Ethics, Social Responsibility, and Ethical Reasoning in an Education-Based Health Science Center: When Doing Good Results in Good Employees

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Successful organizations often invest resources in social initiatives that assist stakeholders, and there is reason to believe that the resulting business performance stems from a work environment that encourages ethical conduct. However, little is known about how social performance benefits a company internally from an employee perspective. Consequently, the purpose of this study was to investigate whether employees' beliefs about social responsibility were related to their ethical reasoning. Using a self-report survey containing different ethics measures, information was collected from 781 individuals employed in a four-campus health science center. The findings indicated that perceptions of corporate social responsibility and the believed importance of ethics and social responsibility were positively related, and that these factors were at least marginally associated with different steps of ethical reasoning. Finally, the ethical decision-making steps were positively interrelated. Business leaders should consider using social performance as a mechanism for creating a corporate environment that encourages ethical reasoning, and that further complements the strategic role of human resource ethics.

INTRODUCTION AND BACKGROUND

Business leaders and ethicists have recognized for some time that companies need to develop initiatives that motivate ethical work performance. For instance, ethics is an emerging issue in the leadership of human resources (Schramm, 2004; Vickers, 2005), with managers playing a more active role in the advancement of business sustainability, the development of ethics policies, and the promotion of ethical management ("How HR Can…" 2005; Miller, 1996; Vickers, 2005). Consequently, top managers and (in particular) "HR professionals will need to learn more about what issues are most critical in determining whether employees have a positive view of the ethics of their organizational leaders" (Schramm, 2004, p. 176). Scholars can facilitate this learning by discussing human resource ethics in the academic setting and participating in research projects that explore important ethical issues (Winstanley & Woodall, 2000). Those who manage human resources will also need to evaluate relevant employment

practices to determine the values, standards, and behaviors that are being institutionalized collectively in an organization's "ethical context" (often referred to as "ethical culture" or "ethical climate"). "What governs human behavior is reinforcement and relationships and social and cultural norms" (Pomeroy, 2006, p. 14), and more importantly, "formal ethics and compliance programs-particularly those implemented in a strong organizational culture-can be important elements in the effort to promote ethical workforces" (Meisinger, 2005, p. 10).

To fully establish and reach these objectives, it is important for managers to understand the concept of ethical context. An ethical context is an environment, both perceived and actual, that is established through ethical business practices and adherence to corporate guidelines. Typically, a company's management establishes ethical values with the expectation that employees will internalize these beliefs (e.g., Ferrell et al., 2008; Hunt et al., 1989; Treviño et al., 1998; Treviño & Nelson, 2007). A formal system of rules and compliance standards outlining the consequences of ethical/unethical behavior is also developed (e.g., Brewer et al., 2006; Ferrell et al., 2008; Treviño & Nelson, 2007). Through social and institutional learning, both values and compliance become an integral part of a company's employment domain as workers are compelled to behave appropriately to support the ethical environment. Ideally, employees' increased awareness of and commitment to ethical context translates into ethical reasoning and conduct in the workplace (e.g., Bartels et al., 1998; Snell et al., 1997). This context can also affect the manner in which stakeholders' respond to a company (e.g., Schramm, 2004; Treviño & Nelson, 2007).

Since an ethical context is typically developed over time with considerable effort, it is commonly comprised of (or derived from) policies that reinforce business ethics (Weaver et al., 1999). For instance, ethics codes strengthen perceptions that a company is ethical (e.g., Adams et al., 2001; Farrell & Farrell, 1998; Valentine & Barnett, 2002) and encourage appropriate work conduct (McCabe et al., 1996). Even many corporate mission statements contain information about ethical management (Miller, 1996), serving to support or strengthen the information found in ethics codes. In a similar manner, ethics training can help employees understand the company's philosophy of ethics and strengthen perceptions that ethical conduct is valued (e.g., Brewer et al., 2006; Valentine & Fleischman, 2004). Ethical values that are discussed in codes and training, and that are espoused by top leadership, can also increase a company's collective understanding of ethics (Hunt et al., 1989; Treviño & Nelson, 2007). Rewarding ethical behavior and punishing unacceptable conduct reinforces these ethical values, further augmenting an ethical context (Hunt et al., 1989; Loe et al., 2000; O'Fallon & Butterfield, 2005; Treviño & Brown, 2004). Finally, managers' ethical conduct can influence employee attitudes and perceptions of the broader work environment (Davis & Rothstein, 2006; Hunt et al., 1989; Viswesvaran et al., 1998).

