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HUMAN RESOURCE MANAGEMENT AS A MORAL MAZE

ETHICAL ISSUES IN HUMAN RESOURCE MANAGEMENT

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1. Introduction

'As I was at the start
so, all along, I have remained.
The way I began, so I will go on to the end.
Like the convict who, returning
to his village goes on being silent.
Speechless, he sits in front of his glass of wine.'
(Janos Pilinszky: As I was, 1971)

Merle's famous novel, 'La mort est mon metier' was one of the most influential literature experiences of my adolescence: in this book the main character, who was the commander of a Nazi concentration camp killed tens of thousands of people acting with scientific accuracy, while his family was totally unaware of his horrible actions. It has been a challenging issue since I was a teenager, whether it is indeed possible that we follow moral, ethical principles and standards on totally different bases in various scenes of our live? Can we say that it is a 'fact of the modern life' that we are expected to follow different principles in the workplace roles than in our other roles (in private life), thus it is indeed a 'natural requirement' to hook our principles and values in the hall and leaving them behind we enter into our office as a different person? Years later I noticed that philosophers and well-established thinkers of business ethics had discussed several aspects related to role morality – perhaps the most frequently referred case was the Nazi Eichmann and the '*banality of the evil*', as analysed first by Hannah Arendt (Arendt, 2001), but it was also examined by others later on (e.g. Werhane et al., 2004; Jones et al., 2005; Goodpaster, 2007; Radtke, 2008).

After I have completed my master degree, I joined to an international company. First as an employee, later as the leader of department I fully experienced the tensions of personal values and corporate expectations. Following the initial enthusiasm I was stunned realising that – on each corporate level – we use obviously hypocratic and lying statements, instrumental arguments to cover several practices, which are evidently controversial from an ethical aspect. Contrary to the espoused values (the 'moral maze') this organisation typically and dominantly followed the practice: '*what is right in the corporation is what the guy above you wants from you*' (Jackall, 1988: 109), and even if there were individual moral doubts and dilemmas, nobody spoke about them publically at any level, and we remained 'morally mute' (Bird and Waters, 1995). Few years later I left this company, but I have been ever since engaged in thinking how individuals could find the potential way-out(s) from this moral labyrinth.

In my dissertation I connect two areas, which are both close to my heart: human resource management (hereinafter referred to as: HRM) and business ethics; as, having returned to the university, I was teaching and making research in both fields in the past few years. I think that HRM activities are of outstanding significance for ethical corporate activities. HR managers encounter with ethical problems on strategic and operative levels in several aspects: as organisational unit contributing to the corporate ethics, in some interpretations as depository of corporate ethics; related to ethical operations of various HRM systems; and as individual employees acting in HRM areas. Internal conflicts of roles of HRM as strategic partner, administrative expert, employee champion, change agent (Ulrich, 1997, Ulrich and Beatty, 2001, Ulrich et al., 2005), and external moral role/function conflicts (related to other roles/functions) may enrich further this picture. Despite or in addition to this, relationship of HRM and ethics can be regarded as a less analysed research area nowadays (especially in Hungary).

Regarding the structure of my dissertation, I basically followed the structure recommended by Maxwell (2005), Silverman (2005) and Blakie (2009). Following this introduction, in Chapter 2 I present the research problem. The third Chapter of my dissertation provides a summary of the relevant literature in four chapters: (3.1.) Ethics and business ethics; (3.2.) Individual moral behaviour and moral imagination; (3.3.) Workplace and professional roles; (3.4.) Human resource management and ethics. In each chapter I will try to delineate the basic definitions and concepts of the field, introduce the most important ideas and interpret them critically, and also show my own understanding (see the logic and the keywords of literature review in Figure 1).

In Chapter 4 I present the methodological background and characteristic features of my two research projects (group 'A' and 'B'). First I introduce the selected research paradigm, participatory paradigm (Chapter 4.1.). I summarize the intellectual, practical and personal aims of my research, my research questions, and introduce the research methodology, co-operative inquiry (Chapter 4.2.- 4.4.). Following the theoretical background, I describe the process of my two research projects: I present the selection of the two groups, the role of the initiating researcher, the characteristics of the research cycles (Chapter 4.5.), the details of the data collections and analyses, the question of validity and reliability (Chapter 4.6.), and the ethical aspects of the research.

In Chapter 5 I am going to present my co-operative inquiry projects side by side. I outline the process of the two research projects; sum up relevant expectations, motivations and the definition of the ethical framework. On the basis of all these I show a few content-related interpretations and learning points. In Chapter 6 I summarize the results of the researches, and my answers to the questions I raised at the beginning of the research. Then I share some personal methodological learning points. Finally, I sum up how my research has contributed to already accumulated knowledge.

3.1. Ethics and business ethics

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different directions and levels of ethical considerations

HR roles, moral muteness

Figure 1: The logic and the keywords of the literature review

In my research efforts I intensively applied, both the works of dominant international and Hungarian authors. Hungarian writers, who were in the past years the key figures in the field of the Hungarian business ethics, in alphabetic order: Ádám Angyal, Zsolt Boda, László Fekete, József Kindler, György Pataki, László Radácsi, Krisztina Szegedi, Ádám Török, László Zsolnai. Works of Gyula Bakacsi, Attila Bokor, József Poór, Klaudia Szőts Kováts were also influencing my thinking in the area of HRM. As far as philosophical basis is concerned I built on explanations developed by the following philosophers and thinkers: Pál Bolbericz, László Hársing, Ágnes Heller, László Hóruczi, Tamás Nyíri, and works of András Gelei supported me in methodology issues. In addition to the books available in English, I have primarily applied the articles published in the Journal of Business Ethics, Business Ethics Quarterly periodicals. The most influential international authors were Patricia Werhane, Michelle Greenwood, John Heron and Peter Reason.

In the empirical phase we worked together with two cooperative research groups: the participants 'offered their services' as enthusiastic and unselfish co-researchers undertaking the difficulties of methodology (and that of my own learning process) and stood by me all along the way. I thank them (for the sake of anonymousness by their names used in the dissertation: Zsófi, Nóra, Zita, Andrea, Flóra, Hédi, Magda, Andin, Kitty, Ada, Zsóka and Imre) for their time spent doing research, their energy and enthusiasm. I am very grateful to my students (especially to Katalin, Bernadett, Kriszta, Júlia) who were of great help providing feedback, streamlining my complex and at times incomprehensible style and who helped to type the text of research discussions.

Finally, I wish to thank my father who persistently and enthusiastically read through the numerous versions of my thesis making scrutinizing comments on the text and for my mother who help me with the corrections of the references. I am also grateful to each member of my family especially to my husband, Kálmán and my daughter, Réka for putting up with the long hours I spent at the monitor.

2. Research problem

'Human or inhuman resource management?' this is the (hypothetical) question put forward by Steyaert and Janssens (1999) on the pages of 'Organization', referring to one of the basic dilemmas of human resource management in modern-day organisations i.e. the downgrading of human beings into 'resources' and the challenges to human dignity here. In this connection, we can also pose a question: ethical or unethical HRM? What might 'being ethical' mean as related to the HR function? When and why does an HR manager act ethically or unethically? In my thesis I would like to get to understand and discuss this topic – and I come up with one possible answer to this question.

In the last two decades, there has been a surge of interest and a miniature explosion in academic publications on business ethics (and in related fields, e.g. corporate governance or CSR), yet only a 'modest growth of interest' in the field of ethics and HRM (Pinnington et al., 2007:2). As a sign of this modest interest, books and collections of essays have been published on the subject (e.g. Parker, 1998; Deckop, 2006; Johnson, 2007; Pinnington et al., 2007; Boulton and Houlihan, 2007) and theoretical articles and research project results have appeared in leading business ethics' and HRM journals (e.g. Journal of Business Ethics, Personnel Review, Human Resource Management Review). These discussions build on previous works, namely issues related to employees and to the rights of the employee (Bowie 1998; Werhane et al., 2004; Crane and Matten, 2007), which have been part of business-ethical discussions right from the start; CSR activity dealing with employees, as the most significant stakeholder group (Simmons, 2006); and HRM professional literature, especially critical HRM, which touches upon ethical issues (e.g. Towney, 1993; Legge, 1998, 1999, 2005; Delbridge and Keenoy, 2010). However, the number of theoretical works and research efforts explicitly focusing on this field is rather low, considering its importance. Thus, the HRM profession itself have enjoyed major focus neither workplace role ethics literature nor regarding individual ethical behaviour – in contrast, for example, to medical, police or even management activities and roles.

I wish to contribute to filling up this gap with my research work. I would suggest that HRM is an area of great importance in several respects – and it is an exciting place for ethical research. This importance has, in general, been underlined in the last two decades by its (perceived) increased value as a 'human resource' – that is, as a critical organisational resource – and also by its strategic significance as a function (Legge, 2005).

It seems indubitable, that in modern corporations HRM professionals, as individuals and as members of HRM departments, are key players there, being persons who face increasing levels of external pressure to cope with multiple levels of ethical dilemma (Greenwood, 2007). Based on the existing literature, an ethical analysis of HRM theory and practice is relevant at three inter-related levels: the macro (system), mezo (company and HRM department) and micro (individual) levels (Martin and Woldring,

2001). On a macro (i.e. social, economic system) level a fundamental issue is how we can see theoretical assumptions and practices of modern corporations as ethical – and if these are not or are only partially to be seen as such, then how we can form a judgement at all on HRM ethics (Legge, 1998; Guest, 2007)? The HRM department may have a critical, formal and informal role in developing overall company ethics (the mezo level, Simmons, 2008). This may have a major impact on which ethical aspects are regarded (e.g. fairness, equal treatment) and to what extent these might be applied to developing and operating various HRM systems. Finally, individuals and group of individuals (the HRM department) will face such issues in their organisational and professional roles – where they will encounter moral situations that are different from what ethical values are applied in private life (Wiley, 1998); thus organisational and professional roles themselves can well have contrasting sets of expectations (for example, Ulrich, 1997: sub-roles tied to HRM activities, the employee champion and the strategic partner). For HRM activities do have a direct effect on employees themselves, on their physical, intellectual and mental health; and they may also affect close relatives; so serious responsibilities pertain to the issue, with further ethical concerns emerging (Greenwood, 2007).

What I shall claim here is that HR managers are trapped in their dominant mental models concerning the functioning of the modern corporation, expected roles and the functions of HR, and the unavoidable role morality inherent in HR. An individual's basic assumptions and beliefs related to the world and to other people (and to the individual him/herself) are of fundamental importance in his/her ethical behaviour (Johnson, 2005). The HRM area has clearly become a management-focused activity in struggles for its strategic role, and in recognition of shareholders and corporate management and professionalism (Legge, 2005; Wray-Bliss, 2007; Delbridge and Keenoy, 2010). People are regarded as resources, managing human capital requires impersonal, neo-classical business logic, decision-making is based on rational and emotion-free methodologies, and profit-orientation is predominant – these are the characteristic features of the profession's dominant mental model. Today, business education at the university-level strongly represents these forms of mental model at the level of the individual – and it is incorporated in the curricula (Ghoshal, 2005; Pedersen, 2009); then, as a result, organisations, institutions and the professional medium further strengthen these fundamental conclusions of young HRM experts (i.e. who have been socialised into such perceptions). Ethics and morality can be detected at a lower level in this dominant logic, therefore – and in its organisational context they barely exist: they may appear intermittently as a tool for maintaining profitability, competitiveness and efficiency (e.g. strategic CSR activities and related rhetoric; HRM programs aimed at retaining manpower; values linked to ethical behaviour in the organisational culture). At this point, then, concepts related to moral imagination (Werhane, 1999; 2005) can have importance. Moral imagination is *'the ability in particular circumstances to discover and evaluate possibilities not merely determined by that circumstance, or limited by its operative mental models, or merely framed by a set of rules or a rule governed'* (Werhane, 2005:358).

Not irrespectively of the above-mentioned factors, moral muteness and an ensuing silence regarding moral and ethical problems may typically be found within HRM activities (Waters et al., 1987; Bird and Waters, 1995; Bird, 2005). Arguing about ethical issues might seem to be a 'pseudo' form of action, a wasting of precious energy in HRM 'efficiency-rhetoric', so it might appear a weakness (thus it may jeopardise a position of power that was so difficult to capture). Ethics and morality issues can be only be grasped with difficulty, for they are so complex and theoretical; the concepts do not easily relate to language used in the organisation; thus all of this might even seem frightening. Though the Ulrich (1997; 2008), Ulrich and Beatty (2001) models can perhaps define a professional identity in the most accepted way, they cannot offer reliable orientation as regards finding solutions to ethical conflicts arising from HRM roles – indeed its unambiguous management-focused approach and unitary mindset can make the whole issue appear superfluous. Although ethical discussion might incorporate certain risks – e.g. organisational pseudo-action, downgrading ethical arguments to mere rhetoric (Bird and Waters, 2005) – encouragement could be important for both individuals, the organisations and for actual members of the profession.

Closely connected to tendencies, the coordination of tasks related to corporate responsibility and ethical behaviour within some organizations is undertaken by HRM. Certain authors stress that in spite of there being heterogeneous organizational CSR solutions, HRM is usually regarded as being 'the conscience of the organization' (Wiley, 1998), the focal point of ethical conduct concerning employees, the 'ethical champion', 'ethical steward', or the authority in charge of ethical affairs (Greenwood, 2007; Simmons, 2008; Caldwell et al. 2011).

