respect*” and “*work ethic.*” Some of the examples described by the participants crossover into the other ways they learned ethics, but the

comments made by the participants largely represented key components of an ethical organizational culture.

Uma lamented about ethics and the organizational culture. She said,

You have to make it a part of the culture. It just has to be like free water...and you do that by the consistency, the communication, just getting everybody on board. And the only way to do that is just to keep repeating yourself and keeping asking for input.

Predeepe praised the ethical organizational culture of the company. He stated,

“Morally, I am in a company that promotes ethics, promotes community service, honors it, and celebrates it. It means the world to me to be in a company that is so highly regarded.” Andy alluded to the ethical culture indirectly by noting that the training scenarios online need to be as real as possible and stated, *“...so they’re just not following the letter of the policy versus maybe trying to follow the spirit of it.”*

Ben commented on the ethical organizational culture at the company. He said,

I think that’s (ethical culture) very important and your behavior is largely shaped by your what your peers and folks, people that you work with do. Somebody is going to step up and raise a red flag if somebody’s doing something that’s in a gray area.

Henry talked about honesty, trust and respect in the organization. He said, *“...I*

think it is a very strong culture of honesty. People are very straight in their dealings with each other.” One example of the organization promoting honesty, trust, and respect in the workplace is reflected in a procedure that allows employees to decline signing-off on the online training certification. Although the company’s annual goal is 100% employee

compliance; in the event an employee is unable to or refuses to sign-off on the certification process, the company employs a system that allows for the employee to review the COBC with an HR professional.

This procedure allows the employee to submit his/her concern about signing-off on the certification aspect of the training. Once the employee's concern is filed, the employee meets with the HR professional to ensure that the employee learned the compliance and ethics material and understood the resources available to employees. The refusal to sign-off in the certification process is documented in the employee's file and HR professional confirms in writing that the employee understood the compliance and ethics training. According to the Compliance and Ethics Officer at the company, this situation seldom occurs, but when it does, the company respects the employee's right to make the decision regarding certification

Chapter Summary

This chapter presented the findings of a study that was conducted to understand how employees learn ethics in the workplace. The findings centered on eleven participants responses to the primary foci of this study: (1) what formal programs and activities do employees engage in to learn ethics in the workplace and (2) what other ways do employees learn ethics on the workplace.

The set of themes related to formal programs and activities employees engaged in to learn ethics. The data that emerged found that the participants learned ethics through the following delivery systems: (a) online compliance and ethics training, (b) large group meetings, (c) small group meetings, and (d) organizational systems.

The second set of themes pertained to other ways participants said they learned ethics. They included:

- a. Artifacts in the environment that reinforced ethics in the workplace
- b. Peer Relationships
- c. Observed the leaders of the company
- d. Observed peers in the workplace
- e. Leaderships' 'tone at the top'
- f. Influenced by organizational culture

The implications of these findings will be discussed in Chapter Five.

CHAPTER 5

SUMMARY, CONCLUSIONS, AND IMPLICATIONS

This study used a qualitative approach to explore how employees learn ethics in an organization. While the term ‘ethics’ is associated with individual perceptions and social constructs, the aim of this research was to understand more deeply how employees learned ethics in their work environment. It is acknowledged that some of the participants’ perceptions of ethics at work were equated with their morals, ethics, and values that are formed outside of the workplace and overlap into their decision-making at work. Although this is an important aspect of how employees behave and make decisions at work that are morally and ethically-bound, the primary purpose of this study was to explore how employees learned ethics at work. The purpose was addressed by the following research questions:

1. What formal programs or activities do employees engage in to learn ethics in the workplace?
2. What other ways do employees learn ethics in the workplace?

This chapter presents a summary of the study, a discussion of the conclusions drawn from the data analysis, implications for research and practice, and recommendations for future research.

Summary of the Study

A basic interpretive qualitative design was used to understand how employees learn ethics in the workplace. An interview guide format was utilized to ensure that the

researcher was consistent in asking the same questions to all the participants, yet it allowed the flexibility to probe deeper into the participants' responses. Purposeful sampling was employed in the selection process of eleven employees [three females and eight males] who held senior leadership, directorships, and managerial positions within the company. All participants were employed by the company for a minimum of six years and a maximum of thirty years. The company, located in metropolitan Atlanta, has been honored three consecutive years, 2007-2009, as one of the top ethical companies in the world by *Ethisphere Magazine*. All interviews were conducted by the researcher and transcribed by a professional transcriptionist within a three-week period. Grounded in the constant comparative analysis method, Ruona's (2005) four-stage model for data analysis provided the method to facilitate the preparation of data, familiarization, coding, and the making meaning from the data.

Four categories emerged from the data that address the research questions: (a) formal ethics and compliance programs and activities, (b) other ways employees learn ethics (c) organizational systems that support, promote, and reinforce ethics in the workplace, and (d) the influence of organizational culture. First, formal ethics and compliances activities relate to how the company orients their employees, and conveys and delivers the company policies, procedures, and behavioral expectations of the organization. The second category, other ways employees learn ethics in the workplace uncovered multiple forms of learning beyond what is considered "formal", including (a) self-directed learning, (b) informal and incidental learning, (c) experiential learning, and (d) reflective practice. Category three reported evidence that the company had strong organizational systems that support, promote, and reinforce ethics in the workplace. They

have clearly architected support systems, policies, and protocols, which were vital in the continual learning of employees. These included protocols for reporting unethical behavior, ensuring employees are trained in helping employees learn ethics and compliance and helping to resolve ethical issues such as HRD or the Ethics and Compliance Committee, and having annual update and implementation of ethics and compliance training. Fourth, the influence of organizational culture associated with visible ethical leadership, supportive peer network, artifacts in the work environment, traits of the organization, and tenure of employees.