There is also reason to believe that attention to social performance (or social responsibility) precipitates an ethical context. Indeed, ethical organizations are generally concerned about the interests of their stakeholders, and one of the central tenets of this process involves stakeholder theory, which claims that "managers have a duty to attend to all those who have a stake in or claim on the organisation" (Greenwood, 2002, p. 267). Corporate social responsibility (CSR) is considered to be "an organization's obligation to maximize its positive impact on stakeholders and to minimize its negative impact" (Ferrell et al., 2008, p. 38), and these obligations often exist outside a company's legal/operational concerns (Godfrey & Hatch, 2007; McWilliams & Siegel, 2001). CSR has also been "conceptualized as a pyramid constituting four kinds of responsibility that must be considered simultaneously: economic, legal, ethical, and philanthropic" (Treviño &

Nelson, 2007, p. 33). Consequently, CSR involves concentrating efforts to increase stockholders' financial welfare, complying with laws to avoid regulatory noncompliance and lawsuits, focusing on ethical business practices, and acting philanthropically within the greater community (e.g., Carroll, 1999, Ferrell et al., 2008; Treviño & Nelson, 2007; Wood, 1991).

By satisfying stakeholders, it is likely that CSR functions in concert with ethical context to facilitate positive relationships, increased financial well-being, and high business performance (e.g., Treviño & Nelson, 2007; Winstanley & Woodall, 2000). These linkages exemplify the "enlightened self-interest" model for companies, indicating that successful firms tend to encourage ethics so that stakeholders perceive them more positively and respond in kind (Winstanley & Woodall, 2000). The finding that social responsibility is associated with more favorable social and employer images further highlights a strong CSR-business performance linkage (Turban & Greening, 1997).

While CSR practices are relatively broad in scope, many efforts are directed at benefiting outside constituencies rather than inside stakeholders. This "boundary spanning" conceptualization directs attention to how companies assist customers or the general public, for instance, rather than inside stakeholders such as managers and employees who function daily within the normative fabric of the ethical context, and who contribute directly to the company's ability to satisfy stakeholders. Despite such an emphasis, successful corporate performance and business ethics would likely stem from an inner emphasis on beneficial practices that yield positive employee job attitudes and ethical decision making. According to Cornelius et al. (2008, p. 357), "Takala and Pallab (2000: 109) cite the importance of firms considering internal aspects of CSR where 'employees have to be socialised into the fact that along with the firm, they are equally responsible for morally right, pro-environmental actions'. Individuals within the firm, then, should be empowered to actively evaluate and decide upon ethical issues in the workplace." Additionally, the key "challenge for many social enterprises is to engender similarly socially responsible practices internally, to reflect their external achievements" (Cornelius et al., 2008, p. 357), and developing an ethical work environment through an emphasis on CSR would appear to support such a focus.

This understanding of CSR suggests that helping stakeholders is firmly positioned conceptually within the domain of ethical context, and that socially responsible companies have the ability to develop an ethical environment (and the associated positive work outcomes) through greater support of stakeholders. In other words, CSR should channel an organization's efforts to help stakeholders, and at the same time, build an ethical context that encourages ethical decision making. Capabilities theory indeed contends that employees will excel at work when given an opportunity to participate in and accomplish activities that are valued individually from an ethical standpoint (Cornelius et al., 2008), and CSR likely represents such a collection of activities. Consequently, perceptions of CSR should be associated with greater support for ethics/social responsibility and increased ethical reasoning because social performance demonstrates to employees the importance of ethics in both word and deed.

The purpose of this study was to investigate the degree to which perceived CSR and the believed importance of ethics and social responsibility (IMPESR) are related to employees' ethical reasoning. Such inquiry is important because the results could strengthen the notion that employees' ethical attitudes and ethical reasoning can be managed with an ethical corporate context, CSR being an important component of this environment. Additionally, perceptions of CSR might garner greater employee support for ethics and social responsibility, further assisting employees as they face workplace dilemmas. Perceived CSR and IMPESR should not only help

a company's external reputation, but these factors should also more broadly yield ethical reasoning. Finally, supplementary empirical assessments of CSR are needed to push the literature forward (e.g., McWilliams et al., 2006), and the current study seeks to examine how CSR might affect workers by utilizing a scenario-based methodology.

Figure 1 provides an overview of the study's relationships, and the central component of this framework is ethical reasoning. Ethical decision making, as posited in various conceptual frameworks (e.g., Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Jones, 1991; Rest, 1986; Treviño, 1986), is a cognitive psychological process comprised of several steps that occur in sequential order. An individual first recognizes that an event contains an ethical issue, which initiates evaluations of misconduct (Barnett & Valentine, 2004; Jones, 1991; Rest, 1986). Ethical judgments, or assessments of the fairness, equity, and justice of acts, occur after ethical issue recognition (Jones, 1991; Reidenbach & Robin, 1990; Rest, 1986). After ethical judgments are completed, intentions to behave consistently with known ethical standards are established, followed by ethical behaviors that support intentions (Jones, 1991; Rest, 1986).

