

Influence of Ethical Orientation of HRM on Ethical Decision-Making in Organizations: Research Gaps Identified towards a Conceptual Model

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Abstract

This article argued how Ethical Orientation of HRM (EOHRM) could influence Ethical Decision-making (EDM) in organizations, by bridging the identified research gaps. EOHRM is a new concept in HRM literature. It is ?the extent to which HRM functions have been directed to create, enhance and maintain ethicality within employees, to generate an ethical work force in the organization?. Unethical decision-making and immoral behavior of employees in organizations have become a serious global concern for over three decades. Unethical decision is a decision that is either illegal or morally unacceptable to the society, which could impact on the behavior of employees. The role of HRM functions on organizational performance had received much scholarly attention over the years. Despite its significance in contributing towards the organizational performance, theoretical or empirical research conducted on its impact on EDM are limited.

Index terms— ethical orientation, HRM functions, ethical decision-making, research gaps.

1 Introduction

In ethical decision, is a decision that is both, legal and morally acceptable to the larger society ??Jones, 1991, p.367)". Thus, 'ethical decision' is the fine line between ethical and unethical behavior of an employee at work. Growing unethical behavior of employees at work and their negative consequences to the organization, economy and the society at large, had become a global issue over the past several years. Increased media attention worldwide had exposed many frauds and corrupt incidents of employees in business organizations. For more than 30 years, researchers are trying to understand why employees behave unethically at work (Kish-Gephart et al., 2010). Thus, research on business ethics and EDM have received much scholarly attention over the period to find logical solutions to this global concern. Issues relevant to 'unethical decision-making and corrupt behaviors of employees' became stimulating research topics among researchers in HRM-Ethics, Human Resource Development etc., in the recent past (Ardichvili & Jondle, 2009;Debode et al., 2013;Thite, 2013;Antonakas et al., 2014;Arulrajah, 2015). Corrupt business practices and frauds have been identified as a growing concern in many countries, in both, developed and developing economies (Antonakas et al., 2014). According to Lado and Wilson (1994), HRM is a set of unique activities, functions and processes that attract, direct and maintain an organizations human resource. Hence, HRM has a critical role to play in creating an ethical workforce in the organization, in order to ensure EDM and ethical behavior of employees at work.

According to ??eyer (2004), many studies in business ethics had identified that, ethical issues are occurring as a result of ethical ignorance, ethical failure or evil intent. There is no doubt that, the business organizations should commit to create an ethical organizational context, to address this concern. Hence, research on EDM had increased sharply over the period, attempting to find solutions to this critical issue (e.g., Ferrell and Gresham, 1985;Trevino, 1986;Ferrell et al., 1989;Dubinsky and Loken, 1989;Jones, 1991;Richardson, 1994;Loe et al., 2000;O'Fallon and Butterfield, 2005;Craft, 2013 andLehnert et al., 2015).

4 A) PROBLEM STATEMENT

44 In a recent meta-review ??Lehnert et al., 2015, p. 195) which summarized the findings of about 400 empirical
45 research on EDM, scholars noted that many studies over the past three decades had identified number of conditions
46 and factors that influence the EDM process of employees in organizations. Despite a large volume of scholarly
47 research over the period, theoretical or empirical studies on how ethical orientation of HRM (EOHRM) functions
48 would impact the EDM process in organizations, were found to be none. Further, research on the influence of
49 mediators or/and moderators on the link 'EOHRM and EDM' were also not explored. The article attempted to
50 bridge this theoretical and empirical research gap in HRM and EDM literature, firstly, by identifying research gaps
51 in EDM in organizations. Secondly, based on the identified research gaps, to propose an integrated conceptual
52 model for EDM in organizations, to empirically investigate the impact of EOHRM on EDM, with the interaction
53 effects of three variables: Ethical Attitude, Ethical Competence and Personal Character of employees.