Conclusions and Discussion

Three conclusions emerged from this study:

1. Informal and incidental, and experiential learning and self-directed learning are the primary modes of learning ethics at work.
2. Organizational systems are vital in supporting and solidifying learning ethics, especially as learning becomes increasingly self-directed.
3. An organizational culture that actively promotes ethics clearly fosters continued and enhanced learning around ethics.

This study sought to understand, what, if any, issues were key around learning ethics versus learning other things in the workplace. The findings revealed that there were actually not major differences in the ways employees learned ethics. Rather, for the most part, the findings affirmed both the literature in adult education and HRD that has already provided evidence that learning in an organization requires a range of different experiences and that the most powerful learning happens outside of a formal program or

setting. Additionally, too, this study reinforces the importance of organizational supports and culture to foster transfer of learning.

Additionally, it is hoped that a contribution of this study is to build a bridge between ethics and the adult learning literature.

The first section of this chapter will discuss each of the three conclusions in relationship to the findings of the study and as related back to the literature. The second section will present the implications for practice, and the final section will discuss implications for research followed by a summery of this chapter.

Conclusion 1: Informal and incidental, experiential learning and self-directed learning are the primary modes of learning ethics at work

Although participants *perceived* mandatory online ethics and compliance training as the predominant way they learned ethics in the workplace, the findings from this study suggest otherwise. The findings actually suggest that the online formal program provided simply the baseline or foundation for more learning that occurred after the formal learning “event”. Participants became self-directed and much more active in their learning when there was a need or a ‘trigger’ in the work environment that required additional clarification of the application of ethics. Then the individual determined how they would acquire and best learn that additional knowledge and informal and incidental, experiential learning, and self-directed learning became the primary modes of learning. The online modules that had been utilized for mandated training became a critical resource for the participants during these times. Furthermore, the findings evidence many examples of how these participants demonstrated self-directedness via mentoring, relationships with peers and trusted and respected senior leaders, and HRD.

All the participants indicated that online ethics and compliance training was the primary ‘formal’ way that they learned ethics in the company. This is not that surprising, though, since the company mandates annual training via the online modules, and rigorously oversees the process to ensure extremely high levels of compliance. So, when one looks at the findings more closely and in light of the mandated requirement, the findings actually suggest that the on-line formal program simply provided a baseline or foundation for more and more meaningful learning that occurred after the completion of the on-line modules. This is aligned with what we would expect to see in formal ethics programs. According to the ERC (2005), formal ethics programs are a compilation of policies, procedures, and practices that organizations may adopt to help communicate the importance of ethics, provide resources to employees, and provide assistance for related ethics issues.

Participant perspectives about online ethics training were varied and included comments such as “[online training] *was largely common sense*”, “*...every year, the company is repeating and repeating ethics and making sure that it [ethics] is getting down to the employee level*”, “*...is not a huge contributor to the overall behavior of people at large*” and “*...it [online ethics training] points out different things that, in everyday work relationships that you don’t consider until some one points it out*”.

Tom suggested that online training is useful in learning ethics in some areas that have a tendency to change. In this case, online ethics training becomes more of a review of the ethics and compliance policies and procedures.

Formal ethics programs are necessary in organizations and have been a traditional way of training and developing employees to facilitate change in the workforce that

require new skills and knowledge (Casey, 2005; Merriam, Caffarella, & Baumgartner, 2007). Studies suggest that formal ethics and compliance programs are rising in organizations, yet expectations of the success of formal programs have stayed the same or have declined in effectiveness (ERC/NBES® 2007).

The second part of conclusion one is critical in understanding how employees learn ethics in the workplace. The findings reflect that the participants became self-directed and more active in their learning when there was a trigger in the work environment that required more knowledge or clarifications of ethics for application in a specific situation. Marsick and Watkins (2001) maintain that informal learning “happens when people face challenges, problems, and/or unanticipated needs” (p. 4).

Evidence shows that participants engaged in both informal and incidental learning as well as experiential learning by being self-directed in seeking out answers for ethical questions or resolutions for ethical challenges. Participants relied on peer relationships, mentoring, and HRD professionals for advice to help crystallize their understanding of ethics in particular situations. According to the participants who confided in their peers about ethics, it was suggested that regardless of the ethics issue, most of these informal conversations resulted in resolution of the problem or prevented the situation to be taken to the next level.

Tom said,

...it comes down to peers working with each other and having close working relationships so you know if somebody's doing something that's not thought of as good behavior.

Ben stated,

Though I would say that the large majority of [ethical] cases or issues like this get worked out on an individual to manager or peer to peer type basis where, hey this isn't proper behavior...you can't do this. It never has to go into the more formal procedures.

Further, Uma described a situation she experienced that not only made her uncomfortable, but her peers in the department as well. Uma, as a manager, sought advice from a respected peer regarding what her ethical responsibility was in this situation. After her conversation with her peer, Uma came away with a sense of how she should approach the situation from an ethical responsibility.