FIGURE1
SUMMARY OF HYPOTHESIZED RELATIONSHIPS
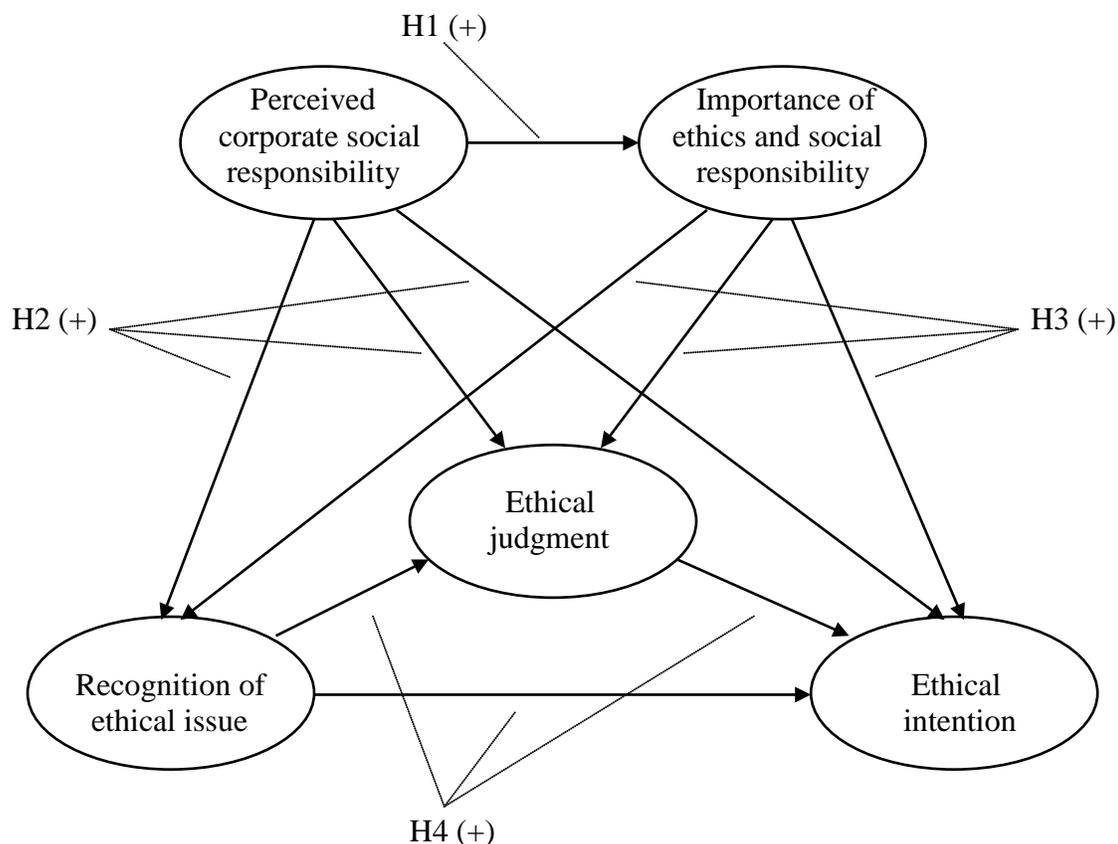
Hypothesis 1 indicates that employees' perceptions of their companies' CSR are positively related to IMPESR. Since previous research demonstrates that corporate ethics is associated with a variety of positive job attitudes (e.g., Hunt et al., 1989; Schwepker, 1999, 2001; Treviño et al., 1998; Valentine & Barnett, 2003), ethical attitudes should also be a byproduct of ethical context.