54 2 II. Background of the Research Problem

55 In spite of increased scholarly attention and sophisticated ethical mechanisms implemented in organizations to
56 promote EDM and prevent unethical/corrupt behavior of employees, high impact scandals in the business world
57 is a common occurrence. For example, two such recent incidents as reported by the 'FORTUNE' (Fortune.com)
58 are:(i)

59 3 Volkswagen

60 Company Emissions Scandal-The Company fitted software on millions of cars to make them more environmentally
61 efficient than they were, and mislead the Environmental Protection Agency's emissions testers. (ii) The Toshiba
62 Company Accounting fraud -the Company overstated their profits by about US\$ 2 billion in the past seven years.
63 Due to the Organizational Culture in the Company, the management decisions could not be challenged, and the
64 employees were forced to follow inappropriate accounting methods.

65 Recently, the USA Justice Department had exposed the settlement amounts of top ten largest global business
66 corruption cases occurred in the USA. A sum of about US\$ 3.80 billion has been paid as settlement charges by ten
67 prominent multinational companies operated in the USA (thefiscaltimes.com). All these top ten corruption cases
68 were accused of being engaged in bribery, to win business contract in the USA. In addition to the above massive
69 financial frauds, abuse of global physical resources, violation of human rights, child labor, aggressive behavior
70 towards competitors and unfair, immoral marketing practices have received much global attention in the recent
71 past. Ethical dilemmas are characterized by complexity and ambiguity, and carry with them high-stakes of
72 implications for individuals and organizations alike (MacDougall et al., 2014).

73 The Sri Lankan business context is of no exception to the above global context, when it comes to the unethical
74 and corrupt behavior of employees and business organizations. Many corrupt and unethical behavior of employees
75 in business organizations have been highlighted in the local media over the past many years. Collapse of the
76 Pramuka Bank, swindling of money of depositors by the Golden Key Company and the Sakviti Group are
77 examples from the past. The recent such corrupt behavior of employees reported in the local media was the HSBC
78 Bank's 'white-collar' scam, where five senior managers have been sacked after an investigation into allegations
79 of manipulating incentives-linked performance figures (sundaytimes.lk/ June 19, 2016). Therefore, as Trevino
80 (1986, p. 601) noted, "uncertainty is a fact of complex, dynamic organizational life and ethical issues are ever
81 present in uncertain conditions, where multiple stakeholders' interests and values are in conflict and laws are
82 unclear".

83 4 a) Problem Statement

84 Literature revealed that, unethical decisionmaking and corrupt behavior of employees in organizations challenge
85 the ethical nature and stability of business organizations, drawing immediate attention of scholars/researchers
86 for more theoretical and empirical studies on HRM and organizational ethics. HRM could play a vital role in
87 promoting ethics in an organization (Arulrajah, 2015), and the ability to influence ethical behavior of employees
88 is vastly depending on the status of the HRM functions of an organization (Foote, 2001). However, scholars
89 argued, the role of HRM in ethics is still unclear (Maxwell & Beattie, 2004), hence studies on ethics in HRM and
90 HRD are still limited (Thite, 2013). The HRM functions (recruitment and selection; training and development;
91 performance appraisal; pay and reward management and employee relations) can play an instrumental role in
92 creating an ethical culture and climate in the organization ??Parboteeaha et al., 2014). However, the existent
93 literature in HRM does not include theoretical or empirical studies that investigate, how ethically oriented HRM
94 functions could impact on EDM and behavior of employees, in order to generate an ethical workforce in an
95 organization, to address the above global concern. Hence, the following research problem was formulated for
96 this study: "What is the impact of Ethical Orientation of HRM on Ethical Decision-making, through identified
97 mediators and moderator, in creating, enhancing and maintaining ethicality within employees in organizations?"
98 III.

99 5 Methodology

100 The overall objective of this article is to identify current research gaps of EDM in organizations, for future
101 systematic empirical investigation. Existent literature in HRM functions, Ethics, Business Ethics, decision-
102 making and EDM were reviewed using the archival method recommended by ??ranfield et IV.