There have recently been a growing number of studies focussing on HRM professionals and how they relate to ethics (Toffler 1986; Wiley 1998; Wooten 2001; Kochan, 2007). Researchers in most cases have an outsider's role, necessarily – i.e. are objective observers. The theoretical models and empirical methodologies (based on such models) cannot easily integrate both theory and actual practices, and do not support people in being able to manage such situations more successfully or easily (indeed, this is not included in the goals). In my view, such a topic can be understood and the processes discovered only from the inside – that is, in a cooperative manner – via the provision of genuine support for people, and all by integrating theory, action and reflection. **A starting dilemma for my research was thus to see whether it was possible to conduct such scientific research, i.e. in which the researcher generates scientifically valid and reliable knowledge, and where, at the same time, ongoing study results help participants in their practices.**

I have therefore selected the participatory paradigm and co-operative inquiry research method for my analyses (Heron and Reason 2001). Theory and practice, rationality and emotions can be integrated via this methodology – based on participation and democracy – and research participants (in addition to making discoveries and gaining theoretical data) will be able to acquire practical, pragmatic and usable knowledge. I hope that this will help deal with the phenomena of moral muteness, too.

The basis of my research is the following, general question:

What do HRM ethics/the ethics of HRM actually mean? How can one make sense of ethical HRM?

1. **Question group:** What do 'ethics' and 'ethical behaviour in the context of the workplace' mean in research participants' interpretations? What do persons think of inter-relations between 'private life' ethics and 'workplace' ethics - and why? What ethical dilemmas can be seen as related to HRM responsibilities and roles - and what inter-relations might be identified as existing between them?

2. **Question group:** What mental models, scenarios and role-interpretations do persons detect and identify in themselves in referred-to situations? What inter-relations can people identify between ethical principles, intentions and acts, as well as between theory and practice? In what ways do they perceive and judge their moral imagination? How might individual ethics develop due to the effects of emerging ethical dilemmas and issues, and how can this contribute to organisational ethics?

3. **Question:** How can one develop, practice and make experiments in referred-to situations, as an individual and as a community?

4. **Question:** Are there any special Hungarian characteristics in relation to HRM ethics?

3. Literature Review

3.1. Ethics and business ethics

In this chapter – in order to prepare my research – I will introduce the basic concepts of ethics, and my own understanding about it. I will briefly outline the history of the relationship between economy and ethics, emphasizing the effects of the concept of moral-free economy, and dilemmas connected to the definition and purpose of business ethics. I will review some ethical theories (utilitarianism, deontological ethics, virtue ethics, feminist ethics, critical theory and postmodern school) and their influence on present business practice and on HRM. Finally I outline the dominant human picture of mainstream economical thought, the 'Homo oeconomicus', and its critics.

3.1.1. Definition of ethics, morality, moral

The word 'ethics' comes from the Ancient Greek word 'ethos', in its original meaning: accustomed place (Nyíri, 2003), and in transfigurative meaning: morality, traditions, customs, guiding beliefs, norms typically followed in human coexistence (Hóruczi, 1994). There are thinkers who link the origin of the concept to another Ancient Greek word: 'éthos', as it would rather mean something close to virtue, character (Turgonyi, 2003). Though we can easily find ethical principles and considerations already in the ancient Indian and Chinese scripts, and doctrines of ancient religions, Aristotle addressed it first as a separate discipline of practical philosophy (differentiating it from economy and politics) and he was the author of the first independent ethical works (inter alia, the Nicomachean ethics written to his son). Other thinkers link the evolution of the independent ethics to the work of Socrates (e.g. Turay, Nyíri, and Bolberitz, 1999; Hársing, 2001). Freeman and Gilbert (1988) offered us a practical definition: ethics can define what good and right behaviour is.

The concept of morality immediately jumps up as it is closely related to ethics (Angyal, 2003). Morality is a complex social phenomenon that can be interpreted at several levels, and it can be defined as one of the regulatory factor of social coexistence (Hóruczi, 1994). According to Nyíri's (2003) definition, morality is the totality of historically evolved rules and values generally recognised and followed in a given human

community. Social consensus has a major role in evolving both individual ethics and individual morality, and it can fundamentally influence behaviour in various situations).

There are various opinions on the inter-relation of ethics and morality. Some thinkers agree (Hóruczi, 1994) that we can differentiate (1) mental and intellectual side within the concept of morality, i.e. moral consciousness, embracing principles, moral categories and values, emotions, etc., which determine the behaviour; and, on the hand, (2) the practical side, as the actually exercised and practiced behaviour. In this logic ethics can be defined as a special moral consciousness (nevertheless moral consciousness can also include other elements, like superstitions), and ethics as a science may also cover morality itself. In other interpretations the definition of morality includes the totality of moral norms, value judgements and institutions, whereas ethics or morality doctrine means the philosophical study of morality (Nyíri, 2003).

The root of the term 'morality' can be found in the Latin 'mos' (in plural: mores), i.e. will or want (Nyíri, 2003). It is assumed that Cicero was the first who translated the Greek word 'ethos' onto 'mores' (Angyal, 2003; Ciulla, 2005). In Hársing's (1995) interpretation moral or morality is understood as the mode of action of a major group of people or community, whereas morality means the individual's 'moral configuration'. As Anzenbacher (1993) wrote, in Kant 'morality', or the adjective 'moral' means the pure self-consciousness nature of an action, irrespective of the content, whereas the adjective 'moral' includes substantive aspects as well. Nyíri (2003) has the view that the individual's moral or morality is the basic issue of ethical thinking. In my current mind-set I use ethical and moral behaviour as synonym concepts having the same meaning.

As Nyíri (2003) explains, morality is the totality of rules, norms and values, which are acknowledged and followed in a group of people. These norms are internalised and generated in accordance with long-term values (evolution of moral norms are discussed in details in Angyal, 2003; Hársing, 1995). The moral rules and norms can regulate the human action, in addition to the actual legal system. There is an important similarity, namely that legal and moral norms are both aiming at forming a judgement on human behaviour and action, and have common or shared values (Török, 2004). Legal system and morality are in permanent inter-relation within a given community. On one hand, moral rules form an essential source for the legal system, and the system of moral norms in harmony with the laws can support the credibility of laws, whereas on the other hand, norms crystallised as legal regulation can have major impacts onto the people's way of life and actions (Szegedi, 2001).

The question of ethics or moral mentality is typically concentrated onto the concept of good and right way of life and action, as it is linked to people's decisions, behaviour and acts, and the related dilemmas can most probably make every person think about such issues during some period in his/her life (or in more periods). Brinkmann's (2002) question mark is thus relevant in my approach, namely that who is the 'owner' of ethics: (1) moral philosopher, as insider expert, (2) the interdisciplinary scientific

community, or (3) men of the street, who translate ethics in their day-to-day practice applying consensus evolving in the given conflict situation.

In the present thesis – based on the works of Kindler and Zsolnai (1993) – **I define ethics as a science of actions having effects onto others beyond the acting person – inter alia – onto human beings or groups, organisations, creatures of nature or even ecosystems.** I wish to approach and discuss ethical issues in an interdisciplinary manner from scientific aspects; but the 'man of the street' as the individual is in the focus, who has to encounter and face with ethical issues, and detects, interprets and develops the given situation from ethical aspects.

3.1.2. Ethics, as science; ethical concepts

We call ethics within the philosophy science as practical (acting type) philosophy (Anzenbacher, 1993). It has a special characteristic, namely that theories are less built onto one another, and ethical systems from sets of often contradicting and conflicting theories and argumentations. As Török (2004) pointed out, the main reason behind could be that the field of sciences is fairly abstract with its hidden triggers behind human behaviour, thus it addresses indeed abstract issues that can perhaps not be answered. Jones et al. (2005) found that early researchers of ethics unusually had critical mentality, and individuals who traditionally commenced intensively studying ethics and describing ethical thoughts, typically identified problems in their environment, society and economy, functioning of the surrounding world, and this was why they turned towards the new.

According to Heller's (1994) opinion, ethics, as a branch of science has three main schools: (1) interpretative (what moral contains); (2) normative (what people ought to do); (3) educative/self-educative or therapic (how people can be formed/developed so that they can meet expectations). Several among the early philosophers studied the said three areas together, some of them giving them equal weight (e.g. Aristotle) while others emphasised one of them (e.g. stoics). The link among the three areas later and in the contemporary philosophy was broken up, and representatives of different ethical schools give preference to one aspect versus others: Heller argues that diversity in interpretation of the human nature is primarily responsible for this phenomenon. Kohlberg (1969) attempted to summarise the three issues in the 20th century in the theory of moral development, but, as Heller (1994) states, only with partial success. Anzenbacher (2001) differentiated three main schools: (1) fundamental-ethics, analysing the basics and anthropological conditions of morality; (2) norm or applied ethics to specify moral issues, and projecting them onto various action areas; and (3) analytic or meta-ethics, as the analysis of moral language.

Prior to analysing ethical issues the following questions must be considered: (1) Can ethics and morality exist at all, is it reasonable to hold discussion about such issues? (2) Do people have free will at all, can they influence on their own decisions, or do they obey to 'laws of nature'? (3) How can it be established as science and scientific thinking?

Moral relativism has the view that morality has no stability or continuity, the values are themselves relative, there is no universal good, bad, virtue or crime, accordingly the moral judgement and evaluation is also relative. There are certain ethical relativists who accept the existence of norms on community levels. Within the camp of relativists the ethical subjectivism represents the individual-level relativism, which states that the individual has the sovereign authority to decide morally the right or wrong in the ethical coordinate system he/she himself/herself creates (Hóruczi, 1994; Szegedi, 2001). Representatives of emotionism (e.g. Jules Ayer) state that announcements with moral content, which can be categorised as synthetic truth in the Kantian sense, can have only emotional content, so their content of truth can not be proven, i.e. they are senseless. As every person has different emotions in a given situation related to a specific action, moral statements and justice simply can not exist (Török, 2004).

The basis for the determinist school is in natural sciences, thus they have doubts on the basics of ethics from a different starting point. In this logic human actions are also pre-determined, similarly to all acts and events in the universe, i.e. the acting person can not be held responsible for his/her acts. As molecules of the human body follow the laws of physics without any free will, and thus they can have no responsibility, similarly neither have human beings free will and their acts are pre-determined by the antecedents (Török, 2004). There are behaviourist psychologists sharing a similarly sceptical position: for example Skinner states that behaviour and behaviour forms perceived as good or bad, right or wrong can be derived not from their wrongness, virtues or personality parameters, but from consequences of the given behaviour, to which reinforcement (or their contrary) belongs.

In this context it must be mentioned that foundation of ethics as a branch of science and the scientific nature of the applied methods have been disputed for long. For example Spinoza tried to explain his ethics and build the system around supported with geometry methods, using appropriate logical processes based on axioms and definitions, through a deductive method. Pursuant to Nyíri's (2003) opinion we may summarise that modern ages typically tried to explain ethical phenomenon with cause and effect mechanism based on the laws of nature, including deduction and reduction of moral actions onto physical, biological or chemical inter-relations and mechanical models (Nyíri, 2003). Instead of objective aspect the view that ethics formed a hermeneutic science became prevailing and it was striving for a holistic approach and was embedded into history (Hársing, 1995).

If we accept the existence of ethics, then we face with the fact that various ethical schools, based on different basic assumptions, approach and answer ethical questions in different ways. To set up categories and present them would be a monumental task, thus here and now I wish to call the attention onto a few potential aspects of such categorisation, without aiming at completeness.

Based on the nature of moral values these ethics may be situated between the two extremes: they may be (1) absolutists and (2) relativists. According to absolutism, morality and ethical categories, and the moral judgment can also be regarded as eternal,

unchanged, constant and absolute; every act is black or white (e.g. in main Western religions). According to relativism, morality contains no constant or continuity, values are also relative, there is no objective good, bad, virtue or crime, because the moral judgement and evaluation are relative (Szegedi, 2001; Hóruczi, 1994).

Based on the determining factor for the moral value of specific acts, we can set up three categories for the ethical systems: (1) consequentialism, (2) deontological and (3) intentionalist ethics (Szegedi, 2001). In the consequentialist (teleological) school the outcome or consequence determines the value of the moral action (e.g. hedonism, egoism, utilitarianism). In the deontological (in other words target-based) schools the acts expected from individuals are derived from the targeted status, which emerge on the individuals' level as duties or moral norms. In the logic of intentionalist ethics the internal motive and the moral emotions are the determining factors from the aspects of moral action.

Regarding the interpretation of tasks, duties and focus of ethics we can speak about (1) rule ethics, and (2) virtue ethics (Szegedi, 2001). Goodpaster (2007) has a slightly different view in this categorisation and based on the goal of ethical systems he differentiates (1) interest-based, (2) right-based, (3) duty-based and (4) virtue-based ethical systems. The rule-based ethical systems contains ethical guidelines and rule systems based onto such guidelines, which can determine the ethical and ethically unacceptable modes of behaviour, and support certain decision situations as guiding principle (e.g. Kantian ethics, utilitarianism). In the interest-based systems the basis of ethics is the summary of benefits and losses of the identifiable parties (e.g. utilitarianism), whereas in right-based system moral acts are aiming at the protection of rights (e.g. contractarianism). Virtue ethics are focusing at moral and moral character and its development, the relevant question is 'what kind of man I should be', rather than what moral rules should the individual comply with (e.g. Aristotle virtue ethics).