The literature suggests that 75% of the workforce learning that transpires in organizations is informal (Cseh, Marsick, Wilson, and Volpe, 1999). The process of informal learning is not linear or sequential and includes activities that are “intentional but not highly structured” (Marsick & Watkins, 2001, p. 25) and takes place during the individual’s daily activities. They associate informal learning experiences with self-directed learning, coaching, and mentoring.

Another aspect of this conclusion is that the participants learned ethics through their experiences at work. As in the case of Uma, who learned ethics through her experience, participants learned ethics by being involved in an ethical dilemma or by observing an ethical dilemma in the workplace unfold. The literature suggests that experiential learning is multidimensional and engages the learner physically, mentally, and emotionally (Merriam, Caffarella, & Baumgartner, 2007). The process is highly individualized to the extent that the learner has experiences, reflects upon each

experience, and develops knowledge each time (Fenwick, 2003) and that circumstances control experiential learning (Doornbos et al, 2004).

Suna, Kim, and Sunglee described some of their experiences where they learned ethics by being part of the experience. Suna suggested,

A lot of what we go through in our day-to-day lives is something you learn on the job...you can't find that information. It's not comprehensive enough that it teaches you exact scenarios, how you would react in a certain situation...a lot of it [ethics training] I would say is by watching and learning.

Kim described an experience where she transferred her knowledge of ethics to the situation via a third party contract negotiation. She stated the party gave her a “*wink-wink*,” suggesting that what was being discussed would be their secret. Kim immediately said to him, “*No, we don't...I'm not going forward with this...no, that's not how we do business here.*”

Sunglee transferred his knowledge of ethics when dealing with an experience that involved an “*employee cheating the company*”. Fenwick (2000) suggests that part of experiential learning is simply reflection, which is described as individualized learning where the individual reflects on each experience and develops new knowledge each time.

The third part of this conclusion is that the on-line modules became a critical resource for these times. First, it is not surprising that online training was the predominant mode this company used to deliver ethics and compliance training to their employees. Benson, Johnson, and Kuchinke (2004) maintain that the convergence of the information age and the technology revolution has changed the nature of how employees

learn at work and suggest, “The availability of Internet access on the desks of many workplace employees literally has brought a world of informal learning to the fingertips of many employees” (p. 397).

Online training has become a tool for companies to ensure the employees are receiving all, and the same information, in a timely manner. This study found that this company, like most, use online training as the delivery system to efficiently and cost effectively disseminate company information about ethics and compliance to all employees (General Council Round Table, 2009).

What was surprising is that participants continued to use these online modules as a key resource once the initial training had been completed—hence, the formal ethics training fostered self-directed learning in employees and the workplace. Spear (1991) maintains the individual can facilitate self-directed learning by recognizing opportunities in the environment to learn from past and present knowledge and unexpected occurrences. Organizations that provide a system for employees to pull information and knowledge into the workplace at the exact time they need it helps employees potentially gain control of their own learning (Marsick & Volpe, 1999).

Conclusion 2: Organizational systems are vital in supporting and solidifying learning ethics, especially as learning becomes increasingly more self-directed.

Bunch (2007) suggests that “...training employees does not take place in a vacuum and even when all the conditions seem perfect, positive change requires organizational support” (p. 146). The findings of this study reflect that this organization’s systems were accessible and very important to participants to help them “learn through” their ethical challenges and/or help resolve ethical dilemmas. These organizational

systems employed many of the same components that are described in the various ethics frameworks in the literature (Sims, 2003). These systems included broad oversight of the ethics policies and procedures of the organization, a full-time Ethics and Compliance Officer, a hotline for employees to anonymously report unethical behavior, and ethics training (Carroll & Buchholtz, 2006; ERC, 2007; Sims, 2003).

These systems were in place and all the participants were aware of them. In particular, participants were well aware of the ethics hotline to report unethical behavior and remain anonymous, yet all the participants except for the Ethics and Compliance Officer, made it clear that they never had to use it and were not aware of how many times it was used. John, the Ethics and Compliance Officer confirmed that they do have reports of unethical behavior via the hotline “... *maybe a dozen time a year.*”

It was also apparent that HR/HRD played a significant role at this company as a source of information and advice for employees regarding ethics and compliance questions or challenges. Participants that sought out advice from HRD or the Ethics and Compliance Officer suggested that this solidified and deepened their understanding of ethics in the organization. Henry stated,

... because of relationships over the years, I look for advice in HR for example.

Predeepe commented,

...we talk to our managers, we talk to the HR department and we follow company guidelines. I know if there is an ethical issue in the company, there is a whole legal organization that will probe the ethical issue and is very fair on both sides.

These findings are consistent with the literature that suggests that HR and HRD professionals play a pivotal role in ethics initiatives (Hatcher, 2002; Trevino 2007) and are becoming more involved in the administration and implementation of ethics initiatives (SHRM/ERC, 2003; Trevino, 2007). Based on survey results, SHRM and the ERC (2003) maintain that 67% of HR professionals either agreed or strongly agreed that the human resources department is the primary ethics resource for their organization. The Ethics Resource Center maintains:

Although typically an ethics officer is responsible for developing an organization's ethics policies, creating communication related to the organization's code, planning ethics training programs, and overseeing the ethics reporting function, the most effective officers know that it is critical to operate as part of a team that brings together many different partners: finance, audit, operations, and especially human resources. (p. 1)

Similar to the literature, John described the composition of the ethics and compliance committee:

In the compliance committee we have senior executives from HR, from finance, from accounting and from our three business groups and sales organization. We meet once a quarter as a minimum and then, if there is a particular issue that needs to be addressed, we'll convene the compliance committee.