103 6 Literature Review

104 To understand the influence of EOHRM on EDM and identify research gaps in EDM, it is important to first
105 understand the nature and principles of the concepts: ethics, HRM, EOHRM and EDM. Ethics: Scholars have
106 defined ethics in many ways. Oxford Advanced Learner's Dictionary defined 'ethics' as a branch of knowledge
107 that deals with moral principles. They stated that, moral principles govern individual or collective behavior.
108 According to the Collins English Dictionary, ethics is the study of moral values of human conduct and principles
109 that rule them. An early scholar, Byars (1992), cited in Opatha (2010) argued that, ethics is connected to
110 decision-making behavior of individual or groups. Armstrong (2012)

111 7 b) Ethical Orientation of HRM (EOHRM)

112 EOHRM is relatively a new concept and it had not been discussed until very recently (De Silva & Opatha, 2015; De
113 Silva, Opatha & Gmage, 2016). There is an ethical dimension embedded in the HRM functions of an organization
114 (Armstrong, 2012; ??oxall et al., 2007; Greenwood, 2002; Winstanley & Woodall, 2000; Luthans, 2013). In order
115 to maintain justice, fairness and well-being towards its stakeholders, an organization should perform its HRM
116 functions ethically (Armstrong, 2012). This is to exercise social responsibility, or to be concerned with the well-
117 being of employees, and take ethical decisions towards the needs of employees and the community (p. 100). In
118 other words, to take ethical decisions and behave ethically in organizations.

119 In addition to being concerned on the above aspect, it is equally important to focus the scholarly attention
120 on other possible aspects of the ethical dimension of HRM. This is vital to address the recurring global issues
121 on corrupt behaviors of employees at work. The critical, yet to explore aspect of the ethical dimension of HRM
122 is its novel aspect, EOHRM, or 'the extent to which HRM functions have been directed to create, enhance and
123 maintain ethicality within employees, to generate an ethical work force in the organization'.

124 text books, research articles, conference proceedings and edited book chapters, published during 1985 to
125 2015. Online databases: JSTOR, Springer Link, ScienceDirect.com, Wiley online library, sagepublications.com,
126 Emerald Insight, Taylor and Francis company journals, were used to search articles in EDM published in refereed
127 journals, using key words or combination of the key words of the topic. Reading through the abstracts of about
128 100 research articles, few edited book chapters and text books on the above subjects, authors selected about 60
129 key research articles, including five meta-reviews on EDM and few edited book chapters, directly relevant to the
130 research topic to study in detail. The selected five meta-reviews in EDM included results of about 450 empirical
131 research articles on EDM. The selected literature was systematically reviewed to achieve the following objectives:

132 In this study, authored developed a working definition to 'ethics': 'Ethics are the philosophical study of
133 morality, or the study of moral beliefs and rules/obligations about the distinction between right and wrong, or
134 good and bad behavior/conduct of individuals or group'.

135 Hence, definition of 'ethics' is linked to 'moral principles and values', which governs the human behavior or
136 conduct (individual/collective), on what is right and wrong or what is good and bad. The word 'morality' means,
137 the principles of right and wrong, or what a person should do in order to conform to society's norms of behavior.

138 Therefore, the concept EOHRM, is related to enhancing ethicality, or moral principles and values of employees
139 in organizations. Thus, when directing HRM functions (acquire, develop, retain), HRM should incorporate ethical
140 criteria in the measurers, in order to enhance ethicality within employees, and generate an ethical workforce.
141 'Ethicality' is derived from the word 'ethical', which means the moral beliefs and rules or obligations about
142 the difference between right and wrong, or good and bad behavior or conduct of individuals or groups. This
143 process involves functional incorporation of ethics into the HRM framework. This is in contrast to performing
144 HRM functions ethically towards the well-being of its stakeholders, or the 'social' aspect or the CSR-HRM of the
145 ethical dimension of HRM.

146 In order to generate, enhance and maintain an ethical workforce, the future employees' knowledge, skills and
147 attitudes should be complimented with ethical values or moral principles. A good Personal Character, and high
148 moral standards are two crucial attributes that an individual should possess, in order to create, enhance and
149 maintain ethicality within the person. HRM functions has a bigger role to play in this major task. Hiring
150 process is the beginning of possessing an ethical work force in an organization. For example, when acquiring
151 new employees to the organization, HRM should act attentively to attract, select and hire ethical candidates to
152 the organization, as the initial step in making an ethical work force in the organization. To achieve this goal,
153 HRM should include ethics screening criteria to the process of 'Acquiring' or to its relevant HRM functions: job
154 analysis, recruitment, selection, and induction. Authors constructed a working definition for EOHRM, based
155 on the definitions of ethics, HRM, and the above understanding on EOHRM: Working Definition of EOHRM:
156 "EOHRM is the extent to which HRM functions have been directed to create, enhance and maintain ethicality
157 within employees, in order to make an ethical work force in the organization".