Heller (1994) set up four groups of ethical schools in accordance with their basic assumption on the parameters of 'human nature': (1) human nature is bad, and prevents people in being good (virtuous or moral); (2) human nature is good, i.e. people are virtuous or moral in harmony with our nature, and the cause of evil is always something else; (3) human nature is morally neutral, and it may become both good and bad due to effect of the people's environment (like e.g. society, knowledge or lack of knowledge); (4) human nature contains good and bad qualities, attitudes: certain natural abilities or qualities promote, facilitate and support, while others erode goodness. The various philosophy schools may be fundamentally different from each other also in respect of the 'stability' of human nature: in Heller's (1994) interpretation selection of moral is an existential issue that no event can change, on the other hand Mill describes morality as a 'weak plant in the nursery', which can be easily decayed due to effect of work, the company and other external factors (Kulcsár, 1999).

Regarding the level of analysis, Anzenbacher (2001) differentiates (1) individual-ethics and (2) community ethics. Individual-ethics focus onto the individuals' personal responsibility, actions of separate persons, and their moral evaluation (not forgetting social

context and inter-actions). Society ethics focus on formations that evolved and consolidated in individual inter-actions, i.e. set and structure of rules. In Anzenbacher's (2001) interpretation these two mentalities have independent relevance; none of them can be ignored, as it might lead to a dangerous reductionism. Ciulla (2005) also warns that separation of individual and community ethics may cause serious problems; hence individual ethics also focus on human relations, and thus it is a kind of community ethics as well.

Eminent philosophers share the view that combination of various aspects is possible both on theoretical and practical issues, as ethical pluralism (Radácsi, 2000). I wish to represent this view in accordance with my conviction, as I believe that various ethical mentalities and argumentations help interpreting various problems and situations, better understanding of stakeholders' ideas, mind-set and arguments, and thus evolution of consensus and common understanding. Thus I accept that various ethical guidelines may exist in different cultural environments, as ethics is also a social construction, but I disagree with the view that these are all, without exception and fully correct or fair (descriptive relativism), and I also believe that there exists a consensus on fundamental good and bad on social and community levels.

3.1.2. Ethics in business: brief historical overview

In traditional societies business activities were basically operations controlled by social norms, and were defined, similarly to other areas of life, by detailed rules, typically based on religious principles (for further information on the inter-relation between certain religious theories and business see Zsolnai, 2002). As Polányi (1976) defined, business activities were characterised by integration as they were embedded, and functioned as organic part of the society, and not as a alienated or separate sub-system. Economic activities had no separate system of institutions; moreover, it was working in accordance with the accepted set of social norms, values and rules (Polányi, 1976; Boda and Radácsi, 1996). Parallel with that, moral aspects had a fundamental significance in evaluating business activities, as, pursuant to this aspect, the functional-instrumental role of the economy or business was to sustain the society and secure social welfare (Ulrich, 2002). Lack of confidence related to business activities explicitly appeared in the tradition of these 'pre-modern' societies – so it is not an accident that, for example, traders in the Platonian ideal state were not allowed to hold positions with political authority, as people living in this age thought that their activities were build onto egoism, which formed, in Plato's interpretation, a conflict of interest for any political function (de Geer, 2002). As another example, commercial transactions in the ancient Jewish state had to be concluded at the city gates in front of the 'eyes and ears' of the general public (Trevino and Weaver, 2003).

Integration of business activities changed in the Modern Age due to effects of industrialisation process and Enlightenment philosophy, as its goal was to liberate/separate business activities (also) from the religion-dominated social-moral system. The process of 'differentiation of social sub-systems' has been started. Two worlds were clearly separated also in science: 'pure' economics described with economic rationality and ethic characterised with irrational morality. This concept was interestingly founded from the philosophy: e.g. Mandeville (1969) developed ethical scepticism for eradicating every moral consideration from economics, as man is an ultimately selfish creature, and public welfare can be secured as the combination or summary of individual selfish acts. The Protestant religion had a founding role in causing changes in the inter-action of ethics and business: in Reformation doctrine the individual's role and responsibility increased both in exercising the religion and practical way of life, and, at the same time, it became the sign of considerate but active life, hard and successful work, successes in the real world and the after world and salvation, arising from the predestination doctrine (Ulrich, 2002).

In Sen's (2003) theory, the present economics as a science has a dual origin – the first dominant effect arrived from the areas of ethics, whereas the other from the engineering sciences. The basic issue of the origin from the ethics to economics is how economics can support people's welfare. Sen found the root of this approach in Aristotle' Nicomachean ethics: '*money-earning life form always exposes a kind of force onto people, and richness obviously can not be the wanted good, as it is only useful for spending off, and it is not for itself but for something else*' (Aristotle, 1971:10). There was a close inter-relation with ethical mentality and this is also supported – says Ulrich (2002) – that Adam Smith and several founders of the modern economics theory were moral philosophers, so thus moral aspect was dominant e.g. in Smith's system. Current economics science and management mentality can be rather characterised with engineering effects (Ulrich, 2002). These approaches, having dominantly engineering origin, mostly focus onto how the defined goals can be most efficiently fulfilled, and Sen suggests that their root can be originated in the works of Kautilya who lives in the 4th century BC (Zsolnai, 2001; Sen, 2003).

As the consequence of the 'great transformation', economy or business has not been incorporated into the society since the beginning of the Modern Age, but moreover, in a sense the society has become embedded into the business relations (Polányi, 1976). We can most probably link the phenomenon called as emancipation of economics theory to the 'invisible hand' doctrine developed by Adam Smith, which describes the logic of market independence and rationality that follows the self-interest economics, and, as a result, the economic rationality steps out from the former limitation exercised by social norms, and the philosophy of economics is set free from the ethical embeddedness. De Geer (2002) has the view that, in a paradox manner, the Protestant conviction that it is the faithful Christians' duty to exploit business opportunities received from God's will, and economic rationality was the basis for this mentality has set free the myth of self-control nature of the nature of economics or business and morality of market (de Geer, 2002). In

addition to providing the theoretical foundation for the separation this 'myth' has evolved and is still present among theories on inter-relation between business and ethics.

Theory of ethics and economics has been developing more-or-less independently from each other since the Modern Age. Philosophers of the Enlightenment and subsequent ages (e.g. Locke, Bentham, Mill, Kant, etc.) were engaged in working with ethical issues. They created frameworks, which were then further developed in the 20th century, and we are still applying in ethical discussions in the 21st century, but they for quite some time had very little practical relevance. In addition in Europe the Catholic Church made an attempt to elaborate business ethics principles in conformity with Catholic doctrines in a Papal Encyclicals published in 1891 by XIII Leo, titled 'Rerum Novarum', which received great echo, and the subsequent efforts were based on this document (de Geer, 2002; Tomka and Goják, 2005). Caroll (2008) has the view that though critical comments and issues related to employees' responsibility and fair treatment, children's work or individual then corporate philanthropy were indeed raised during the 19th century, but these remained isolated concepts and practical solutions (for more details see Carroll, 2008; McMahon, 2005).

In the Modern Age majority of economists voted in favour of the independent, value and moral-free, objective and 'clean' economic theories (and practices) that can be formalised and meet the criteria of natural sciences (Kindler and Zsolnai, 1993). Though increasing industrial production; globalisation and deregulation; as well as the enormous corporate empires could also lead to market failures; enhanced roles assumed by the government and then the phenomenon of failures in such governmental interventions; the theory of value-free and ethics-free business activities and business sector can still retain its positions. Kindler quotes Sen, who says: '*who today enters into the area of economics theory, had better to give up all hopes for ethics*' (Sen in Kindler and Zsolnai, 1993:7). This situation is full of contradictions – as Sen explains (2003) – because most of the grave ethical problems and difficulties emerging on global and local levels basically have their root in economic origin. In their argumentation, Kindler and Zsolnai (1993) point out that the theory of ethics-free business life is far away from reality because it assumes that participants in economy or business cannot decide in accordance with ethical considerations. Carrying further this train of thoughts, if economics is independent and value-free, as a sub-system, then ethical principles are not applicable onto any company or, within companies, onto individual managers either. Several theoretical and practical experts made attempts in practical life to define the minimum ethical standards for corporate managers, for example Drucker referred to Hippocrates and highlighted the 'Primum non nocere' principle (Drucker, 1974). (There are other efforts for moral standards, e.g. Macklin (2007) applied Heller's norms to HR managers, as professional moral standards.)

By the second half of the 20th century the issue of business ethics gradually came into focus due to historic events and economic changes. Several thinkers further developed the existing so-called 'classical' philosophy doctrines, like e.g. modern Aristotelians (e.g. McIntyre, Solomon), modern utilitarians (e.g. Arrow, Smart, Harsányi, Jensen), or

Kantians (e.g. Bowie, Hare). Moreover, many thinkers contributed to making ethics and business ethical palette more colourful by adding new aspects to the picture (e.g. Rawls distributive justice theory, Etzioni socio-economy, Habermas discursive ethics, woman and feminist ethics). Jones et al. (2005) however had the view that three fundamental doctrines have been exerting effective impacts onto the contemporary business ethical 'reality' (utilitarianists, virtue-ethics, deontological ethics), and there are still dominant.

We can find hardly any trace of studies on ethical issues in the 'narrowly interpreted' management literature in the early 20th century. Barnard wrote his classical and fundamental work (*The functions of the Executive*) in 1938 where he analysed the issue of managers' responsibility within the company. Berle and Means in 1934 in their work (*The modern corporation and private property*) studied how and with what legal and other tools we can motivate company managers for maintaining responsible behaviour. Based on the poor professional literature in this topic – evaluation of Trevino and Weaver (2003) – the issue of 'ethical management' seems to have rather normative, philosophical, sometimes religious roots. Joyner and Payne (2002) say that Simon's book published in 1947 (*Administrative Behaviour*) was a critical milestone from business ethical aspects, where Simon – inter alia – addressed the significant effect of organisations onto the individual's behaviour, and emphasised the importance of assumption of responsibility beyond the companies' formal legal liabilities. As Carroll (2008) explains the issue of how companies assume social responsibility in the context of business ethics came to the limelight first in the 1950-ies, and Bowen's book published in 1953 (*Social responsibilities of a Businessman*) can be regarded as a milestone in this aspect.

Topics related to business ethics, ethical behaviour of organisations and individuals have indeed been mushrooming during the last 30 years, both in levels of organisation science and management literature, as well as the business sphere and corporate practices. Goodpaster (2005) identifies the cause of such increasing interest in three areas: (1) more and more intensive social movements (e.g. various groups struggling for human rights, equal rights for women, protection of the environment); (2) scandals in multinational corporations and their social and business response; and (3) collapse of the socialist system in Central and Eastern European countries. Koslowski (1993) links the increased interest to expanding scope of effect of human activities, and its increasing external effects. Angyal (2003) also calls the attention to the importance of transformation of various organisational forms and operations, acceleration in globalisation and enhancing social tensions.

3.1.4. Question marks in the purpose and definition of business ethics

As a consequence of contradictions emerging in the relationship of business and ethics; and in the development of this relationship can thus hide substantial contradictions also in the definition of business ethics. There are thinkers who deem business ethics only as

applied ethics, which projects only general ethical principles onto business and business activities. Referring to Ulrich's (2002) tripod: (1) ethics and morality is a 'lubricant' for representatives of the functional business ethics for securing economic rationality, and, in totality, business ethics is a functional management tool for improving competitiveness, or securing social acceptance. (2) For the followers of corrective business ethics, business ethics are used for regulating/controlling business interests, a kind of 'antidote' against excessive economic rationality. (3) Representatives of integrative doctrine think that ethics is a value orientation, which is valid for both economics and society, offering a basically critical mentality, and where economic rationality is replaced with ethical arguments. Based on De George's definition (1999), business ethics is the inter-action or inter-relation of business and ethics. In this interpretation it includes moral valuation of economic systems, and actions of organisations and individuals functioning in business life and based on universal foundations, but only individuals can perform the moral valuation (and not state institutions or companies).

In his study Aasland (2009) differentiates between 'ethics for business' and 'ethics in business' doctrines. The ethics for business school basically has an instrumental-functional character, its main essence is to provide the companies and the managers with 'efficient tools', and use the different systems of ethical doctrines as a kind of 'cafeteria' – considering their actual usefulness. It has an important characteristic: it has a widely known and accepted nature with objective and logical structure, with explainable and retrospective character. These doctrines are fundamentally self-centred, i.e. they form parts of the system of instrumental knowledge and tools for corporate governance, and in Aasland's argumentation this can not be regarded as business ethics. Ethics in business means something more: it is really critical, value based point of view.