Further, HR systems were acknowledged as being a system that supports ethics and compliance. A surprising finding was that many of the participants could not remember if ethics was intentionally integrated their orientation when they joined the

company, but assumed based on the high priority for ethics in the organization, that ethics is instilled into all HR/HRD systems and procedures such as new employee orientation and socialization, succession planning, and job performance as it is in ethics training (Tichy, Frombrun, and Devanna, 1984; Van Zant, 2005). The tenure of the employees seemed to play a role in their vague response to this finding, but at the same time inferred that the ethical culture in the organization supported ethical behavior throughout the organizational systems.

Conclusion 3: An organizational culture that actively promotes ethics clearly fosters continued and enhanced learning around ethics.

The findings point to the organizational culture at this company promoted ethics on a daily basis. The participants clearly learned ethics through social and cultural influences, role modeling by and of senior leaders, their teams and managers, and via conversations with peers regarding ethical dilemmas and resolution strategies.

Clearly many of the formal mechanisms described previously in this chapter were key in encouraging an ethical culture at this organization. The formal training was widely mandated and clearly impressed upon employees the importance of ethics at the company. Also, on-going communication about ethics was continuously integrated into the workplace. For example, formal large group meetings were employed as a follow-up to online ethics and compliance training, and small group meetings [sector specific] were convened and tailored to the individual departments needs related to the prevention and the resolution of ethical issues. In addition, participants learned ethics via artifacts such as posters and newsletters which were posted throughout the workplace in the cafeterias,

work room, etc. These things encouraged and reinforced themes and resources related to ethics and quality, and also ensured the ethics hotline information was always accessible.

More than these formal mechanisms, which Schein (1992) would refer to as the artifacts of organizational culture, there was clearly something more deep and abiding that revealed this organization's culture and clearly influenced how these participants chose to learn and live ethics. The organizational traits of this company were identified by some of the participants as being conservative and they believed the inherent traits of the organization promoted and supported exemplary work ethic, trust, respect, transparency, and honest communication. These were clearly significant in the process of learning ethics in the work environment and in supporting the participants. Verschoor (2004) suggests organizational traits such as openness and humility, an environment that is accountable and emphasizes personal responsibility, a fierce commitment for doing it right and not falling into the pattern of taking short cuts, and collaboration are some of the traits that support an ethical environment and culture.

This really is important because while structured ethics training, policies and procedure, and compliance and regulations are valuable in promoting and sustaining ethics in the workplace, Thomas (2008) warns that compliance driven initiatives can ultimately undermine an ethical culture. Scholars define organizational culture by what is shared by a group, such as assumptions, values, norms, and artifacts, which help create shared meanings amongst members of an organization regarding work life, expectations, and relationships (Cummings & Worley, 2001; Meyerson & Martin, 1987). A culture that nurtures ethics is important in order for a particular group or an organization to be ethical. Williams and DeWitt (2005) suggest that organizational cultures can predispose

organizational members to make right or wrong decisions or cause ethical climates to be highly principled or unethical. Most ethical frameworks used for the institutionalization of ethics reflect the importance of organizational culture in sustaining ethics in the workplace, and many scholars concur that instilling ethics in an organization is a process that garners an ethical culture for long-term sustainability (Carroll & Buchholtz, 2006; Clark & Lattal, 1993; Hatcher, 2002; Paine, 1997; Sims, 2003).

Culture becomes lived through organizational members. Marsick and Watkins (2003) maintain that learning organizations need to build a climate and culture where employees learn from leaders and other key people who influence the learning of others, and create an environment of expectations that shapes and supports desired results. This was clearly evidenced in this study, where a great deal of valuable learning happened on the job, in groups, and through conversations.

Trevino, Weaver, and Reynolds (2006) suggest that ethical culture influences employees through formal and informal organizational structure and systems, in groups, and conversations with peers. Almost all of the participants acknowledged that they learned ethics in the workplace by observing leaders and other employees as role models, and via artifacts in the workplace. In addition, the participants perceived that the values the organization instilled, ethical leadership, trust, collegial support regarding ethical matters, and a high standard placed on work ethics, helped to define the normative behavior of the organization (Sims, 2003). Trevino, Brown, and Hartman (2003) suggest, based on their field surveys, that executive ethical leadership increased employee commitment and decreased unethical conduct in the workplace. This was clear from the

data in this study. For instance, Kim takes pride in the company and leadership and stated,

I am happy I can be proud of the company I work for. I know the CEO on down, ethics and environmental issues are key items for a lot of people. I personally believe in integrity and letting yes' be yes's and no's being no's and not a lot of in between.

Andy noted,

...the tone at the top is even more important than the policies and procedures. I think it is critical. I think people follow their leaders, they follow their leaders actions...I think the tone sets very important bedrock for the whole compliance program.

Tom suggested,

I think it largely is the culture and the belief that management actually is making sure that when they find people doing things they shouldn't be doing, making sure it stops. That requires excellent ethics from the top down and we've been fortunate, I think, in having very, very, good leadership in the company.

Thomas (2008) maintains that leadership can either enhance the ethical culture or dilute it depending on the characteristics of leadership. Brown et al. (2005) suggests that leaders who demonstrate appropriate conduct through their personal actions, interpersonal relationships, and communication with their followers according to the norms of the organization promote an ethical culture. He also points out that research shows that employees' perceptions of their supervisors' ethical leadership was

determined by how comfortable the employees were when reporting problems and how dedicated to and satisfied with the supervisor the employee was.