Indeed, a company's active involvement in CSR, and the positive response from stakeholders that often follows, should strengthen employees' beliefs that business ethics and CSR are worthy endeavors. Hypothesis 2 states that employees' perceptions of CSR are associated with increased recognition of an ethical issue, ethical judgment, and ethical intention. Previous work shows that ethical context is related to moral reasoning/behavior (e.g., Barnett & Vaicys, 2000; Bartels et al., 1998; Caldwell & Moberg, 2007; O'Fallon & Butterfield, 2005; Peterson, 2002; Sims & Keon, 1999; Snell et al., 1997; Valentine & Barnett, 2007), and because social performance reflects this context, CSR perceptions should increase ethical reasoning. The ethics literature indeed demonstrates that employees respond more favorably to companies that practice ethics and social responsibility (e.g., Greening & Turban, 2000; Treviño et al., 1998; Turban & Greening, 1997). Hypothesis 3 states that IMPESR is associated with increased ethical reasoning, which implies that an ethical orientation prompts stronger criticisms of ethical problems. Indeed, past work suggests that moral orientations can influence ethical decisions (e.g., Barnett et al., 1998; DeConinck & Lewis, 1997), suggesting that specific beliefs about CSR should also relate to ethical reasoning. Finally, Hypothesis 4 indicates that ethical issue recognition, ethical judgment, and ethical intention are positively interrelated (e.g., Barnett & Valentine, 2004; Valentine & Barnett, 2007).

METHOD

Sample and Procedure

The information for this investigation was collected from professionals working for a university-based health science center located in the United States that was comprised of four different campuses. Through a coordinated effort between health science center delivery personnel and a coordinating author, employees of the health science center were sent a self-report survey through campus mail to ensure anonymity and reduce the possible that subjects might be coerced to participate. The questionnaire contained different measures of ethical reasoning, job attitudes, ethical context, and programmatic-based ethics policies. Completed surveys were coded using a mechanical reading device to reduce systematic error. A total of 781 finished surveys were received from the 4,025 distributed, which resulted in an overall approximate response rate of 19.4%.

Sample members were on average just under 43 years old and had worked in their current positions on average for just over 8 years. Women represented approximately 73% (valid percentages reported) of the individuals in the sample, while 68.2% of subjects were white. The sample was generally well educated with 21.1% of individuals possessing a bachelor's degree, 16% having a master's degree, and 16.3% having a doctoral-level degree (M.D. or Ph.D.). A majority of individuals indicated that they were not administrators (82.5%) at the health science center, many functioned in non-supervisory roles (61.7%), and most were not teaching professionals (77.4%). Businesspersons represented the largest professional group (23.7%), while physicians (11%) and nurses (8.2%) were also well represented. Many subjects indicated that their professional classifications fell into other categories not listed (43.6% of individuals marked the "Other _____" category, and some provided written responses).

Ethics Scenario and Measures (see Appendix)

Many investigations of organizational ethics utilize vignettes to simulate the actual decision-making tasks that occur in the employment setting (e.g., Barnett & Valentine, 2004; Reidenbach

& Robin, 1990; Weber, 1992). Scenario research typically involves presenting respondents situations that contain questionable conduct, and then requiring them to evaluate these situations using a variety of scales that measure ethical reasoning. This study used a scenario, adapted from Dabholkar and Kellaris (1992), that outlines a familiar ethical dilemma related to business travel and personal frequent flyer miles. While the scenario did not specifically pertain to CSR, the familiarity of the issue likely resonated with the different professional groups employed in the health science center, and opinions were likely influenced by perceptions of the organization's generalized ethical context.

Several semantic differential measures were used to assess ethical reasoning, and when subjects selected or circled opposing anchors on any of these scales, opinions were coded as extreme responses. The degree to which individuals' believed that the issue presented in the scenario represented an ethical issue or problem was measured with one item, and other studies have used the same or similar items (e.g., Barnett & Valentine, 2004; Singhapakdi et al., 1999; Valentine & Barnett, 2007). Responses were provided on a six-point scale with higher scores showing stronger ethical issue recognition. Ethical judgments of the conduct presented in the scenario were assessed with a four-item "moral equity" scale developed by Reidenbach and Robin (1990). The scale has been used in past research because of its broad content and positive measurement properties (e.g., Barnett & Valentine, 2004; Fleischman et al., 2007; LaFleur et al., 1996). Opinions were provided on a six-point scale with higher scores suggesting stronger ethical judgments. Respondents were also asked about the likelihood that they would engage in the employee's actions described in the situation, which was followed by four items used to measure ethical intentions (e.g., Barnett & Valentine, 2004; Fleischman et al., 2007). Answers were given on a six-point scale, and after reverse coding two of the items, higher scores indicated intentions not to engage in the questionable conduct presented in the vignette (or ethical behavioral intentions).

Respondents' perceptions of CSR were assessed with a five-item measure. Two of the items assess the degree to which a company helps communities and supports beneficial causes (taken from Valentine & Fleischman, 2008), while the other three items assess how an organization supports ethical requirements, takes care of stakeholders, and monitors financial concerns. The use of a broad measure facilitated the assessment of CSR from both "strategic" and "altruistic" perspectives (see McWilliams et al., 2006). The items were evaluated with a seven-point scale anchored by 1 (strongly disagree) and 7 (strongly agree), and higher item scores suggested higher CSR perceptions. In addition, a five-item measure from the PRESOR scale was used to assess the degree to which individuals believed that companies should be concerned about business ethics and social responsibility (Etheridge, 1999; Kraft & Jauch, 1992; Singhapakdi et al., 1996). Items were evaluated using a seven-point scale anchored by 1 (strongly disagree) and 7 (strongly agree), and higher scores indicated increased IMPESR.