Wray-Bliss (2007) points out that the area of business ethics is variable and colourful, and the group of the mainstream business ethics doctrines can be clearly identified, which is (1) committed to the present business and corporate operations (*pro-business agenda*), and though it is criticising certain phenomena, but fails to question in general the operations of the business (and companies); (2) Committed to free market activities (*free market agenda*): i.e. assumes that ethical activity is rather the consequence of a kind of self-control and self-restriction, than external control (e.g. state regulations). (3) It believes in the possibility for pacifying profit and ethics, and that ethical business is at the same time also profitable business.

In their work Jones et al. (2005) suggest that present practice of business ethics is superficial and it misses critical attitude, and identify six main problem areas: (1) Though business ethics is embedded into philosophy, still the contemporary thinking is under the influence of three philosophy schools, among which even the newest is originated from the 18th or 19th century, and concepts of philosophers of the 20th century (though many of them had valuable ideas on ethical issues) are not or only slightly presented. (2) Business ethics is under dominant influence of individualism and the deep integration of individuals, acts and structures are often ignored, and thus it fails to give genuine explanations. (3) Business ethics deal with obvious major ethical dilemmas, and it does

not question ordinary day-to-day practices. Jackall (1988) also agrees with 'ignoring' the small decisions of day-to-day activities, as the tendency typical to the business ethics area. (4) Definition of business ethics is not unambiguous; it is not clarified in various philosophy doctrines and day-to-day life. (5) Business ethics does not question the deeper layers, but interprets questions and answers only in the present economic framework. (6) The goal of business ethics is to find solutions which show the right way or path, and thus can reduce the degree of uncertainty, and not to question thinking and frameworks and searching for new ways (Jones et al., 2005).

Wray-Bliss (2007) calls the attention that business may be able to transform ethics onto a resource for improving competitiveness through exploiting and utilising ethics, and developing a show-piece ethics, thus it may unveil real un-ethical actions. Jones et al. (2005) argue that discovery of new critical aspects is essential. In their interpretation ethics is something different: '*perhaps ethics should actually hurt, because it presents a radical change to the ways things are often done in organisations society at large ... That sort of serious laughter could be framed as the insistent voice of conscience, the worry about the consequences for an Other, the better parts of our character, or whatever*' (Jones et al., 2005:133).

Wray-Bliss (2007) has the view that that there are three general problems in the inter-relation of business and ethics, which need to be solved otherwise ethical aspect can not be really incorporated into business thinking or mind-set: (1) It must be proven that ethical aspects can be relevant not only on individual, but also on mezo and macro levels; (2) participants of business life need to be convinced that companies also need to have consciousness (original concept of Goodpaster and Matthews, 1982); and (3) we must find a common language, as with its help ethical concepts deemed as abstract can be inter-linked with specific corporate practices. (This latest observation is closely related to moral muteness, see also in Chapter 3.4.6.)

3.1.5. Business ethics, as a scientific topic and research area

According to Trevino and Weaver (2003) the first empirical business ethical research is linked to Baumhart, who published his basically interpretative research (based on interviews and questionnaires), describing values and behaviour related to ethics of managers in 1961 in the Harvard Business Review titled as '*How ethical are businessmen*'. However, before that Fortune Magazine conducted a questionnaire-based study in 1946 (probably with lower level of scientific support), where business people were asked how they assume and asses their social responsibility (Carroll, 2008). In the 1960-ies and 70-ies empirical research works were dominantly focusing onto the managers' values and effects of ethics formalisation, mostly with descriptive nature and less with theoretical foundation. In the 1980-ies and 1990-ies studies focusing onto individual decision-making and intra-company ethical issues emerged and then

'flourished' after 2000, including the concept of CSR, effects of ethical behaviour onto financial performance, as they are dominantly supported with theoretical foundation and often have normative nature (Carroll, 2008).

Similarly to (general) ethics, the normative (mainly based on philosophy and faculty of arts) and the empirical, descriptive (mainly starting from social science and management theories) doctrine and methodology developed separately in the business ethics area. As Radácsi (2000) explains, representatives of the normative doctrine disagree on the empirical method, as in their interpretation business ethics deals with the elaboration of the theoretical model 'how it could be right', and it would be wrong starting from the 'existing' to resolve this problem (in line with the doctrine developed by Hume), as this would be the so-called naturalistic mistake.

Weaver and Trevino (1994) offer an overview on inter-action of normative and empiric ethical doctrines and differentiate: (1) parallel relation, independence of each other; (2) symbiotic relation, comparison of results in a given case; and (3) integrative relation. They argue in favour of the symbiosis of the two doctrines highlighting the supplementary effects of each theory onto the other, making each other richer. In their argument the phenomenon of incommensurability (raised by Burrell and Morgan, 1979) i.e. antagonistic conflict of paradigms and, arising from this, 'the worlds of difference' can be resolved in business ethical analysis (Trevino and Weaver, 2003). Radácsi (2000) adds that certain concepts (he refers to human rights in his example) specifically avoid such alienated interpretation frameworks. Zsolnai (2001) has the view that normative-analytical and constructive theories (supporting practice) of business ethics are both important, and believes that 'virtues of Epicures and Stoic doctrines' can be combined in his business ethics.

McMahon (2005) says that emphasis, philosophies focal points and typical cases have been permanently changing during the history of business ethics. At the beginning of the 1960-ies business ethics basically had an individual focus: the emphasis was laid onto personal responsibility of business people and managers, and the problems were primarily studied from the management's perspective. Near the end of the 1960-ies mostly social issues, inter-relation of social problems and business, consumer protection, ecological problems, and legal practices were in the centre of attention, but even these studies were less systematic in themselves, but rather reactive and less supported by theory. Business ethics, as an independent discreet discipline and systematic theories (deemed today as reliable doctrines) evolved by the 1970-ies, focusing on the relevant topics, as companies' moral status and responsibility, whistleblowing, corruption and discrimination and also the first global issues appeared, like children work or apartheid. At the beginning of the 1980-ies professional periodicals emerged focusing onto business ethics, scientific bodies and networks were established, training courses were launched at universities and colleges, important textbooks and case studies were published. During this period the focus of research typically included both organisational and individual levels, and a wider spectrum of topics, theories, and the applied methodology.

During the 1990-ies formalisation and institutionalisation of ethics was one of the focuses (within that, ethical committees and codes, ethical training, ethical qualifications), and sustainable development came into the picture, the concept the triple bottom line. From that time not only managers, but employees were also subject of research work. Issues of international level also became gradually topics on the agenda, like ethical study of global corporations, cultural aspects of ethics, adaptability of ethical programs, or problems of large international organisations and treaties (NAFTA, GATT). From this period European scientific schools also and increasingly joined the research works and became dominant (Szegedi, 2001; McMahon, 2005; Angyal, 2009). Angyal (2009) points out that development of business ethical thinking is itself similar to the learning process of organisations related to the responsible behaviour of certain companies.

In her review on professional literature Palazzo (2002) pointed out to some very important differences when she analysed normative business ethical thinking of the USA and Europe (interpreting them as tendencies and not as exclusive doctrines):

(1) Emphasis on individual vs. organisational, institutional: while in the USA individual moral behaviour is rather in the focus of theoretical efforts and studies, ethical aspects of institutional environment and business systems are dominant in European theories.
(2) Accepting vs. questioning capitalism: while theories in the USA are less questioning the capitalist framework, and rather focus onto internal ethical problems of the system, in Europe the issue of legitimate and questioning capitalism is also present, analysing business decisions, institutions and government performance from a critical and 'keep some distance' aspect.
(3) Verification vs. application of moral norms: though secularisation was completed in both society, pluralism in moral norms and values and their legitimating processes are characteristic and typical in the European business ethics literature (specifically in Sweden, German and Dutch). Parallel with this the philosophy in the USA is dominantly influenced by Christian norms and values, and theories mainly focus on their application.

Appearance of thinkers from overseas (i.e. other than Western regions) can enrich the picture, e.g. business ethics theories from Asia. While philosophical determination is typical for the USA and Europe business ethics literature (mostly with European roots), religious determination (Islam, Buddhism) or special local cultural values (e.g. Chinese Guanx approach) is typical in other regions (Crane and Matten, 2007; Zsolnai, 2001). Mixture and inter-action of these sources can be very exciting, e.g. emergence and application of Buddhist theories in European environment (i.e. see Zsolnai, 2001).

3.1.6. Some ethical theories and their effects onto business ethics

Jones et al. (2005) think that criticism, intention and ability for genuine thinking, and hope for a change was always present in the birth of traditional ethical systems. They argue that

there are three classical schools of ethics remarkably present in the contemporary business ethical doctrines, and they identify the concept of ethics quite differently: (1) utilitarianism, (2) virtue ethics and (3) Kantian deontological ethics.

In the thesis of Reidenbach and Robin (and in empiric works based on this theory) five contemporary philosophy doctrines are identified, which determine morality and moral decision-making characteristic to the contemporary business ethics: (1) utilitarianism, (2) egoism, (3) justice theories based on virtue ethics, (4) deontological ethics based on Kantian foundation, (5) ethical relativism (Reidenbach and Robin, 1990). The basic theory of ethical relativism is that normative ethics evolved from culture (cultural relativism), and by the individual (individual relativism), thus they cannot be regarded as universal laws. Although relativism, pursuant to definitions by Mill and Kant, cannot be regarded as an ethical doctrine, and it often appears in individual and business ethical discussions (Reidenbach and Robin, 1990).

These schools of business ethics are of particular significance for me because I believe that they form and evolve mental models of the individuals and organisations; mental models of ethics interpreted in organisational and workplace situations; and roles linked to business (in our case, in HRM issues and roles). Discovery and identification of these models could be an important part of my research work.

Now I will briefly summarise some thoughts about classical theories, and discuss a few concepts about the female and critical ethics. Critical theories are important for me because of the critical HRM (see Chapter 3.4.1.), female ethics are emphasizing the significance of care, emotions and cooperation, which would be important in the conception of participatory paradigm (see Chapter 4.2.) and moral imagination (see Chapter 3.2.6.) as well.

Utilitarianism (some comments on egoism)

The theoretical roots of utilitarianism date back to Epicurism; as it basically identified good and fair as individual pleasure (hedonism). This individual pleasure is useful for the individual, and at the same time is the source of happiness, but there is a rational limit of individual selfishness (rational egoism), which presents no danger to the community's happiness (i.e. to the universal hedonism). When consequences are considered in his/her philosophy, the person, focusing onto individual selfishness, takes into account only such individual interests, and in such mentality an act is ethical if the individual considers his/her long term interests (egoism). The person's egoist behaviour is fundamental and desirable in the operations of a business system that is based on egoism (Reidenbach and Robin, 1990). Though the egoist philosophy system can not resolve the conflicts between egoist interests, and most people do not accept it as an ethical system, but it has a strong presence in human thinking and acts.

Bentham, one of the fathers of classical utilitarianism says: '*Nature put humans under the governance of 'two sovereign lords, pain and pleasure'. They are the ones to*

determine what we do. On one hand, determining good and bad, and on the other hand, chain of effect and cause is locked to their thrones' (Bentham, 1977:680). In Bentham's logic whether an activity is right or wrong, or moral will be determined by its usefulness, i.e. how it can bring happiness, pleasure, enjoyment. Thus the community's interest is to maximise aggregate happiness of members of a given community. The 'size' of various pleasures can be calculated using the 'felicific calculus' method, which is based on the power, dimension, purity and enrichment capacity of pleasure, and thus we can adopt reasonable and ethical decisions (Hársing, 2001). Bentham's purpose was to develop a rational and logical, transparent system with the following goal: to achieve the maximum happiness for as many as possible persons (this of course does not mean that every person has the same share). This logic was based on the actual situation of his age: the traditions and privileges prevailing in the contemporary political elite in England, contrary to the corrupt and in-transparent control systems, focusing onto the interest of the few. Bentham's logical system is called as an act-utilitarianism, because it does not focus on setting up general rules, unconditional adherence to rules, but every decision-making situation should be judged in this mentality separately within its own context. Bentham as an active social citizen, actor tried to utilise his utilitarianist ideas also in practice: inter alia he participated in the preparation of various legal and education reforms, and when he departed he donated his body to a medical school, this was the first such offer of this kind, according to records (Jones et al., 2005).

Mill fine-tuned the utilitarianist theory: he differentiates lower-level sensual and higher-level intellectual pleasure, and draws a sharp demarcation line between satisfaction and happiness. In his arguments a person can be indeed happy based on his/her individual nature and social feeling, if he/she works not only for his/her own personal, but for the happiness of others as well ('society theory'). Mill's ethics is based on the individual's freedom, which is built onto moral sense and mutuality of individuals and rule-utilitarianism, because it assumes the existence of general laws that usually lead to the evolution of a world with more happiness and less pain. Sigdwick defines the principle of good intention (every person should consider and evaluate other's welfare as his own), and points out to the contradiction embedded in the utilitarianism theory between the principle of good intention and following hedonist self-interest, and, in a wider interpretation, between egoism and altruism. He attempted to resolve this contradiction in his theory using the 'spirit of good intention' (Hársing, 2001).