According to Trevino et al. (2006), norms, peer behavior, leadership, reward systems, climate and culture become important in an organizational context to shape attitudes and behaviors of employees that are embedded in the culture both symbolically and physically. Weaver, Trevino, and Agle (2005) suggest that “ethical role-model relationships require relatively close interaction with the role model, despite the organization’s efforts to highlight an executive’s stance towards ethics” (p. 967).

Further, Bandura’s (1977) perspective of learning in an organization has its origins in social learning theory. He suggests that learning can occur through observation of other people’s behavior and its consequences. The social perspective implies that individuals are social beings who together construct an understanding of what they have around them, and learn from social interaction within social systems such as an organization. Interaction and communication among individuals generates organizational learning.

Implications for Practice

This study has several implications for the practice of HRD. This study confirms and elucidates the increased responsibility HRD professionals are assuming in the administration and implementation of ethics training and in the development of ethical cultures. They are clearly primary advocates and resources for helping employees learn ethics in an organization, and thus in building a more ethical organization.

The first implication for HRD professionals is the recognition that many organizations are using online ethics and compliance training to educate employees on

the company's ethics and compliance expectations. This, by itself, is not enough. The findings of this study suggest that online ethics and compliance training served as (a) a mechanism to convey the formal policies and procedures and behavioral expectations of the company and (b) as a foundation on which employees can build and continue to use as their learning becomes increasingly self-directed. Self-directed, informal and incidental, and experiential learning were actually the primary ways employees learned ethics in the workplace.

This knowledge of how employees learn ethics and compliance in the workplace is significant to the practice of HRD. First, HRD must recognize the value of online training without regarding it as the sole source of teaching employees about ethics and compliance in the workplace. There *is* value for on-line training in organizations. It provides formal training, allows for employee flexibility in under-going the training, 24-7 access to training materials, and employees can self-pace themselves. The *sustained* benefit of the online ethics and compliance training in this company was that it became a critical resource for the employees *after* they had completed the program. The employees routinely revisited these on-line modules throughout the year as they needed them. This has important design implications as these modules as these findings highlight how important it is that these modules are designed in ways that facilitate this continual revisiting and reflections. Another implication related to online training is that HRD professionals must be actively involved with the ethics and compliance committee in the organization to ensure the online materials are accurate and presented in interesting ways to help engage employees in their learning.

With this knowledge of the importance that online training has in an organization, HRD professionals can engage in specific learning activities that can help HRD improve the quality and effectiveness of these types of programs such as participating in learning more about how to create effective online training programs, survey employees or organize a focus group to understand what they like and don't like about online learning and implement appropriate changes,

Further, this study confirmed that the primary ways the employees learned ethics was by being self-directed and engaged in informal and incidental and experiential learning. The organization's systems and culture were vital influences that promoted these types of learning. This is important for HRD professionals as they contribute in the development of systems that support the employees' informal and experiential learning at work. HRD professionals must combine their expertise of training, organization development, and career development to take that integrated and systemic approach to ensure that ethics is integrated throughout functions related to the employee lifecycle. This includes integrating ethics awareness and learning throughout employees' orientation and on-boarding (which could include face-to-face programs, online ethics and compliance training, and in-person visits with the Ethic and Compliance Officer as well as with HR HRD. In addition, socialization can be accomplished by providing ample ethics information in the work environment such as signage and encouraging leaders to talk openly about ethics in formal and informal settings. Clearly a key take-away from this study is that development of employees with regard to ethics is predominantly accomplished by engaging employees in relating ethics behavior and ethics standards of the company into their daily work. Further, performance reviews and succession planning

should, in part, be based on ethical behavior exhibited and documented when the employee encountered ethically gray areas in their work. These outcomes should be considered in the employee review process and as a key consideration for promotion. HRD professionals can take an active role in developing systems such as these and integrate them formally in the employee life cycle.

Lastly, HRD had a strong presence in this company, especially for employees seeking advice or counseling regarding ethics at work. It is important that HRD professionals realize that their advice and support influence employee behavior and setting precedent within the organization. It is vital that HRD professionals continuously reflect on their skills, knowledge, and subjectivities in order to stay current with ethics policies, norms, and awareness of their own bias that may influence their work. HRD professionals should also stay abreast of happenings in ethics in organizations by attending meetings of professional associations, participating in community ethics roundtables, taking ethics courses to understand ethics philosophy and applied ethics in a business environment, and conversing and exchanging ideas about ethics with other HRD professionals.

Implications and Recommendations for Theory and Research

There are three implications for theory in HRD. First this study addresses the gap in the literature related to how employees learn ethics. Although there is a large concentration of ethics research that explores ethical decision-making in various situations in the workplace, descriptive concepts and frameworks of the institutionalization of ethics process, and organizational performance linked to ethics, this study adds to the literature by illuminating how employees learn ethics at work through

the lens of adult learning and organizational development theories. In addition, many of the larger studies on ethics in organizations are quantitative in nature and report statistical information, which lacks this kind of thick, rich descriptions of learning ethics at work. Thus this study provided rich descriptions of how the participants learned and experienced ethics at work.