13 OBSERVATIONS:

158 EOHRM has been operationalized under three dimensions: (i) Acquire; (ii) Develop and (iii) Retain. The
159 dimensions are further divided into elements, as specified below, based on popular scholarly HRM literature
160 (Opatha, 2009

161 8 c) Ethical Decision-making in organizations

162 "Decision making generally refers to choosing a course of action from several possible alternatives, in order to
163 achieve a goal or solve a certain problem" (Opatha, 2010, p.123). The Oxford Advanced Learner's Dictionary
164 defines a decision as 'a choice or judgment that you make after thinking and talking about what is the best thing
165 to do'.

166 An 'ethical decision' is "a decision that is both legal and morally acceptable to the larger community" ??Jones,
167 1991, p. 367). Many early researchers do not mention any substantive definitions for the terms 'ethical' and
168 'unethical' (Ferrell and Gresham, 1985; Trevino, 1986; Hunt and Vitell, 1986; and Dubinsky and Loken, 1989, as
169 cited in Jones, 1991). This had raised concerns among early researchers, when trying to define ethical behaviour
170 (Cavanagh et al., 1981; Beauchamp and Bowie, 1983; ??nd Jones, 1980, as cited in Jones, 1991)."An understanding
171 of ethical decision-making in organizations is important to the development of organizational science (Trevino,
172 1986, p. 601)". "In the present organizational context, where companies are faced with intense competition,
173 increased productivity goals and cost-cutting challenges, many employees feel pressured to cut corners, break
174 rules, and engage in other questionable practices" ??Robbins et al., 2013 p.24). Very often employees are faced
175 with 'ethical dilemmas and ethical choices', in which they are supposed to identify right and wrong conduct.
176 That is, if the employees discover illegal activities in their organization, should or should not they decide to
177 tell the authorities concerned (blow the 'whistle' or not)? Do they have to follow unethical orders with which
178 they personally do not agree? Should they give inflated performance evaluations to a subordinator to save the
179 employee's job? and so on. When faced with a complex ethical dilemma and ethical/unethical choices, the
180 decision employee makes which is 'ethically appropriate' is considered as an 'ethical decision'. In other words,
181 making an ethically appropriate decision is 'choosing a course of action from several possible alternatives, which is
182 in line with the moral beliefs and rules or obligations with regard to right or wrong'. An ethical decisions emerge
183 out of dilemmas that cannot be managed in advance through rules ??Clegg, et al., 2007, cited in Armstrong,
184 2012). "Ethical decision-making (EDM) is the process of evaluating and choosing among alternatives in a manner
185 consistent with ethical principles" (Making Ethical Decisions -Process, May 4, 2016). In the EDM process, it
186 is important to observe and eradicate unethical options and select the best ethical alternative. Based on the
187 above understanding and the scholarly definitions, the authors constructed a working definition for EDM for this
188 study: "Ethical decision-making is choosing a decision among several possible alternatives, which is in line with
189 the moral principles and is legally and morally acceptable to the larger community".

190 9 d) Key research on individual ethical decision-making in 191 organizations

192 Many researchers have introduced number of EDM models to explain how individuals would make decision in
193 organizations (Ford and Richardson, 1994). This article focused on few key research articles, including five
194 meta-reviews on EDM, published over the past three decades (Kohlberg, 1969; Hegarty and Sims, 1978; Ferrell
195 and Gresham, 1985; Trevino, 1986 Argued, "unethical decision-making is a combination of personality, cultural
196 and value orientation, and environmental rewards and punishments" (p. 451).

197 10 Observations:

198 -Model discussed personality, and not the Personal Character of an individual.
199 -Does not explain the influences of Personal Character of decision-maker on EDM or un/ethical behavior.

200 11 Ferrell and Gresham

201 12 1985

202 -Proposed a contingency framework (a multi-stage model).
203 Identified three factors that influence the decisionmaking of an individual: EDM is also contingent on moral
204 intensity (MI) of the ethical situation.
205 Issues high in MI are probable to have a greater influence on the EDM process than the ones low in moral
206 intensity.