Several thinkers criticized the utilitarian ethical theory in many respects during the past two centuries. In his interpretation, Rawl (1997) focuses onto the happiness of majority: he argues that in this framework sacrificing minority is permissible, though this is fundamentally violating the principle of justice and equality. Sen (2003) thinks that critically important concepts are missing from this theory, like for example individual freedom and its violation; moreover some indicators of quality of life that are difficult to measure. It fails to deal with the distribution of usefulness (lack of interest towards distribution), and focuses only onto the aggregate usefulness, thus for example minority's rights might be endangered (Crane and Matten, 2007). Sen (2003) also refers to Marx's

critics, who did not agree with the interpretation of the definition of usefulness, as he had the view that the classical utilitarianist logic contained naive and wrong generalisations regarding human nature. Several critics discuss the problems of the actual implementation of the 'felicitas calculus' from practical aspects, limitations in information basis (Sen, 2003), impossibility of objective evaluation and its rationality (Johnson, 2007), prejudice or bias of the evaluating person and difficulties in taking future effects into consideration (Jones et al., 2005; Crane and Matten, 2007; Wray-Bliss, 2007).

Regarding the business ethical effects, the utilitarist ethics can be regarded as still significant, and its basic principle – 'the greatest good for the greatest numbers' – is clear, attractive and simple. Some of the business ethics impulses still valid today: (1) In business decisions consequences that matter. As effect of each factor influencing business activities can be translated onto numbers, using such numbers we can maximise usefulness of business decisions. Jones et al. (2005) say that this unconditional belief in 'the arithmetic of usefulness' is present in several areas of modern business activities. Moreover, dominance of accounting, finance and controlling, i.e. management information systems determined by numbers, and belief in unavoidability of such factors, 'the myth of numbers' is the unambiguous effect of utilitarianism (Jones et al., 2005). (2) The individual is a selfish 'homo oeconomus' in the 'mainstream' of economics, following his/her self-interest, as focusing onto maximising his/her own benefit (happiness) and thus he/she can add the most contribution to the public benefit or optimum (i.e. he/she behaves ethically). (3) Interest of certain corporate stakeholders can be managed, calculated and optimum can be identified in the specific situation (Wray-Bliss, 2007).

Virtue ethics

Human action, as an act carried out in order to achieve some goal or result is the centre of Aristotle's' virtue ethics system. The ultimate goal of human actions is to reach the highest good, eudemonia. The moral is embodied in good human virtues, as capacities that enable people to control wishes and desires, and thus we can act in certain situations rationally, in the most appropriate manner, i.e. it is not only a spiritual structure but also an action itself. The virtue '*the median between two evils, one arising from acceleration, the other from something missing*' (Aristotle, 1971:43). We can differentiate two categories of virtues: intellectual and moral virtues. Aristotle deems (1) practical experience, scientific perception, philosophical wisdom, intellect and mind as mental, intellectual virtue; whereas (2) courage, patience, sympathy, good-heartedness, kindness, honesty, commitment to truth and justice as ethical, moral virtues (Turay et al., 1999). It is important that virtues are qualities, which (1) include will, thus they definitely differ from all other personal qualities, like intelligence or health; (2) can be developed by practice, targeted and conscious education. '*Thus virtues develop in man not from or despite nature, but we are created by nature so that we can accept and absorb them, however we may be perfect in such virtues by traditions*' (Aristotle, 1971:32). On this basis, man's life is a series of inter-acting and inter-related decisions, and the specific human acts can be

regarded as stops along a moral development process (Radácsi, 2000). This concept of virtue ethics can be closely related with the concept of development and practice of the moral imagination.

Saint Tomas of Aquino in his virtue ethics named four cardinal virtues which, if we follow them in our acts, can make us good people even if the specific act fails to reach the target. These cardinal virtues are: (1) Prudence; (2) Justice; (3) Temperance; and (4) Courage. Based on cardinal virtues there are special virtues, as we need them in specific life situations. In Aquino's logic (1) acquisition and development of virtues precede and found the capacity for performing an action well; (2) virtues are indispensable for human development; and (3) virtues fall or service together (Alford and Naughton, 2004). It is essential that Aquino's theory morality of any single act has three parts, and each of the three components should be ethically right in order that the act itself can be right: (1) the objective act itself; (2) the subjective motif; and (3) the given situation, and circumstances (Kocsis, 2002).

Among modern virtue ethics, Solomon (1992) emphasised in his theory that the individual moral character had to be developed and it was indispensable pre-condition to reach ethical excellence. The most important virtue is justice, and other are also important like endurance, care, sympathy, honesty, fairness and confidence (Alford and Naughton, 2004).

The ethical doctrine based on virtues still has significant effects, though it was often criticised. The main problem is that inter-relation between virtues and specific acts remains questionable and difficult to discover. Doubts were also raised regarding priorities and universal nature of virtues, and their relation with time and culture (Goodpaster, 2005). Szegedi cites Kant, who said that virtues are insufficient in themselves, hence '*virtuous man without ethical principles is blind*' (Kant in Szegedi, 2001:36). Wray-Bliss (2007) feels that individualism is a potential trap for virtue ethics, where organisation's ethics is subject to heroic struggle of one-one man. Werhane (1994) argues that genuine business ethical problems are often focusing onto conflicts between communities' interests, and principles of virtue ethics cannot offer points of orientation for their solution.

Regarding effects of virtue-ethics approach, the virtue-based character development of managers is a critical part of the management science and management literature (examples are available also in Hungarian, e.g. Peters and Waterman, 1986; Covey, 1989). The basic status of the individual's morality is a key starting point for analysing the moral decision and behaviour, individual virtues (and crimes) and options for choice embedded in them. Corporate culture (Goodpaster, 2005), and corporate atmosphere (Mills, 2005; Johnson, 2007) embedded in the virtues is one of the potential sources and background of ethical corporate activities, using the analogue of individuals. Goodpaster (2005) explains that a decision for example to take interests of future generations, or animals as stakeholders also into consideration for the company's environmental decisions most probably represents a virtue-based commitment.

Reidenbach and Robin (1990) connect the emergence of commitment toward justice and truth as basic virtue to Aristotle, saying that subsequent philosophers further developed this idea, thus the concept of distributive and procedural justice appeared. Among the justice-based theories Rawls' (1997) distributive justice theory is outstanding (it is based – inter alia – onto Kant's philosophy), and where he argues in favour of justice perceived as fairness, i.e. the 'right' precedes 'good'. In his interpretation rights of personal freedom, supplemented with certain fundamental political and civil rights, are regarded as first among equals, enjoying absolute priority, and these should be secured for every man (this is the concept of equal rights of freedom). These cardinal rights should be respected by all means, irrespective of consequences. To create moral directions, Rawls introduced the concept of 'veil of ignorance', behind which (free of any pressure from authority and status) the basic principles of ethics can developed, which are adjusted to the principles of (1) equal rights of freedom; (2) equal opportunities; and (3) fundamental care (Johnson, 2007). Rawls describes a moral person as a man who is able to perceive and apply a common interpretation of fair conditions for justice, social coexistence and social cooperation, and is able to create his/her concept on 'what is good' (Anzenbacher, 1993).

Kant's deontology

In Kant's (2004) system the guiding principle qualifies the moral action, i.e. the motif of a given act is significantly more important that the act itself or its consequence. The individual has aptitudes arising from human nature, but he/she is not in the position to choose among them. Though he/she has a chance for selection between to follow his/her aptitudes and motivations or duties, and also is able to rational thinking. Duty is an act that the individual performs driven by voluntary abeyance with the laws of morality, and this law of morality is (1) a statutory or obligatory rule valid for each rational being, i.e. it is universal, (2) categorical, i.e. it is not restricted or limited by conditions, (3) the product of human thinking, and is arising from the mind (4) not based on emotions, sensual experiences or desire.

Kant's categorical imperatives: '*rational beings must be treated never as a mere means but as the supreme limiting condition in the use of all means i.e., as an end at the same time*' (Hársing, 2001:136). We should clearly differentiate this categorical, moral imperatives (that is man can never be treated as an asset or a thing) from several hypothetical imperatives, which define specific command for reaching or avoiding certain statuses.

In his system Kant differentiates the status, where (1) a person acts following a rule or regulation, because he/she thinks obeying the law is the right thing to do (*according to the duty*), and status where (2) he/she does this from internal motivation and duty originating from inside (*out of duty*). In Kant's system this second acts, based onto internal motivation, internal driving force and inclination is the ethical behaviour that can also deliver us from external effects. In Kant's logic the primary command of every duty is to get to know your heart even if this can never be perfectly successful. In addition he can

see the individual's social integration, but has the view that friends, social environment, etc. can determine the individual's acts as external effects. It is important to note that Kant strongly believes in moral development and in the significance of thinking in pure morality, but less believes in practical examples.

Several critical comments were offered for Kant's system (justified or assumed) regarding the business ethical implications. Many thinkers had the view the Kant's definitions were too general and they give no support in specific situations and fail to handle exceptional cases, (Reidenbach and Robin, 1990) and complex situation (Crane and Matten, 2007). Though Bowie attempted to translate Kant's ethical system onto the language of ethical business practice, but the critics agree that this sometimes leads to mis-interpretation (Jones et al., 2005). Crane and Matten (2007) think that Kant's ethics is too optimistic, and under-estimates the power of human egoism. Johnson (2007) has the view that Kant's system fails to handle the conflict of duties.

Nevertheless the deontological ethical argumentation is present in the contemporary practice. Freeman's stakeholder theory (1984), which defines inter alia the consideration of the stakeholders' interest as duty of the companies, obviously has Kantian roots, in addition to utilitarianism, though in Greenwood's (2007) interpretation it can be best interpreted within the framework of ethical pluralism. On this basis, importance of existence of duties and significance of compliance with these appear in certain theories explaining the companies' social responsibilities, and concepts of moral duties aiming towards the society and community. Interpretation of as wide as possible scope of stakeholders, and considering the interests, rights and opinions of every stakeholder will also be a critical aspect of the moral imagination.

Feminist (female) ethics

The basis of various female ethics is to re-interpret the traditional ethical aspects in accordance with the female ethical aspects and their interpretation, regarding these as having equal right with male aspects and interpretation. In his overview, Tong (2005) differentiates (1) feminine ethics, (2) mother-focus ethics, and (3) feminist ethics. As a representative of the feminine ethics, Gilligan (1982) – mainly reacting upon Kolberg's (1969) moral development theory – differentiates, in addition to the morality based on primarily male characters (as justice, rationality) care-based morality mainly based on female characters, where specific human relation, help and care for others are in the focus. Male and female morality is based on different logic, and they rather supplement than exclude each other.

The mother-focus ethics has the basic principle that our world is rather under the influence of inter-relations of unbalanced and unequal parties, and not anonym transactions of partners with equal rights, thus the mother-child paradigm is the best for describing the morality (Tong, 2005).

Feminist ethics say that traditional ethics handle women in several points as inferior persons pushing them into traditional female roles, and elimination of such discriminative treatment is in the focus of their efforts (Pieper, 2004). Tong (2005) points out that female ethics do not want to open new doctrines replacing former frameworks but represent new lenses to call the attention onto 'diversity' of ethic and morality. Involving the importance of sensitivity and care for others into business ethical discussion, appearance of cooperation and protection of the weak and fallen can be a critical implication in addition to or instead of competitive relations. Kujala and Pietilainen (2007) highlight that female ethics can add a lot to business ethics presently under male dominance with (inter alia) understanding inter-personal relations, emphasising such inter-personal relations, and making authority dynamics more conscious.

Ethical lines of critical and post-modern theories
We can find the roots of the critical theories in the social theories, philosophy theories of the Frankfurt School in the 1930-ies, and the sociology, social philosophy theories based on the first two (Adorno, Horkheimer, Marcuse, Fromm, Habermas). Critical theories equally criticise totalitarian and capitalist social and business establishments. In his theory the founder Horkheimer describes that as a consequence of conquest of nature human personality gradually lost its affinity towards ethics. The critical theories have a common feature: they try to discover and criticise the power relations of existing organisations, and disagree with the instrumental, strategic-type approach and interpretation of ethical behaviour of business participants. They point to various and often contrary interests of managers and other organisational participants, and to the management dominance of existing organisations. They remind us that organisations' ethical problems are graver, deeper and more complex than the level of the corporate credos, visions and ethical codes (Wray-Bliss, 2007).

Levinas (1999) in his 'inter-human' approach tries to identify the meaning of ethics, without launching a new ethical doctrine. While definition of ethics and ethical behaviour is concretely shown in most classical theories (e.g. in utilitarianism this is the ultimate and highest usefulness for most people), Levinas approaches this issue in an anti-essentialist concept (Levinas, 1999; Jones et al., 2005). In this logic the meaning of the object is shown not only in this object itself, but it is related also to the observer, and it is not an accident that his ethics has so many and different interpretations. Accordingly, we cannot approach or present his ethics in a direct manner, but rather indirectly and in an open manner. Levinas explains that his ethics can be best understood the same way as in the story of the Little Prince when the pilot draws a box with the lamb inside. '*I do not know how to draw the solution to unsolvable problems. It is still sleeping in the bottom of the box; but a box over which persons who have drawn close to each other keep watch*' (Levinas, 1999:89). The Other, and the relation with such Other is in the focus of Levinas' ethical concept, and this Other is often not the other according to the contemporary and reduced interpretation, i.e. not the projection of the thing or not ourselves or somebody from a faceless mass of people. In this interpretation ethics means complete openness to

the Other, a kind of readiness for change and assumption of responsibility, as a phenomenon that has been increasingly vanishing in our current impersonalised, alienated world dominantly determined by rules (Levinas, 1999; Jones et al., 2005). Levinas' concept is in full harmony with the concept of moral sensitivity, and moral imagination based on this sensitivity (Werhane, 1999).