A shortened ten-item social desirability scale (see Crowne & Marlowe, 1960; Fischer & Fick, 1993; Strahan & Gerbasi, 1972) was used to check for impression bias (e.g., Randall & Fernandes, 1991). Sample items from this scale include "I like to gossip at times" and "I always try to practice what I preach." Statements were rated with the two response categories (False-coded as 1 and True-coded as 2), and after reverse coding five items, scores were summed for a range of 10 to 20 with higher composite values suggesting greater social desirability.

Analysis

A multi-step approach similar to procedures described by Anderson and Gerbing (1988) was utilized. A confirmatory factor analysis containing the four multi-item measures was initially executed in AMOS to explore measurement issues. After finalizing the model, variable composite scores were calculated in SPSS by averaging item scores. This was followed by an assessment of the variable descriptive statistics, correlations, and coefficient alphas scores. Finally, a full structural equation model, containing both measurement and structural components, was specified in AMOS to test the proposed relationships. It was decided that control variables would not be included in the analysis to avoid over-specification of the hypothesized framework and to isolate the study's key variable relationships.

RESULTS

Figure 2 provides an overview of the results associated with the initial confirmatory factor analysis of the scale items. The model fit statistics were acceptable ($\square^2$ = 749.561, d.f. = 129, $p <$ .001, $\square^2$ / d.f. = 5.811, NFI = .982, IFI = .985, CFI = .985, RMSEA = .079) (Arbuckle & Wothke, 1999; Hair et al., 1998), the items loaded effectively on the latent constructs ($p <$ .001), and the standardized parameter estimates (or correlations) between the observed items and underlying factors were above .50. These findings suggested that additional model adjustments were not necessary. The correlations among the latent variables ranged from .06 to .42. Using the standardized paths in the calculations (Hair et al., 1998), composite reliability scores for the ethical judgment, ethical intention, CSR, and IMPESR variables were .94, .92, .86, and .89 respectively, and the variance extracted measures were .79, .74, .55, and .62. Discriminant validity was assessed with a variance extracted test (see Fornell & Larcker, 1981). All of the squared correlations among the focal variables, which were obtained by squaring the standardized estimates (or correlations) presented in Figure 2, were below the particular variance extracted estimates, which indicated acceptable discriminant validity in the model. Finally, a single-factor model was used to test for common method bias, which required all items, including the ethical issue recognition item, to be loaded on one latent factor (Podsakoff et al., 2003). Since this procedure resulted in poor model fit ($\square^2$ / d.f. = 37.304, NFI = .866, IFI = .870, CFI = .869, RMSEA = .216), same source bias did not appear to be a serious issue in this study.

Variable descriptive statistics, correlations, and reliability estimates are presented in Table 1. The high mean values for the CSR-related variables suggested that individuals believe that their organizations practiced social responsibility, and that ethics and social responsibility were important organizational activities. The mean scores for the ethical decision making variables indicated that respondents generally perceived that the scenario contained an ethical issue or problem, that ethical judgments of the questionable conduct were moderately high, and that intentions to behave in a manner inconsistent with the unethical behavior were high. The mean score associated with the social desirability measure suggested that socially acceptable responding was moderate. Perceived CSR and individuals' beliefs about IMPESR were positively related ($p <$ .001), implying that company involvement in CSR could lead to increased employee perceptions that such involvement is highly important. Perceived CSR was also positively related to the ethical judgment variable ($p <$ .10), suggestion that company