207 13 Observations:

208 -Model depends on Rest (1986), to explains how MI influences on EDM.
209 -It investigated how factors of 'MI' influence the EDM process, but had ignored the influence of ethical issue
210 itself on the four steps.
211 -Model does not explain how morality of an individual influences EDM.

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214 15 e) Key research gaps in Ethical Decision-making (EDM)

215 The above literature (Table 1) included a substantial amount (over 400 researches) of important theoretical
216 and empirical research findings in EDM, conducted over the past 30 years. Through a detailed analysis of the
217 literature, authors identified sixkey research gaps in EDM in organizations, based on the influence of EOHRM.
218 The gaps are discussed in detail, and finally directed towards an integrated conceptual model in EDM, towards
219 future empirical research.

220 16 Gap 1 : The influence of Ethical Orientation of HRM on 221 Ethical Decision-making in organizations

222 According to the existent research findings (Table 1 Marked drop in studies investigating moral behavior on EDM
223 (Craft, 2013;Lehnert et al., 2015).

224 More future research needed on interaction effects (moderators and mediators) on EDM as only 8% of the
225 total studies have investigated such effects.

226 17 Observations:

227 -A very comprehensive meta review on EDM research.

228 -Previous meta-reviews have only focused summarizing results, under Rest (1986) model four stages of EDM
229 process.

230 -In contrast, this meta-review had identified moderators (30 studies) and mediators (23 studies) that influence
231 the EDM of individuals in organizations.

232 -It had highlighted key statistical and methodological concerns and trends in EDM research, which is a great
233 contribution to EDM literature.

234 -A good contribution for future research on EDM.

235 18 EOHRM EDM

236 intensity, intent and behavior) as in Rest (1986), Moral Intensity of a moral situation as in Jones (1991). Further,
237 the five meta-reviews (Table ??) analyzed over 400 articles on EDM and identified number of factors that influence
238 EDM in organizations. However, none of the existing studies have explored the influence of EOHRM on EDM in
239 organizations. There are no theoretical arguments or empirical findings which suggested a relationship between
240 EOHRM and EDM. It revealed that, the influence of EOHRM on EDM has neither been theoretically argued
241 nor empirically tested in the local context, probably in the global context. EOHRM is a new concept in HRM
242 literature, and it is 'to direct HRM functions to create, enhance and maintain ethicality within employees, in
243 order to make an ethical work force in the organization'. There is no existing research on how ethically oriented
244 HRM functions in major HRM fields (acquire, develop and retain) would influence EDM of employees at work.
245 Since it is a novel concept in HRM, the influence of EOHRM on various other constructs, including EDM, has
246 not been theoretically or empirically investigated in the existent literature, locally or internationally. Hence,
247 the influence of EOHRM on EDM in organizations has been considered as the main research gap in this article.
248 Based on this argument, authors identified further research gaps in EDM in organizations.

249 Gap 2 : Interactive effect of Personal Character of employee on the relationship of 'EOHRM and EDM'
250 According to the recent meta-review of EDM ??Lehnert et al., 2015, p. 198), "research during the past decade has
251 enriched the EDM literature by exploring relatively unexplored, but important moderators of the EDM process
252 ?, however, there is still a wide variety of moderators which need to be further investigated or validated to better
253 understand the EDM process." Supporting this scholarly view, authors identified that there are no theoretical
254 arguments or empirically tested results on the mediating or moderating effects of the 'Personal Character' of an
255 individual, on the relationship 'EOHRM and EDM'. In other words, there are no previous research conducted on
256 how the EOHRM and EDM relationship would be influenced by the 'Personal Character' of the employee in an
257 organization. Hence, there is a research gap with regard to the interacting effect (as a mediator/moderator) of
258 Personal Character of the employee, on the relationship 'EOHRM and EDM' in an organization.

259 Further, there may be number of other factors affecting the above link, EOHRM and EDM, as moderators or
260 mediators, which had not been captured under the existent literature (Table 1). However, authors considered the
261 'Personal Character' of an employee as a key influence on the above link due to its salient attributes, considered
262 important in this relationship. As Opatha (2010) argued, the totality of persistent moral qualities of a person is
263 reflected by its 'Personal Character'. Personal Character is defined as "a person's moral attributes" ??Opatha,
264 2009, p. 17). This is the "degree to which a person has virtues (e.g., honesty, patience, tolerance, respect) and
265 vices (e.g., greed, jealousy, anger, stinginess)" or, "it is a person's degree of morality and immorality (p.3)". The
266 attributes of virtues and vices further highlight the importance of the influence of Personal Character of the
267 employee in EDM. Hence, it is important to consider research gaps in EDM involving the Personal Character of
268 the employee or decision-maker in organizations.