Second, this study provides empirical evidence to enrich and extend the frameworks used for instituting ethics in the workplace. Although the frameworks in the literature are comprehensive and reflect many of the criteria that are needed to institute ethics, these models are ambiguous or non-specific in addressing the learning component and nebulously use the term training as the catch-all for the way individuals learn ethics at work. This study surfaces other ways that individuals learn ethics at work by analyzing their experiences and closely identifying them with adult learning theories and strategies. This study provided concrete examples that illustrate how learning ethics took place in the company. These examples included formal on-line ethics and compliance training as the initial method to introduce the company's expectations for ethical behavior, ethical standards, and ethics compliance and regulations. Other informal and incidental ways of learning ethics were evident in the participants seeking advice from respected peers, HR, observing leadership, and artifacts in the work environment that promoted ethics at work. Experiential learning was evident in that the participants' experiences prompted them to either recall ethics principles of the company and apply them in the situation and/or prompted them to seek additional advice. Finally, self-directed learning was apparent in the use of the online training as a resource once the participant had completed the formal training.

Third, this study certainly highlights the importance of organizational culture and its influence on employee behavior and learning ethics, effective organizational systems, leadership, and collegial relationships that promote, support, and reinforce ethics in the workplace. Trevino (2007) states, “Overall, HR and ethics managers must focus on how cultural systems fit together or align in support of ethical conduct as a common goal” (p. 2).

Implications for Research in HRD

The findings of this study point to several recommendations for future research. First, this study explored how employees learn ethics in the workplace. This study took place in an organization that was awarded global honors as being an exemplary organization with regard to ethics in their particular industry. Research is needed in other companies or organizations with an exemplary reputation for ethics in order to enhance the reliability of this study and develop best ethics practices based on what we have learned about how employees learn ethics at work.

Second, out of the eleven employees, HRD professionals were not represented. This was not intentional. The HRD professional and staff had other commitments during the prescribed timeframe for interviews set by the organization. Research is needed to include the perspectives of HRD professionals and those employees that help facilitate employee learning of ethics. This is an important research area since HR and HRD professionals are being asked to serve on their organization’s boards, expected to help administer ethics and provide learning opportunities for employees in all different types of contexts and with a diverse population of employees with respect to gender, ethnicity,

and ageism and further, be concerned with resources available within the organization, and implications of a global economy.

Third, this study was limited to interviews only as a means to collect data about how employees learn ethics in the workplace. Additional research is needed using case study methodology in both ethical organizations and ethically challenged organizations to learn more about ethical or unethical cultures, ethical systems that work or don't work, observation of employee interactions in the workplace, review of documents, and artifacts in the work environment.

Fourth, several of the participants were of Indian and Asian descent. Some of their perspectives on ethics were described in a philosophical way connecting personal morals and ethics with how they behave at work. More research is needed to understand the cross-cultural differences and similarities of learning ethics at work and understanding how employees transfer their personal ethics and values from their home life to their work life. According to Bunch (2007) "...there is little recognition of entrenched values, beliefs, and assumptions that prevent effective training" (p. 145).

Fifth, more research is needed in the field of HRD in order to generate more knowledge and dialogue about ethics in the workplace in relationship to how HRD professionals are presently handling the added responsibility for promoting ethics in the workplace, and how HRD professionals are continuing to increase their knowledge-base in supporting ethics in the workplace. This is important because of the dwindling resources that some organizations are experiencing such as the lack of personnel to handle all the issues that arise in an organization both from proactive and reactive perspectives.

Further, this study has implications for research for understanding how HRD programs in higher education, continuing education, and through professional organizations prepare HRD graduates and practitioners to be competent to serve in leadership roles leading and managing ethics in the workplace.

Limitations

This study, like all research studies, has limitations. Creswell (2003) suggests that it is difficult to understand all the potential weaknesses in the proposal phase of research. Of course, one potential limitation (at least as perceived by some from the positivistic traditions) is that this is a qualitative study based on a small pool of purposefully sampled individuals. This method facilitated this inquiry about a specific topic in depth and captured information-rich data (Patton, 2001; Merriam, 1999).

Although this method served the purpose of this study, more can be learned about how employees learn ethics in the workplace by further qualitative studies with increased and/or more diverse sampling.

The second limitation is that interviews were the predominant form of data collection and, although attempts were made, other forms of data collection (observation, document review, etc.) did not produce much usable data that would have helped to potentially triangulate the findings. The third limitation was the inability to fully benefit from member checks. Summaries of each interview based on the transcript should be sent instead of a refined transcript. A better method of following-up after the transcripts have been sent was needed. Future research must ensure that participants understand the importance of member checks in providing reliable conclusions.

Finally, this study is limited by the extent to which my skills as an emerging researcher affected the data collection and interpretation. While I took steps to ensure a high quality study, that this was my first study certainly could have affected its quality.

Chapter Summary

This chapter presented a summary of the research study, conclusions, and implications for theory, research, and practice, and recommendations for future research in the field of HRD. An interview guide was used in the process of interviewing eleven employees, employed by a company that has been awarded ethics honors 2007, 2008, and 2009. Participants conveyed the different ways they believed they learned ethics at work. Using Ruona's (2005) four-stage model to analyze the data, four categories emerged based on the numerous themes.