FIGURE 2
CONFIRMATORY FACTOR ANALYSIS
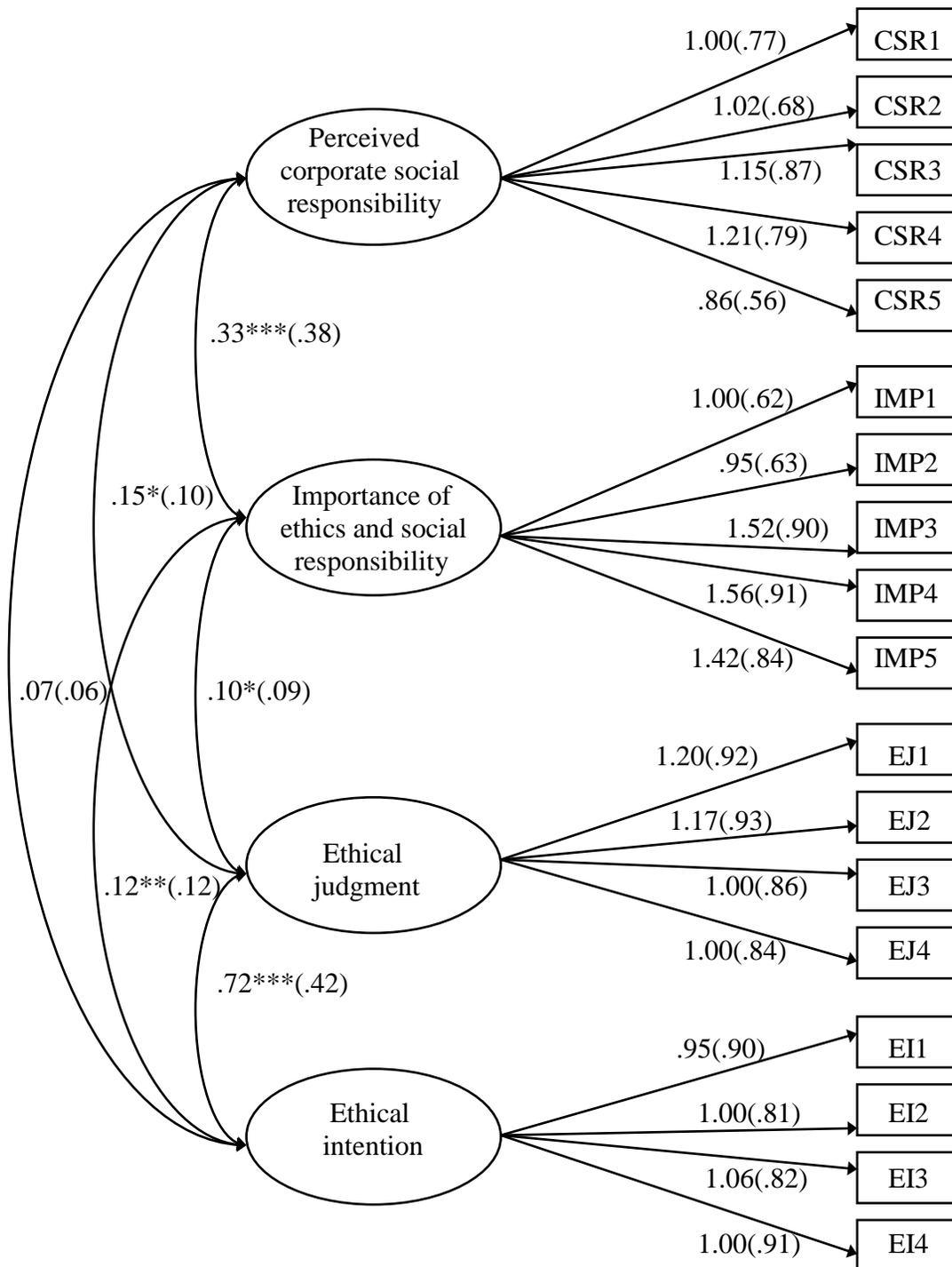
N = 781; *** *p* < .001, ** *p* < .01, * *p* < .05; standardized paths and correlations presented in parentheses; all paths to items significant at .001 level.

involvement in CSR might translate into greater ethical judgments of questionable business conduct. IMPESR was positively related to recognition of an ethical issue ($p < .01$), ethical judgment ($p < .10$), and ethical intention ($p < .05$), which suggests that positive attitudes toward CSR activity might yield greater ethical decision making in employees. All three steps of the ethical reasoning process were interrelated ($p < .001$), which provides further support for the notion that ethical decision making in companies is a multi-step process. With regard to social desirability, IMPESR was the only variable related to the measure, reducing the likelihood that such bias adversely affected individual responses. Finally, reliability analysis showed that the variables had acceptable coefficient alphas well above .70.