269 **19 Gap 3 : The direct influence of 'personal character' of an
270 employee on EDM'**

271 There are no theoretical arguments or empirically tested evidence on a direct relationship between Personal
272 Character of an employee and EDM in an organization, specifically in the Sri Lankan context. In the international
273 context too, there are only a few research investigating the effect of different aspects of Personal Character
274 (benevolence, empathy, compliance, retaliation, intelligence, self-control) of an individual on EDM (Lehnert et
275 al., 2015). According to the existent research and meta-reviews on EDM (According to the literature (Table 1),
276 the indirect influence(as a mediator/moderator) of 'ethical attitude' of the employee on the link, EOHRM and
277 EDM, has neither been theoretically argued nor been empirically tested in the Sri Lankan context, and perhaps
278 in the global context, as EOHRM is a new construct. Hence, this is considered as a key research gap in EDM
279 literature.

280 Gap 5 : Interaction effect of 'Ethical competence of employees' on the relationship 'EOHRM and EDM'
281 Literature review identified that, there are no previous theoretical arguments or empirically tested results on the
282 interaction effect of Ethical Competence of employee' on the link, EOHRM-EDM. In this article the construct
283 'Ethical Competence of employee' has been operationalized under two dimensions: (i) Skills about ethics and
284 (ii) Knowledge about ethics. The analysis of the above literature revealed that, there are no previous theoretical
285 or empirical studies investigating the interaction effect of Ethical Skills and Ethical Knowledge of employees on
286 the relationship EOHRM and EDM in organizations. Bridging this research gap in EDM is very important, to
287 explore the EDM patterns of managers in business organizations. Hence, propose this as a key research gap in
288 EDM.

289 **20 Gap 6 :**

290 The influence of EOHRM on EDM, with total interaction effects of ethical attitude, ethical competence and
291 personal character of employees in organizations.

292 Literature (Table 1) identified that, no existent study had neither theoretically argued, nor empirically tested,
293 the influence of EOHRM on EDM, with the composite interaction effects of the three variables considered: ethical
294 attitude, ethical competence and personal character of employee. This gap in EDM literature exists specifically
295 in the local context, perhaps in the global context, as EOHRM is a novel concept in HRM literature. Hence,
296 authors consider this as a key research gap in EDM.

297 **21 f) Proposed Conceptual Model for EDM**

298 Based on the literature review (Table 1) and the above specific six research gaps identified, authors proposed an
299 integrated, Conceptual Model for EDM in organizations (Figure 1). It is a multi-level model with five variables:
300 EOHRM, Ethical Attitude, Ethical Competence, Personal Character of employees and EDM in organization. In
301 this model, the three variables: Ethical Attitude, Ethical Competence and Personal Character of employees are
302 proposed as mediating variables, that could influence the direct relationship between EOHRM and EDM.

303 An 'attitude' has a significant impact on human behavior (Opatha, 2015). Dunham ??1984), cited in Opatha
304 (2015, p. 74) identified that, an 'attitude' has three different components: Cognitive (beliefs), Affective (feelings)
305 and Behavioral (intention to behave in a particular manner). Robbins & Judge (2013) too had a similar view as
306 they argued that, an 'attitude' is an evaluative statement/judgement about objects, an individual or an event,
307 and it is made of three components: cognitive, affective and behavioral.

308 **22 EOHRM**

309 Ethical Attitude EDM EOHRM Ethical Competences EDM

310 **23 Research Limitations**

311 This study was limited to identifying the direct influence of EOHRM (acquire, develop, retain) on EDM, with
312 mediating or moderating effects of three variables only: Ethical Attitude, Ethical Competence and Personal
313 Character of employees. There may be other individual, situational and external variables etc., directly or
314 indirectly influencing the link, EOHRM-EDM. Hence, based on other factors, there may be different theoretical
315 and empirical research gaps in EDM in organizations. This fact is considered as a limitation in this study.