In his post-modern argumentation, Bauman (1993) claims that several doctrines of classical ethical approaches lead to dead-end street: the goal of the post-modern ethics is to find a new way for understanding and interpretation of ethics. And as such, it is striving for unveiling illusions of modern society and masks, and wants to eliminate the self-reproduction and self-sustaining character of systems. Rejection of traditional ethical solutions will be an important part of this new path: discovery of set of rules as forcing the ethical behaviour, or of universal truths. Instead, supporting Levinas' aspect, he highlights the elimination of physical, communal and psychological distances between people, typical to the coexistence with the Other and characterising the contemporary age. Ethics is contradictorial in the nature of moral, because every moral decision means a selection among several options, for example between individual freedom and welfare of the community. Moreover, excessive demand of certain ethical fundamentals might become unethical (e.g. care for others may lead to suppression and dominance). Ethics and moral are basically not rational: modern age is striving for calculating, domesticate, restrict ethics and put rules around (similarly to religious systems) (Bauman, 1993:7). Bauman emphasises the importance of the moral impulse: people can better understand each other and assume responsibility for one another with mutual support and help.

Scherer and Palazzo (2007) emphasise that post-positivist mentality is increasingly emerging in the theory and practice of corporate responsibility related to ethical corporate activities, and, based on Habermas theory, they create the model of deliberative company, which is unambiguously committed to the concept of discussion, transparency and accountability and ethical operations.

Closely connected to critical theory, and also to management studoes, the school of critical managements studies (CMS) emerged as '*discursive product of the past 15 years*' (Prasad and Mills, 2010: 226). CMS first appeared in the management literature as the title of Alvesson and Willmott (1992): in their work they basically wanted to conceptualize the possibilities of critical theories for organisation studies. CMS contains a variety of perspectives, including, but not limited to Marxist, feminist, postcolonial, poststructuralist and psychoanalytic thought: as a collected definition, can be understood as '*the expression of views critical of unethical management practices and exploitable social order*' (CMS division of the Academy of Management, cited by Prasad and Mills, 2010: 229). Prasad and Mills (2010) point out that (by 2009) few business ethics scholars have explicitly posited their research work within CMS, and they suggest some possible research directions to do so: (1) researchers should reveal the problematic deployments of CSR by corporations, (2) scholars should most holistically conceptualize the impact of unethical behaviour of firms, managers on tangentially, not directly related actors and society. CMS

could provide new perspectives and alternative lines of inquiry – claim Prasad and Mills (2010).

3.1.7. Individual ethics and 'nature of man' in business ethics

Literature originally differentiated three levels of studies in business ethics, like (1) individual level (micro level, individual ethics); (2) organisational level (organisational ethics); (3) business systems level (De George, 1999) or the level of institutions (Wood, 1991). Global level joined this system due to effects of globalisation (Zsolnai, 2001). DE Cremer (2009) also introduces the intra-individual level, which is focusing onto processes going within the individual. There are several approaches in the literature dealing with inter-action and relationship in the ethics of the individual and organisational levels. The metaphor of bad apples-bad barrels (as it became widely known from the paper of Trevino and Youngblood, 1990) can offer a good picture for describing the two extreme doctrines (Trevino and Youngblood, 1990; Ashkanasy et al., 2006).

According to the 'bad apples' theory groups of people and organisations behaved unethically due to negative effect of employees behaving unethically. Based on the aspect called by Radácsi as 'organisation's neutrality' '*organisations as structures and systems from moral aspects are empty constructions, and they may get sense only from individual acts. Characteristics of individual(s) present the sole cause for ethical or un-ethical behaviour. The organisation's moral level – if we can speak of such at all – can not be higher than the individual moral level of its senior members*' (Radácsi, 2000:80). Accordingly, doctrines studying individual ethics, and focusing onto the individuals' ethical orientation analyse the individual moral development, individual ethical frameworks, and their effects onto individual decision-making and behaviour (Ambrose et al., 2008).

According to the 'bad barrel' theory unethical organisations socialise, 'educate' members of the organisation to behave unethically. This school has the view that organisation's rules, systems and practice force its employees (who are otherwise often ethical, just weak) to perform un-ethical behaviour. Organisations often cover or force members of the organisation into a cage hard as steel (by Weber), and enforcing individual ethical aspect is often impossible (Radácsi, 2000:81). Studies aiming at individual ethics, but based on the 'bad barrel' philosophy concentrate onto those organisational factors and characteristics that can influence individual moral and behaviour (Ambrose et al., 2008).

According to the aspect between the two extremes and named by Radácsi as dynamic, the individual ethical behaviour can evolve from individual and organisational components. In her inter-actionist model Trevino (1986) explains that the actual ethical behaviour can evolve from inter-action of individual characteristics (e.g. individual moral development) and organisational contextual factors (e.g. organisational culture, characteristics of work task). The dynamic doctrine is supported with the fact that it does

not regard the individual ethical behaviour as deterministic either from individual characteristics or organisational context, but rather interprets the inter-action between the individual and the organisation as a dynamic and mutually inter-relating relationship. However the issue whether the individual or the organisation (and any of its characteristic) is actually situated in the focus and which of them is regarded as the explanatory and which as the explained and pending variable, remains the fundamental question of the relevant dynamic research works.

Goodpaster (2007) calls the attention onto a further critical inter-relation between the individuals and organisations: in his approach individual ethics, moral decision-making and organisation's ethics, moral decisions are determined by very similar principles – organisational ethical decisions are in this context not else as projections of their own individual decisions. If we study the individual level, we can much better understand the corporate level and vica versa. Goodpaster introduces the concept of the moral projection: '*it is appropriate not only to describe organisations and their characteristics by analogy with individuals, it is also appropriate normatively to look for and foster moral attributes in organisations by analogy with those we look for and foster in individuals*' (Goodpaster, 2007:20). Based on similar logic I would wish to extend – following Werhane's concept – also the moral imagination onto the HRM function and the organisation level.

Just like one of the fundamental issues of ethics was the concept on humans and picture of man, similarly business ethics or ethics of the economy will face 'nature' of human nature and man's ethical behaviour as its fundamental issue. The man of 'Homo oeconomicus' model is a rational egoist, who is motivated by his/her own interests, needs and benefits based on the principle of economic rationality, i.e. he/she is striving for maximising his/her benefit. Demands of this Homo oeconomicus are primarily of material nature, and can be prioritised on the basis of usefulness, as common denominator. When Homo oeconomicus makes a decision he/she has no moral aspects (e.g. if Homo oeconomicus supports a poor man, he/she does so due to a good feeling as a result of his/her act, and this can already be incorporated into the system). In Zsolnai's supplement Homo oeconomicus: (1) considers only the interests of those individuals, whom he/she knows well or can be useful for him/her; (2) is willing to sacrifice his/her material well-being in the interests of those people, whom he/she loves, and he/she punished those he/she dislikes; (3) for him/her it is important what other may think of him/her, and also what kind of person he/she would like to be in his/her own eyes (Zsolnai, 2002). The paradigm of Homo oeconomicus is fundamentally based onto individualism, and the authorities and sovereignty of the individual.

'Homo oeconomicus' theory was criticised for its universality and basic assumptions both form theoretical and practical sides. In his arguments, Zsolnai (2002) refers to several famous psychological tests that seem to confirm that people's behaviour is often aiming not exclusively at maximising their own benefit, but they also consider other people (e.g. results of game theory tests), and are inclined to a cooperative strategy (e.g. Frank's tests on captive's dilemma), and are honest also with strangers (Yezer's test

with the lost letter), and the criteria of justice also appears in their decisions (e.g. Marwell and Ames' community tests). Zsolnai (2002) points to Simon's criticis about the 'strong' rationality of Homo oeconomicus. The people's cognitive capacity is limited, and the available information is also often insufficient, thus they cannot optimise and rather strive for an acceptable solution, i.e. the individual will strive for the first acceptable solution in line with the level of his/her aspiration. Frank emphasises the roles of feelings and emotions, as they often motivate for irrational behaviour, and may indirectly lead to a higher level well-being. Elster however introduces the concept of social norms, which are shared among members of a community, and their violation leads to strong emotions (shame, crime consciousness, etc.). In such concepts following the self-interest is only partially presented, and optimisation of the individual's benefit is restricted, and the acts are fundamentally determined (Zsolnai, 2002).

Jensen (2008) based on the traditional 'homo oeconomicus' model, created REMM, the model of the resourceful, evaluating, maximising individual, in accordance with the sociological, psychological and political models human behaviour. REMM had the following basic assumptions: (1) the individual is interested in several things, he/she evaluates them, and is always willing to a change or shift; (2) The individual needs are not finite and can not be satisfied; (3) Every individual is maximising in the interest to achieve the highest available value; (4) Man is resourceful, inventive and creative (Jensen, 2008). In his model, Jensen acknowledges that moral, morality, ethical principles have effects onto human behaviour, but in his arguments the opportunity for change or shift can also be unconditionally applied onto them. In Jensen's logic altruism, as human behaviour, and as economic phenomenon can be explained with different preferences of the man-picture in the REMM model (Jensen, 2008).

The basis of Etzioni's (1988) 'person in the community' model is that people have various needs, (e.g. need for moral values), which cannot be easily priced and prioritised. Individuals are characterised with the 'fragmentation of the ego', and review their existing hedonistic attitudes based on their own moral criteria, and often drive them to different direction (Etzioni, 1988). '*He who has never experienced in himself any conflict between ethics and material interest, he must be a born saint or a person degraded to the extreme bottom*' (Etzioni, 1993:58). The two factors of the actual behaviour (1) joy, and usefulness arising from joy; and (2) moral, are in inter-action. As a consequence, the individual's goal is not to maximise the individual benefit, but to maintain equilibrium between the two goals, and, based on this, to support his/her own well-being with moral acts. Accordingly, business behaviour is also a kind of balancing between moral-based and benefit-based goals, as it has the following two factors, as Etzioni identified (1) moral character of the acting people (strength of ethical commitment and set of values), and (2) 'benefit or cost' of ethical behaviour (Etzioni, 1988; Zsolnai, 2002).

The 'homo transient' model of Hámori (1998) is interesting as it involves, while retaining the rationality, irrationality, emotions and behaviours deviating from the rational into the model, but identifies basic inter-relationships on strictly rational basis. 'Rehabilitation of emotions' is not equal with 'occupation' or rationalisation of emotions

(Kindler, 1998), because it does not mean to cram it into the framework of currently 'mainstream' theory, but rather implies the expansion of framework of economic mentality (Hámori, 1998). Hámori, following inter alia Becker and Simon points to the indispensability of altruist behaviour in the human communities. Hámori is citing Marshall: '*Struggle for life can cause that those people are successful in surviving, where the individual is the most willing to sacrifice himself for the benefit of those who live around him*' (Marshall in Hámori, 1998:75).

Knights and Willmott (1999) analyse the picture of the man following his/her self-interest from a critical aspect. In their interpretation the picture of the man following his/her self-interest is the construction of our current system of institutions and conditions of power, which is at the same time a self-implementation mechanism. '*Modern Western governments have supported the market-based paradigm of economic behaviour on the assumption, that the most fundamental characteristic of the human nature is self-interest. This assumption then becomes a widely accepted 'fact' about human nature*' (Knights and Willmott, 1999:60). At the same time, openness and flexibility of human nature, diversity of social values and norms has been forgotten, and both natural and social sciences restricted themselves to explain following self-interests (Knights and Willmott, 1999).

This argument is in harmony with Ghoshal's logic (2005), who – in agreement with others – has the view that man-picture of current economics reproduces itself in a self-implementation process through the university-level education system of economics: through the theory of client-agent and transaction cost students are implicitly trained how to behave in an opportunistic manner, follow their own interests (as others also behave the same way), and thus gradually liberate them from their own moral rules, propagating their moral-free economic ideologies. As a self-reinforcement process, business participants develop their business behaviour in line with those principles, which they understood among the basic assumptions of the neoclassic economic theories. Pedersen (2009) also argues to support the view that the root of the ethical problems is the institutional pressure exercised onto the individuals, which causes the dominance of the self-interest following man-picture, and can be identified in: (1) the applied language; (2) in the social-economic pressure forcing certain forms of behaviour; (3) in the frameworks and rule systems of business organisations blocking and limiting the individual action.