The findings resulted in three conclusions: (1) Self-directed learning is critical to learning ethics at work informal and incidental, experiential learning, and self-directed learning are the primary modes of learning ethics at work, (2) Organizational systems are vital in supporting and solidifying learning ethics, especially as learning becomes more self-directed, and (3) An organizational culture that actively promotes ethics clearly fosters continued and enhanced learning around ethics. Employees learned ethics through social and cultural influences, role modeling by senior leaders, directors, their teams and managers. Peer conversations regarding ethical dilemmas and resolution strategies were another way employees learned ethics experientially, informally and incidentally. Further the organizational traits of the company promote to exemplary work ethic, trust, respect, transparency, and honest communication. Employees learned ethics by observing the ethical and unethical behavior in the workplace.

Implications to research and the practice of HRD include additional research using an interpretive qualitative design and methodology to determine the reliability of this study. Also, research is needed that includes a larger sample including HRD professionals and staff in organizations that are recognized as being exemplary in ethics and in organizations that display a lack of formal ethics programs and activities. Further, the knowledge gleaned from this study will help elucidate strategies for creating, implementing, and managing strategies for practice and encourage continuing education for HRD professionals in the area of ethics in the workplace.

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ENDNOTE

¹ In this article we are asserting the critical role of human resource professionals (HR, HRD, and OD), acknowledging that the lines of distinction between these traditionally soloed functions continues to blur. In many organizations, HR is the umbrella for the functions of HRM, HRD, and OD and the strategically proactive work of these processes crosses over functionalized lines that used to exist between these three professions (Ruona & Gibson, 2004). While throughout the rest of the article we will focus primarily on the role of HRD professionals, we do so with the caveat that a strategic approach to ethics in organizations *demands* a coordinated HRM/HRD/OD system.

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APPENDIX A

CONSENT FORM

I, _____, agree to participate in a research study titled **How Employees Learn Ethics in the Workplace** conducted by Marianne F. Foote from the Department of Life Long Learning, Administration, and Policy at the University of Georgia (770-814-9512) under the direction of my advisor, Dr. Wendy Ruona, Department of Life Long Learning, Administration and Policy at the University of Georgia (706-542-2214). I understand that I can ask to have all of the information about me returned to me, removed from the research records, or destroyed without penalty or loss of benefits to which I am otherwise entitled.

I understand the reason for this study is to explore, from my perspective, how I learn ethics in the workplace. I understand I will be participating in a digital audio-taped 60 minute interview on-site which occur in a private room setting and one 30 minute follow-up interview via e-mail or phone. I understand that my anonymity will be preserved; during and after the study takes place and all records will be securely stored by the researcher and destroyed December 2009.

Potential Risks:

I understand that any whistle-blowing or reports of unethical conduct comments could potentially create a harmful situation for participant (e.g. something that needs to be reported and could be subject of investigation by my organization).

I understand that I am agreeing by my signature on this form to take part in this research project and understand that I will receive a signed copy of this CONSENT FORM for my records.

Name of Researcher: Marianne F. Foote

Contact Information:

Phone#: 770-814-9512 cell# 678-641-0743 e-mail: mffoote@bellsouth.net

Signature: _____ Date: _____

Name of Participant:

Contact Information:

Phone#: _____ cell # _____ e-mail: _____

Signature: _____ Date: _____

Please sign both copies. Keep one and return one to Marianne F. Foote (researcher). Additional questions or problems regarding your rights as a research participant should be addressed to The Chairperson, Institutional Review Board, University of Georgia, 612 Boyd Graduate Research Center, Athens, Georgia 30602-7411. Telephone (706) 542-3199; E-Mail address IRB@uga.edu

APPENDIX B

HOW EMPLOYEES LEARN ETHICS IN THE WORKPLACE

Interview Guide (Used For all Participants)

Research Question: How do employees learn ethics in the workplace?

Questions that inform study:

- (1) In what ways do employees learn ethics in the workplace?*
 - (2) How do employees use what they have learned about ethics?*
-

Q1: How long have you worked here?

- Tell me about what your role at this company and the types of responsibilities that you assume in the organization?
- This company has been highly regarded as an exemplary organization for their demonstration of ethics and corporate citizenship. What does it mean to you to be part of a highly regarded ethical organization?
- There has been much discussion about ethical cultures and how organizations are institutionalizing ethics. What are some of the ways this company promotes ethics in the workplace?

Q2: As you know, learning is almost always a process, how would you describe how employees learn ethics in the organization?

- How are ethics related programs and activities administered in the organization?
- How do employees learn about ethical standards and codes of conduct here?

I would like to transition now into more personal scenarios regarding what you have learned about ethics and situations in the workplace where you have applied what you have learned. But first, tell me....

Q3: Tell me about the meaningful programs or activities that you have participated in to understand company ethics.

- What was the primary lesson/or lessons you learned from your experience?
- Describe any changes in you, personally, as a result of this experience.
- Tell me about a time when you were able to use what you have learned as a result of your experience?
- Explain why you chose to address the situation in this manner.
- Tell me about another situation where what you learned about ethics helped you decide what your actions or decisions should be.
- What advice did you seek in the company to help you in this situation? How were you able to use what you have learned and the resources at the company?
- How did your personal beliefs in ethical behavior enter into your decision?
- Let's explore another situation that you experienced in the workplace that called upon your knowledge of ethics.
- Describe how the previous situation may or may have not, helped you in particular situation.
- Use similar probes used in Q2.

Q4: You are probably aware that there are many ways that employees can learn. Think about a time where you learned about ethics without attending a required program or activity about ethics here.