TABLE 1
DESCRIPTIVE STATISTICS, CORRELATIONS, AND RELIABILITY ESTIMATES

Variable	M	SD	N	1	2	3	4	5	6
1. Perceived CSR ($\Box$ = .85)	4.98	1.23	725	--					
2. IMPESR ($\Box$ = .89)	5.83	1.08	763	.35 ***	--				
3. Recognition of ethical issue	5.06	1.64	693	.04	.11 **	--			
4. Ethical judgment ($\Box$ = .94)	4.71	1.57	531	.09 ^	.08 ^	.36 ***	--		
5. Ethical intention ($\Box$ = .91)	5.27	1.18	540	.04	.11 *	.33 ***	.44 ***	--	
6. Social desirability	17.02	1.95	744	.03	.13 ***	.02	.03	.06	--

*** $p < .001$, ** $p < .01$, * $p < .05$, ^ $p < .10$.

Table 2 provides an overview of the results associated with the structural model (measurement model results not shown). Once again, the fit statistics showed the model was parsimonious ($\chi^2 = 789.085$, d.f. = 143, $p < .001$, χ^2 / d.f. = 5.518, NFI = .981, IFI = .985, CFI = .985, RMSEA = .076). All of the items loaded effectively on the particular latent constructs ($p < .001$), and the standardized parameter estimates between the observed items and latent variables were above .50. Perceived CSR was related to IMPESR ($p < .001$), which provides strong support for Hypothesis 1 stating that an ethical context is associated with positive attitudes about business ethics and social responsibility. Ethical judgment was the only ethical decision-making variable modestly related to perceptions of CSR ($p < .10$), which provided only marginal support for Hypothesis 2 stating that perceptions of CSR should be associated with increased ethical decision making. However, IMPESR was positively related to recognition of an ethical issue ($p < .001$) and ethical intention ($p < .10$), providing modest support for Hypothesis 3 claiming that positive beliefs about ethics and social responsibility should translate into increased ethical reasoning. Finally, recognition of an ethical issue was positively related to both ethical judgment ($p < .001$) and ethical intention ($p < .001$), and ethical judgment was positively related to ethical intention ($p < .001$). These findings offer further evidence that ethical reasoning occurs in the stages outlined in past research (Rest, 1986) and provides strong support for Hypothesis 4.

DISCUSSION

While the results for the proposed independent effects of CSR/ethical attitudes on ethical reasoning were not compelling, perceived CSR and the believed importance of ethics and social

TABLE 2
SUMMARY OF STRUCTURAL RELATIONSHIPS

Path	Estimate	S.E.	Std. estimate
Hypothesis 1			
Perceived CSR → IMPESR	.28 ***	.03	.38
Hypothesis 2			
Perceived CSR → Recognition of ethical issue	-.02	.07	-.01
Perceived CSR → Ethical judgment	.11 ^	.06	.08
Perceived CSR → Ethical intention	-.02	.05	-.02
Hypothesis 3			
IMPESR → Recognition of ethical issue	.30 ***	.09	.15
IMPESR → Ethical judgment	.03	.08	.02
IMPESR → Ethical intention	.11 ^	.06	.07
Hypothesis 4			
Recognition of ethical issue → Ethical judgment	.26 ***	.03	.31
Recognition of ethical issue → Ethical intention	.14 ***	.03	.19
Ethical judgment → Ethical intention	.31 ***	.04	.36

$N = 781$; *** $p < .001$, ^ $p < .10$.

responsibility appear to work in concert (albeit modestly) to impact different steps of ethical reasoning. This suggests that employees might reference distinct contextual and attitudinal factors related to CSR when engaging in different stages of ethical decisions. For instance, a belief that ethics and social responsibility is important could encourage greater sensitivity to ethical dilemmas encountered on the job, making a person more likely to recognize that an ethical problem is present. Similarly, these attitudes could also make employees more inclined to behave ethically because the theory of planned behavior suggests that strong links exist between attitudes, intentions to behave, and demonstrated behavior (Ajzen, 1991). Finally, perceptions that an employer practices CSR should also encourage employees to be more critical when making ethical judgments related to equity, justice, and fairness because the same issues are conveyed to personnel when a company develops and implements CSR programs.

The findings present a number of implications for the management of corporate ethics. For instance, participation in CSR appears to be an important ingredient in the ethics institutionalization process, so managers should encourage their companies to dedicate more resources to CSR efforts. More importantly, top leaders should demonstrate to employees the importance of ethics and social responsibility by developing programs that provide for both corporate and individual involvement. The participation of employees in these programs could enhance perceptions that the organization takes CSR seriously and empowers workers to do the same (Weaver, 2004). Such activity could also encourage greater shareholder investment in the company, providing further economic advantages (Waring & Lewer, 2004).