3.1.8. Summary: ethics and business ethics

Ethics, ethical behaviour with different interpretations, various ethical doctrines and mentalities are all present in the economic philosophy and business activities alike. The primary question is whether we regard business sector as amoral, or accept the necessity of applying moral aspects. The next dilemma is that how we assume operations of the business and social systems, while retaining separation, along with various moral/ethical principles, or we regard, from ethical aspects, the social, business and natural environment

of man as a standardised unit. **In my view, business ethics is a mentality or mind-set, orientation, which is focusing onto valid values for both the economy and the society, has a fundamentally critical approach, and where economic rationality is supplemented with argumentation based on ethical aspects.**

When economy or business is theoretically and practically interpreted using ethical aspects the issue of various ethical philosophies emerges: in my thesis I wish to represent ethical pluralism by accepting the existence of different ethical doctrines, where various ethical philosophies and argumentations help interpreting specific problems and situations, better understanding of the stakeholders' way of thinking and arguments, and thus creation of consensus and common understanding. This means, on theoretical level and in addition to the dominant doctrines (utilitarianism, virtue ethics, deontological ethics, way of thinking based on justice) the consideration of arguments offered by new directions and doctrines, as e.g. female movements, critical and post-modern schools, and their integration into business ethics discussions. Man-picture of neo-classical economics, and dominance of the utilitarian logic has become more characteristic to the current developments, and – inter alia – university-level education of economics can further conform and reproduce, and we can find quite few genuine, open, society-level or organisational discussions in this field. The essence of ethical pluralism on practical levels is the dialogue and acceptance of diversity of cultures, organisations and individuals, which however does not mean the acceptance of every community or individual ethical doctrine.

3.2. The individual ethical behaviour and moral imagination

The individual's ethical (or un-ethical) behaviour is a phenomenon analysed not only with respect of ethics and business ethics, but also psychology and pedagogy. In this section I am going to interpret the individual ethics from different aspects: firstly I present, based on Crane and Matten (2007) summary model, individual and environmental (in this case prevailing at the workplace and often having HR relevance), and situation-specific factors influencing the individual behaviour. Secondly I introduce the model and criticism for the cognitive moral development (that can be regarded as the dominant model in this area) based on rational thinking, as well as Rest's (1986) four-phase process model, based on this concept. Finally I will address the concept and operation of the moral imagination, as the option approach for the individual ethical behaviour, where individual and organisational ethics can be further developed by discovering the individual mental models and critical re-framing of situations. Then I will discuss the empiric study of the moral imagination, and explain why I feel it relevant to the topic of my thesis.

3.2.1. Approaches for the individual's ethical behaviour

There are various approaches for the individual ethical behaviour. In the simple and easy-to-understand definition by Freeman and Gilbert (1988), ethics can determine what the good and correct behaviour is. On this basis, business ethics of the individual, as the business player and actor (individual level) can display the correct and good behaviour, its inter-relation, inter-action and set of relationships with other levels of business ethics (mainly with the organisational level), generally in descriptive models, in accordance with various ethical aspects and basic assumptions. These models may include factors characteristic to the given individual and the given situation, environment (Trevino, 1986), as well as characteristics of the given problem (Jones, 1991). Among the models of the last 25 years perhaps summary of Crane and Matten (2007) is the most comprehensive, as it is based onto the most frequently analysed individual and environmental factors that focus onto the given problems.

The moral behaviour of the individual is a complex psychological phenomenon (De Cremer, 2009) which can not be restricted only to the decision-making or the action. Perhaps the basic model of the psychologist Rest (1986) is the most widely accepted in the business ethics analyses, as the basis for the four inter-related components for the interpretation of the individual moral behaviour. These factors are the following: (1) recognition of moral side of a situation (moral sensitivity, awareness or recognition); (2) making the moral judgement (decision on the good and the wrong in a given situation); (3) moral intention and motivation (priority for moral aspects) and (4) the moral act (to follow up a moral intention with moral act). These components can be differentiated from each

other, and the 'success' in each component does not determine success in the others, but distortion in any component will have effects onto the totality of the moral behaviour (Rest, 1986). Theoretical and practical analyses focusing onto this area are generally aiming at measuring the effects of certain components identified by Rest, and at connection of some variables (individual, situative or situation-based), inter-action of several components and different individual and situative variables (Pedersen, 2009).

Evolution of individual moral or ethical behaviour is an area of great importance also in psychology and pedagogy (Csapó et al, 1994). In Krebs's summary (1999) we can find four main models of morality or ethics in the area of moral psychology: (1) In psycho-analytic theories '*moral behaviour means the restriction of instinctive, id-based pleasure-oriented attitudes between limits, ...self-control required for restricting animal instincts forms part of the morality*' (Krebs, 1999:2). (2) In social learning theories, the individual is evolved and formed during the socialisation process by other participants, parents and other persons into a moral or immoral personality. (3) Cognitive moral development theories, where '*children become moral human beings during the subsequent development phases, while they gradually build up capacity for more and more fine-tuned moral argumentation*' (Krebs, 1999:2). (4) Care-based theories, where the individual moral is evolving on the basis of empathy and assuming responsibility.

In the area of ethics, moral behaviour have been studied in the past 30 years, and it is also presently embedded into the cognitive approach, and is primarily focusing onto the individuals' information processing process (Reynolds and Ceranic, 2009: 18). Kohlberg (1964) and the cognitive development model based on rational consideration is definitely the most frequently referred, the best founded theory developed in most details in the field of moral behaviour, which however excludes instinctive, biologically determined, intuitive (reflective, automatic or not-aware), affective and creative (constructive, based on moral imagination) factors (or their possibilities) from this process (Reynolds and Ceranic, 2009). Though studies going beyond rationality have appeared but remained in minority, like the creative-constructive (Werhane, 1999; Johnson, 1993), sensual theory (Gibbs, 2003) and the theory based on biologically determined factors (De Cremer, 2009). In addition to accepting the cognitive elements, we need to discover also other factors for reaching understanding, moreover we need to analyse the inter-action between individuals and its context, because human behaviour and ethical dilemmas never appear in a vacuum.

3.2.2. Individual and environmental factors effecting the individual's ethical behaviour

Several factors have effect onto the individual's ethical behaviour: now I present a high-level outline for categorisation of Crane and Matten (2007) (this is perhaps the most detailed approach). In the literature we can generally speak about: (1) individual factors, (2) context-related factors and (3) issue-related factors. Among (1) individual factors several research works analyse the demographic characteristics and national and cultural

characteristics, with less unambiguous results. In addition to the interesting character of such studies, the concept of cognitive moral development, personal integrity (I will address this in more details in Chapter 2.3.), and moral imagination (for more details see Chapter 2.2.4) are particularly exciting from our perspective.

The cognitive moral development that can be primarily linked to Kohlberg's name (Kohlberg, 1964), and what I will introduce now in more details, can always present a dominant orientation, research and analysis direction in the research of individual ethics, but its basic assumptions, rigidity was often and seriously criticised (interestingly it is mainly applied in the field of pedagogy in Hungary), and I will not use this in my thesis, though the merits are of course re cognised. The cognitive moral development is linked to Rest's second component, i.e. to decision-making, but its inter-relation with individual and environmental factors are widely analysed and discussed in the international professional literature.

INDIVIDUAL MORAL BEHAVIOUR

INDIVIDUAL FACTORS	ENVIRONMENTAL (CONTEXT-RELATED) FACTORS	ISSUE-RELATED FACTORS
age and gender	rewards	moral intensity: magnitude of consequences, social consenzus,
national and cultural characteristics	authority	probability of effects,
education and employment	bureaucracy	temporal immediacy,
psychological factors: cognitiíve moral development, locus of control	work roles	proximity, concentration of effect
personal values	organisational cutures	moral framing
personal integrity	national contexts	
moral imagination		

Figure 2: Factors influencing the individual's ethical behaviour

(adapted from Crane and Matten 2007:140-153)

Most of the (2) environmental (context-related) factors are directly inter-related to HR activity, i.e. they directly support the mezo level of ethical responsibility of HR activity. Reward systems (e.g. their perceived justice, transparency and fairness, regulation and sanctions related to un-ethical behaviour); authority (rigid hierarchic relations, authority); phenomenon of bureaucracy (which can erode the personal responsibility according to Bauman (1993); workplace roles and characteristics (and the relevant moral

expectation and their conflicts) have fundamental effects onto the individual moral behaviour. Trevino and Weaver (2003) point out, in addition to workplace roles and conflicts, effects of job characteristics and direct environment: they underline inter alia the phenomena of job pressure (as they argue, forced performance and time pressure can unambiguously increase probability for un-ethical behaviour). On this level beliefs and behaviour of the reference group that is present in the direct environment may also exert critical effects: Trevino and Weaver (2003) call the attention onto the significance of research works built onto network analysis (e.g. in the expansion of un-ethical behaviour within the organisation), and onto the potential significance of the moral approbation theory (Jones and Ryan, 1998).

Several authors argue in favour of organisational culture and ethics, significance of rewards and penalties related to ethical behaviour (and deviations versus other forms of reward, i.e. that most individuals would wish to receive reward not because they behave ethically, and, on the other hand, they would not wish to be penalised for un-ethical acts, which are tolerated or acceptable if committed by others), and on this level they are related to HR activity, as one of the key players of development and evolution of organisational culture. Based on the summary of Trevino and Weaver (2003) the presence of formalised and indeed implemented codes of ethics may have long term effects onto certain aspects of ethical behaviour: in one their research papers they studied effects of university's codes of ethics and came to the conclusion that the lowest rate of un-ethical behaviour was detected among individuals during university training, and then working in an organisations that have code of ethics.

3.2.3. The individual's ethical behaviour and the situation

Based on Jones (1991) moral situation is regarded as a situation, where the individual's decision and action (1) has positive or negative effect onto others; (2) and in this respect he/she has a choice. In this context the moral 'agent' is the person, who adopts a decision or behaves in a moral situation, even if he/she fails to detect and perceive this.

In Jones' interpretation (1991) moral intensity can best characterise a situation, and it can be broken down to the following six components: (1) size of the positive or negative consequences arising due to the given behaviour; (2) social consensus that the given act is good or wrong; (3) probability of consequence; (4) time difference between the act and its consequences; (5) nearness or closeness to the 'victims' of the effect; (6) degree of concentration of the effect. Based on their research work, Chia and Mee (2000) called the attention to the cross-interdependence of Jones' factors, and they proposed to drop the 6th element of the model. Kelley and Elm (2003) pointed out to the industry-specific features of dependence of moral intensity context. O'Fallon and Butterfield (2005), based on 32 studies, highlighted the importance of factors 1 and 2. In the interpretation of Hopkins et

al. (2008), the most dominant factors in a given decision-making situation can be underlined among Jones' factors determining intensity.

Referring to the moral situation, Crane and Matten (2007) emphasises the significance of moral framing of the situation, and, in this context, the importance of moral language, communication, and discussion on moral issues. Avoidance of description of the situation using a moral language may on one hand lead to moral muteness (Bird and Waters, 1995), and may support the individuals' own rationalisation strategies, which verify their un-ethical acts, and thus resolving their cognitive dissonancy. Crane and Matten (2007:155) identify six characteristic 'self-assertion' tactics: (1) denial of responsibility (saying e.g. he/she has no other choice); (2) denial of injury (e.g. no one was really harmed); (3) denial of victim (e.g. the victim deserved it); (4) social weighting (e.g. others are worse than me); (5) appeal to higher loyalties (e.g. it was a sacrifice for a greater good); (6) metaphor of the ledger (e.g. referring previous credits).

We may approach moral situations also from the direction of decision theory. Elster set up decision-making situations based on two criteria: (1) importance of the problem to be decided upon and (2) number of stakeholders. In this context we can speak about minor decision-making problems, where decisions have no major effect, and options do not differ from each other, and major decision-making situations, where we can see long term effects. We can also differentiate one-man situations, where only the decision-making person is the sole stakeholder regarding the outcome, and multi-player decisions. In Zsolnai's interpretation (2000) the following can be regarded as a complex decision-making situation: (1) there are at least two options to choose from; (2) there is at least one ethical norm restricting the decision-making; (3) the decision-making person has at least one purpose; (4) there are stakeholders other than the decision-making person.

There are certain experts who regard moral dilemma as a special case of moral situation defined as a conflict of moral obligations or applied for situations, where the moral obligation is in conflict with a legal or religious rule (Sinnot-Armstrong, 2005). Other philosophers interpret the moral dilemma in situations, where two (or more) acts ought to be simultaneously implemented as moral obligations, but he/she cannot do both at the same time. Again other authors refer to situations, where every solution carries moral conflicts (Sinnot-Armstrong, 2005).

Toffler (1986) analysed the characteristics of ethical situation from other aspects, and called the attention to the fact that micro situations emerging from internal source and macro situations determined by external factors may have different characteristics, and, based on her research, managers often face micro-type issues. Research by Waters et al. (1986) focuses onto another aspect (specifically important for our topic), where managers mostly faced with ethical problems in their decision related to employees (36% of all cases, i.e. once in every three cases). Wasieleski and Weber (2001) highlighted that knowing/not knowing an ethical problem and its business/private life character is critical: for example, based on their research using the Kohlberg methodology, in business-type ethical situations decisions were adopted on lower levels of moral development.

Based on Jones' research (1991), moral intensity will determine the scheme to be used: in case of problems with low moral intensity individuals are inclined not to use ethical, but rather rational scheme instead. In Awasthi's model (2008) managers decide using specific managerial schemes, which are fundamentally different to their other moral schemes. This is unambiguously support our hypothesis that specific moral schemes also belong to HR role, as various individual, organisational, professional and social constructions, and they may vary from the individual's moral schemes.