- Describe specifically how you felt when you realized learning took place with regard to ethics and your behavior.
- Figuratively speaking how did learning about ethics and the application of ethics get from point A to B?

Q5: Has anyone in the organization ever mentored you or coached you regarding ethics at this company?

- Tell me a time when others helped you understand ethics here... such as a as your supervisor or manager, peer, HR or anyone else.

Q6: Tell me about the “shoulds” in respect to ethical behavior in the workplace.

- What resources are available to you to help you learn what the organization's expectations are?
- Tell me about the types of things or people who help support an ethical culture and promote ethics in the workplace.
- Describe the systems and structures that are in place at SA to promote an ethical culture.

Q7: How you would advise others to learn ethics in the workplace?

- Why did you choose these particular ways to advise others to learn about ethics?
- What are the other ways to learn ethics you did not recommend? Why?

APPENDIX C

STATEMENT OF SUBJECTIVITY

First, I believe trust is an essential component in human relationships and partnerships and is developed over time. Trust is defined as “assured reliance on the character, ability, strength, or truth of someone or something” (*Merriam-Webster’s Dictionary, 1999, p. 1269*). In my adult life, trust has become one of my most serious beliefs. I have been married for twenty-eight years to the same person whom I consider my best friend. Trust and faith in each other have been the foundations in our relationship. I mention this because I believe in an organizational context that trust is a critical factor in building relationships and working together similar to a good marriage. This assumption about trust in an organization could influence my study in the questions I pose to the participant’s and in follow-up questions. Further, this assumption could come across in my non-verbal communication, interview style, tone of voice, or the words I select.

I believe, in part, my interest in ethics in the workplace has stemmed from by personal beliefs. Although my work experiences were favorable regarding experiencing good relationships built on trust, there were always a few individuals in the organization that held negative attitudes and were untrustworthy. These people were hard to work with because of the lack of trust. Questions I would have regarding these types of people were whether they would get their part of the job done and do it without acting in an unethical manner. These same people had a tendency to misrepresent or lie to frame their work. My tolerance for people who cannot be trusted is limited. As a researcher studying the

process of institutionalizing ethics in the workplace, I must be cognizant of my assumptions about trust so that I am not perceived by the participant's to be judgmental or assume there is more meaning to the participant's disclosures.

Secondly, with regard to individuals in organizations, an assumption I hold is that an individual is honest and trustworthy until he/she proves differently. I believe the same sentiment holds true for organizations. Although the organization I have selected is known for their attention to ethical practices in the workplace, I would like to make the point that organizations with leaders proven to be dishonest; it is difficult for those who are affiliated with the person or organization to give unconditional trust.

The rash of corporate scandals in the United States has diminished society's confidence and respect for the lack of integrity exhibited by corporate leadership. This has resulted in the public's general sense of distrust for corporations. Consequently, the observed unethical behavior of leaders has placed emphasis on implementation of ethical controls and the push to institutionalize ethics in organizations. As a researcher, I will be cognizant of the dangers in projecting my personal feelings of distrust for corporate America or belief that all companies have hidden agendas and focus on the employee as the learner in the organization.

Thirdly, coming from a lower middle class background, I have always valued education and work ethic. Earning my way through undergraduate school taught me to work hard and opportunities would present themselves. This value has caused me to instill in my son to not be afraid to go above and beyond what is expected. Work ethic can also be related to working at achieving amiable relationships, and working to achieve an organization's mission and goals.

Finally, my interest in organizational ethics and how employees learn ethics has developed recently through my exposure to ethics in my coursework at the University of Georgia. In my previous positions as an administrator and program director, ethics was not a topic that was talked about, encouraged, or discussed as an organizational value or expectation. The topic of ethics, for me at least, was an assumption that organizations inherently would value ethics.

During the time I was in the workforce there were companies and people in the United States that were being singled out for unethical wrong doing. Observing corporate scandal through the news media over the past twenty years have made me very conscious about ethics in the workplace and how an employee learns ethics at work and how is learning ethics supported by the organization.

Since the aim of this study was to understand how employees learn ethics in the workplace, I believe that I will be less likely to pass judgment on individual values and focus on describing how these employees perceive they learn ethics at work.

APPENDIX D

CODING SCHEME

Ethics in the Workplace**10000 Institutionalization of Ethics Indicators**

- 10100 Leadership Presence
 - 10110 Role-Modeling
- 10200 Support Systems
 - 10210 Hotline, Compliance Officer, HR
- 10300 Employee Accountability
 - 10310 Reviews include Ethics Component
 - 10320 Mandatory Ethics Training
- 10400 External Influences
 - 10410 Global Ethics

11000 Philosophical Perspectives

- 11100 Individual Reflections on Personal Ethical Behavior at Work
- 11200 Transfer of Morals/Values/Ethics from Home to Workplace

12000 How Employees Learn Ethics at Work

- 12100 Formal Learning
 - 12110 On-line
 - 12120 In-Person Training
- 12130 Informal Learning
 - 12131 Mentoring/Coaching
 - 12132 Signage/Postings in Work Environment
- 12140 Incidental Learning
 - 12141 Discussions/Debates
 - 12142 Observation
- 12150 Experiential Learning
 - 12142 Learned ethics as an outcome of situation/experience
- 12160 Transformational Learning
- 12120 Employees' Preference to Learning Ethics at Work

13000 Organizational Culture

- 13100 Work Ethic & Ethical Behavior

13200 Characterization of Company
13210 Type of Business
13211 Retention of Employees