Business leaders might also better communicate their CSR activities to employees and discuss the importance of being ethical and socially responsible. Companies should also develop a

philosophy highlighting how people will be managed ethically, and "this ethical position should be further encapsulated within clear, CSR principles with regards not only of the conduct of employees towards client groups and the core ethos of the organisation, but also the responsibilities of the organisation towards employees, and employees to each other" (Cornelius et al., 2008, p. 365). Doing so should generate greater support for ethics and social performance as evidenced by employees' increased ethical reasoning. Indeed, organizational ethics communication is considered to be one of the most elemental facets of a sound ethics program (see Brewer et al., 2006), and the process can be used to garner greater support for satisfying stakeholder interests and performing ethically on the job. Several initiatives could be used to increase ethics communication such as ethics codes, ethics training, management correspondence with personnel, and individual manager-employee job counseling (e.g., Brewer et al., 2006; Ferrell et al., 2008; Treviño & Nelson, 2007; Weaver, 2004; Weaver et al., 1999).

The study had several limitations that should be considered. Even though common method bias was not a concern, the use of more objective measures of organizational ethics might have yielded slightly different results. Along the same lines, nonresponse could have confounded the findings given the study's modest response rate. Given the cross sectional nature of the research, no definitive conclusions could be made about causation. It could be argued that ethical reasoning drives attention to CSR in an organization; however, the assumptions about the directions of the relationships were realistic based on existing theory. Additionally, information was collected from a rather homogenous group of employees working in just one organization, so the ability to generalize the findings to other professions is limited. Collecting information from one organization could have also affected the perceived CSR measure, limiting its variability to some degree, and subjects' feelings about ethical issues and standards might not have been adequately representative of the attitudes of more typical businesspersons. Some of the relationships identified in this study could have indeed been more robust and meaningful if data had been collected from multiple organizations.

More research exploring the relationships between organizational ethics and the ethical reasoning of personnel is needed. "With CSR and corporate sustainability as major trends, companies recognize the importance of the social dimension of their organization, but HRM has not yet developed the identity or the instruments to support the underlying values, workplace culture and identity of the organization" (Marrewijk & Timmers, 2003, pp. 174-175). Particular attention should be dedicated to investigating the role of leadership in the management of ethical context and CSR activity, especially because human resource mangers and other top leaders help shape employees perceptions of the organization and often directly impact their work experiences through various personnel practices. Future research should also address some of the current study's limitations and seek to expand this research area. For instance, information about the extent to which organizations actually invest in CSR rather than employees' perceptions of such efforts should be obtained because a gap might exist between awareness and reality. Multiple organizations should also be recruited to participate in future assessments of CSR and ethical reasoning so that greater measurement variability and generalizability is achieved. A longitudinal research design would also facilitate more definitive tests of causality. Ethical context, CSR, and ethical reasoning are important variables that collectively enhance organizations, and new research needs to identify how to better manage these factors.

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APPENDIX
ETHICS SCENARIO AND MEASURES

An organization that needs its employees to travel for work has negotiated a special rate with airline A—a 35% discount between designated cities—and encourages its personnel to use that airline whenever possible. Frank, an employee with the firm, prefers to use airline B because of their frequent flier program (which allows him to earn free personal trips). In some cases, Frank has booked on airline B even though the tickets cost up to $200 more than similar flight on A, just so he could "rack up those frequent flier points."

Recognition of an ethical issue
Do you believe that this situation involves an ethical issue or problem?
Completely disagree it __:__:__:__:__:__ Completely agree it
involves an ethical issue   involves an ethical issue.

Ethical judgment
Next is a set of adjectives that allow you to evaluate the situation described above.
1.   Fair __:__:__:__:__:__ Unfair
2.   Just __:__:__:__:__:__ Unjust
3.   Morally right __:__:__:__:__:__ Not morally right
4.   Acceptable to my family __:__:__:__:__:__ Unacceptable to my family

Ethical intention
How likely is it that you would engage in the employee's actions described in the situation?
1.   Likely __:__:__:__:__:__ Unlikely
2.   Improbable __:__:__:__:__:__ Probable (R)
3.   Possible __:__:__:__:__:__ Impossible
4.   Definitely would not __:__:__:__:__:__ Definitely would (R)

Perceived corporate social responsibility
1. I work for a socially responsible organization that serves the greater community.
2. My organization gives time, money, and other resources to socially responsible causes.
3. The organization I work for upholds generally accepted ethical business standards.
4. My organization takes care of its customers, employees, suppliers, and investors.
5. I work for a firm that does its best to enhance the financial well being of its stakeholders.

Importance of ethics and social responsibility
1. Being ethical and socially responsible is the most important thing a firm can do.
2. Business has a social responsibility beyond making a profit.
3. Business ethics and social responsibility are critical to the survival of a business enterprise.
4. The ethics and social responsibility of a firm is essential to its long-term profitability.
5. The overall effectiveness of a business can be determined to a great extent by the degree to which it is ethical and socially responsible.

(R) = reverse coded