316 **24 VI.**

317 **25 Conclusion**

318 The study reviewed key research articles on EDM, including five meta-reviews, published in refereed journals
319 over the past 30 years. Authors identified six theoretical and empirical research gaps in EDM in organizations, in
320 global and Sri Lankan context. Most of the previous EDM models were based on the four stages of EDM process,
321 introduced by Rest (1986): awareness, judgment, intent and behavior. In contrast, the proposed EDM Model
322 is based on six specific research gaps identified through existent literature on EDM, based on a novel concept,
323 EOHRM. Based on the findings, this article proposed a multi-dimensional, integrated conceptual model for EDM

324 in organizations. The existent literature has not investigated the influence of EOHRM on EDM. Hence, there is
325 much potential in theoretical and empirical research in EDM, to explore the interacting effects of various factors
326 on the relationship, EOHRM and EDM. Further, authors proposed three mediating variables: Ethical Attitude,
327 Ethical Competence and Personal Character of employees, on the relationship between EOHRM and EDM in
328 organizations. The identified six research gaps on EDM would formulate research questions, research objectives
329 and relevant hypotheses, in order to guide empirical research in the future. This article adds new theoretical
330 knowledge to HRM, OB and EDM literature and has value in future research in EDM.

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Figure 1: Table 1 :

332

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³Influence of Ethical Orientation of HRM on Ethical Decision-Making in Organizations: Research Gaps Identified towards a Conceptual Model

MacDougall 2014 Conducted a review and

et al., a critique

the

Progression of prominent theories in literature.

EDM

Identified models/theory on EDM: Development Approach to EDM (Kohlberg, Rest 1986); Person-Situation Interactionist to EDM (e.g., Trevino, 1986; Trevino et al., 1991); Issue-Contingent Approach to EDM: (e.g., Reynolds, 2006) and Neurocognitive Approach to EDM (e.g., Sonenshein, 2007).

Observations:

-This meta-review gives a thorough analysis of existing models and theory in EDM.
-Suggests Individual factors: personality, locus of control, personal goal attainment, expertise and ethical violations as potential factors of EDM with regard to future research

Fordand 1994 meta-review:
Richardson -Reviewed to find out

Identified two sets: Individual and Situational

which influencing variables believes and EDM. are ethical

referent groups, reward and sanctions, conduct, type of ethical conflict, organization industry and business competitiveness.

Figure 2: 2016

		journals.	(iii) Moral Intensity. 270 studies on Individual Factors. 52 studies on organizational factors. 32 studies on Moral Intensity. Observations: -A popular study among EDM researchers, as it provides many insights for future research. Dependent variables summarized as Rest (1986) Summarized the studies on EDM from 2004 to
Year		2011.	Observations: -Similar to O'Fallon and Butterfield (2005) study. An extension of this meta review.
22	Lehnert et al.	2015A meta-review: Global Journal of Management and Business Research A () Vol- ume XVI Issue X Ver- sion I knowledge, attitudes,	Positive trend on integrating EDM research into up to 141 articles. (2013), adding published to Reviewed four key meta-57 exten
			organizational environment related factors, as in Ferrell and Gresham (1985); individual and situational factors as in Trevino and intention;

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under Gap

2 above), on

EDM. Gap 4

:

EOHRM	Personal Character	2016
		Year
		EDM
		Volume
		XVI
		Is-
		sue
		X
		Ver-
		sion
		I
		() A
	Personal Character	EDM

2), many early studies (Kohlberg, 1969; Trevino, 1986; Jones, 1991; Rest, 1986; O'Fallon & Butterfield, 2005) have focused on the cognitive development of 'moral stages' of the individual, in the process of EDM. Some researchers (Jones, 1991) had investigated the influence of 'moral intensity' and 'moral objective' of a moral situation on EDM in organizations. Almost none of the existent studies have explored the direct or indirect influence of Personal Character of the employee, with the composite effect of virtues and vices (discussed

Figure 4: Table

333 This page is intentionally left blank

334 [] , 10.5465/AMR.1986.4306235. <http://dx.doi.org/10.5465/AMR.1986.4306235>

335 [Opatha ()] , H H D N P Opatha . *Personal Quality* 2010. Department of Human Resource Management

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