Referring to the situation it is important to focus onto the individual nature or chance of repetition of the situation. Do we have to cover every component of the behaviour in a new situation, whereas the individual can more easily reach to status of action in repeated and familiar situations (Weber, 1990). The 'weight' of the behaviour is implicitly embedded in the model, but there is a question how the individual can manage events with very minor weight but emerging very frequently?

3.2.4. Cognitive moral development theory and its criticism

The cognitive moral development theory linked to Kohlberg's (1964) is unambiguously the most frequently applied theory both in pedagogy and management literature (McCauley et al., 2006; De Cremer, 2009). From psychology side it basically builds onto the works of Dewey and then Piaget: Dewey in his children moral development differentiated impulsive, group-conform and reflective levels, whereas Piaget studied the children's intellectual and moral development and emphasised that moral or ethical development goes through various phases of evolution, similarly to phases in the intellectual development (Kozéki, 1987; Gibbs, 2003). Among the philosophers, primarily Kant's effect can be mostly identified in this system, as the basis of moral decision-making is very similar to the Kantian moral imperatives; according to his assumptions justice and thinking about justice is of fundamental importance in the moral decision-making (Váriné, 1994).

According to the cognitive-development theory (Kohlberg, 1964), various persons can develop through subsequent phases based onto one another; and these can be differentiated by their epistemology category, mode of behaviour related to various ideologies and world outlooks and the moral orientation in the given status of the persons. These phases are: (1) with different qualities; (2) are increasingly differentiated and integrated; (3) form a structural entity; (4) invariantly follow each other; (5) according to research, are universal in every life situation and life section, and are not culture-specific (Trevino, 1986).

Several critical remarks were offered against the cognitive development theory. One of the main limitation of this model is that it is cognitive (i.e. it is restricted to the fact how the individual is thinking about a moral dilemma), and it does not refer to the behaviour (i.e. what he/she will do in a given decision-making situation). It assumes that

the two are in an unambiguous relationship: the individual is striving for harmonising his/her thoughts and acts, i.e. it builds onto the theory of dynamic consistency (Whyte, 2002). Trevino (and then several others) however pointed to the fact that research works can only confirm moderate inter-relation (if any) between thinking and act. The moral judgement is necessary but not sufficient condition for moral behaviour (Trevino, 1986; Whyte, 2002; Pedersen, 2009).

The other basis for criticism is that the model over-emphasises the role of rational thinking in moral development, neglecting cultural inter-relations and emotional statuses, as logical conclusions are necessary but not sufficient conditions for moral judgement (Kozéki, 1987; Gibbs, 2003). This is why Gibbs, with his colleagues further developed the model (Gibbs, 2003). Among the critics, Whyte (2002) refers to basis psychology tests that were performed by Ash, Zimbardo and Milgram between 1960 and 1975 (and have been several times repeated since then), where conformity, rigid hierarchy, fear (in addition to other factors) proved to be basically stronger in defining the actual behaviour than rational processes, individual moral principles or moral character. Trevino and Weaver (2003) call the attention to the guilty conscience and shame, which are connected to ethical behaviour through the concept of assuming responsibility and care for others, and to the inter-relation of empathy, positive emotional statuses and ethical decision-making.

Several critical comments were offered to the assumption of straight-line development of moral decision-making (Kohlberg also recognised the rationale in such criticism), and indicated that there were over-laps between these phases (Váriné, 1994). In totality, Kohlberg also found out that level 6 (then level 7 as well) are practically inaccessible in a bottom-up model (Kohlberg, 1964).

Rest, who primarily applied Kohlberg's theoretical and practical results in their research work, had the view that Kohlberg's theory can rather explain individual ethics related to social-level ethics issues (where no bias, focus onto principles, justice are dominant factors), and it is less applicable in situations related to day-to-day relations, problems and conflicts (Rest, 1986; Trevino and Weaver, 2003).

Despite the referred well-based critical comments (or including them) the Kohlberg model has been applied in more-and-more research works since the 1980-ies, also in workplace context. Based on Trevino's (1986) summary, most managers are thinking on moral dilemmas on conventional level (stages 3-4), but as research works prove, harmony between moral judgement and moral act is better on levels 5-6 than on lower levels. It is important that when actual decisions are adopted on work-related issues the moral judgement is at lower level than hypothetical dilemmas. Valuation of moral judgements of managers with higher qualifications is significantly higher than that of managers with lower qualification.

Partly based on Kohlberg's model, Loevinger (1976) elaborated a complex method for 'measuring' the phases of the individual's development, and then Torbert further developed this methodology; in his excessive analysis he classified 500 managers into

development levels (Torbert, 1991; Fisher and Torbert, 1992). The said research works thought they could verify that managers who could develop onto a higher cognitive development level are able to make more fine-tune and better elaborated ethical judgements, and their answers given to the given decision-making situation are more ethical (Lichtenstein et al., 1995; Bakacsi et al., 1999). New aspects of this picture are added by comments of Lichtenstein and colleagues namely that even the first development levels are characterised by constant presence of light and shadow, there are no pre-determined good solutions, and constant focus and awareness are critical factors (Lichtenstein et al., 1995).

In this inter-relation the fundamental, theoretical and practical dilemma for approaching the individual's moral behaviour is how constant, predictable, consistent the actual ethical behaviour is, or it is rather, changing, and uncertain. To what degree it is the result of a rational (or less rational) decision-making process, consolidated moral character, norm system (i.e. more-or-less constant factors), or rather situative, changing external (eventually manipulated) factors play the main role? In the first case the value judgement, attitudes and acts of the morally developed individual are build on each other and are inter-related, i.e. the morally thinking and arguing individual will indeed act also morally, and we call this phenomenon as dynamic consistency, based on Whyte (2002). Thinking within the concept of dynamic consistency, if we are successful in grasping the characteristics of the moral individual, or the moral decision-making process, then such moral characteristics will determine the moral act. Supporters of moral consistency mainly refer to the cognitive moral development theory described in the works of Kohlberg, and the relevant measuring methods (Whyte, 2002). Issues of learning and development are closely related to the issue of consistency, i.e. how and to what extent behaviour, and, within that, character, set of values, thinking and act can be acquired and developed during an adult age?

Supporters of the second approach related to moral behaviour basically criticised the assumptions of the dynamic consistency. Based on their research works some of them have the view that there are insufficient genuine inter-relations between the moral decision and the actual act (Jones and Ryan, 1998). Others argue that beliefs and values of the individuals are fundamentally different to the rules followed in the actual decision-making situation and refer to cognitive elements of the dynamic consistency and do not address with the emotional components (Snell, 1996).

3.2.5. The process of individual's ethical behaviour

Rest (1986) developed his four-element model based on Kohlberg's model, namely the cognitive moral development, which determines four phases of moral behaviour, and can be regarded as the most widely accepted model in this specific area (Trevino and Weaver,

2003). Though the frame system is cognitive, it can offer the opportunity for presenting also affective, creative components in addition to the cognitive components.
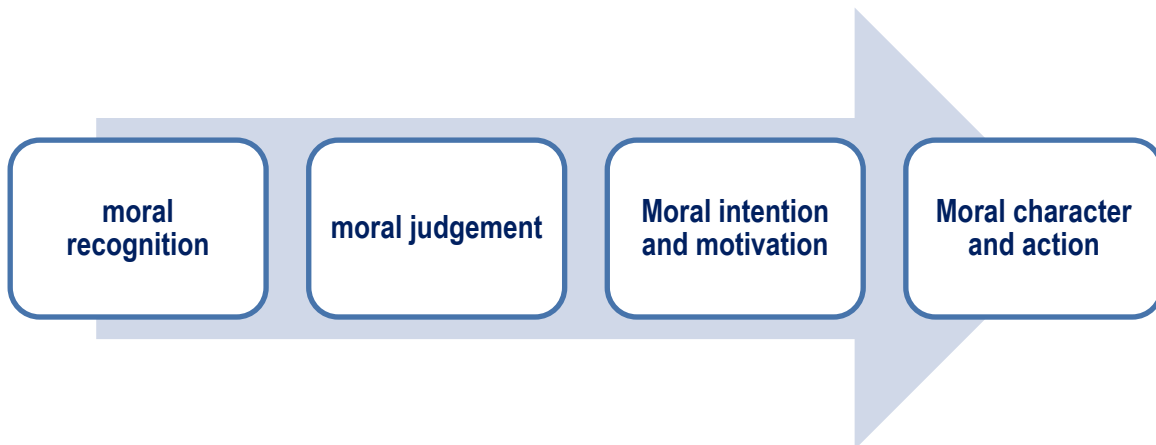
Figure 3: The individual's ethical behaviour process, based on Rest (1986)

Moral recognition

In Rest's definition (1986) moral recognition is the process, where the individual can perceive that some of his/her acts might have effects onto other people's interests, welfare, expectations. This kind of recognition is not always an easy task: the individual's defensive mechanisms and emotions might create blocks or barriers, moreover individual differences can also play a major role in making the individuals aware of the consequences. Distortions in perception may also play a major role. The Ford Pinto case called the attention onto the importance of phenomenon the moral recognition. In this case, as Gioia (1992) subsequently analysed as one of the main players: the participants had no perception at all on the ethical aspects of their decisions (Butterfield et al., 2000).

Analysing the concept of recognition, we call moral sensitivity the following ability of the individual: (1) he/she can see and grasp the ethical aspects of the given topic; (2) he/she can recognise and perceive effects of his/her given act onto others; (3) he/she can empathically understand others' views and emotions (Johnson, 2007:60). Application of the moral sensitivity terminology is not entirely unambiguous: there are thinkers who understand by this only the action of recognition, whereas others both interpretation and conception (Pedersen, 2009).

Moral awareness is the personal intention and determination to perceive the moral content in the given situations, and analyse them from a moral aspect (Reynolds, 2006). Based on relevant research works, intensity of moral content is dominantly influenced by two main groups of factors: weight of potential injury/damage (to what extent the given problem can physically, mentally or economically cause damages or injuries to the individuals or community); and the related social norms (which can be widely interpreted as consensus-based expectations towards the behaviour) (Reynolds, 2006). Butterfield et al. (2000) in their research the moral awareness presented a positive inter-relation with the two identified characteristics (dimension of the positive or negative

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consequences, and the social consensus) of Jones (1991). Ethics in the applied language was also critical.

In the argument of VanSandt et al. (2006), the moral awareness is a complex status, which is characterised also by its level or degree, and which also means a deliberate choice of viewpoint, in addition to recognition and intention. In Jordan's interpretation (2009), the moral awareness not only means the recognition of the moral content itself, but also the fact that this moral content is regarded important. He thinks that it is very significant, similarly to Werhane (2005), that perception, detection and memory process is the basis for the individual to select among various stimuli, and select a scheme. Pedersen (2009) points out that the moral awareness (and, related to that, moral attention and perception) simultaneously has sub-conscious and emotional, as well as conscious and cognitive aspects.

Moral decision-making and argument

The field of moral decision-making models is perhaps the most 'dense' part of literature of ethics. Some of the models directly focus onto the influencing factors by discovering the effects of inter-relationships, whereas the other major group includes the models that describe the ethical (responsible) decision-making process (prescriptive models) see for more details: Zsolnai, 2000; Johnson, 2007; Whittier et al., 2006).

Trevino (1986) in her inter-actionist model explains that the actual ethical decision-making evolves as a result of the inter-action between the individual's characteristics (individual moral development, and individual characteristics) and organisational contextual factors. In his ethical decision-making descriptive model Radácsi (2002) defines individual characteristics (individual differences, like demographic characteristics, psychological characteristics and cognitive distortions, values and emotions) and organisational factors (structure, culture). Among the individual characteristics age, gender, qualification/education, ethical qualification, religion, and nationality are the most frequently analysed characteristics, but area of functional work can also be found in research papers, as a relevant issue for this thesis (O'Higgins and Kelleher, 2005; Wasieleski and Weber, 2009).

Reynolds (2006) finds the moral argumentation logic also important, as it means the cognitive frame system most often used by individuals in their ethical decisions. In his research work he analysed two critical argumentation logics, utilitarianism and formalist argumentations: the focus in the utilitarist argumentation logic is the damage or injury aspect of the given problems, whereas in the formalist logic the accommodation to expectations is the key aspect. In a similar logic Moberg and Seabright (2000) speak about the Western thinking tradition, and identify three dominant approaches related to ethical behaviour criteria, ethics in acts: arguments (1) based on rules, (2) based on relationships, and (3) based on cases. Approaches based on rules can include systems based on utilitarist logic; on the concept of justice; or rights and obligations, as these are perhaps the most characteristic (but far from homogeneous) approaches in business ethics

discussions. Emphasising the importance of relationships in this argument can be linked to the appearance of female and feminist ethics, as emotional ties (e.g. close family ties) and empathy can have a critical role. Argumentation based on cases implies a thorough analysis of the given context and consistency among various cases, and not the unprincipled manipulation (Moberg and Seabright, 2000:863).

Harrington (1997) finds moral orientation dominant in the decision-making: he differentiates rule-orientation, which emphasises the observance of rules in order to avoid penalty; and role-orientation, which means the genuine understanding of moral values of rules and the ability for assuming the individual role. In Forsyth's model (1992) the individual morality is greatly influenced by the individual's moral philosophy. He sets up the following four groups along two dimensions (relativism/idealism): (1) situationists, (2) subjectivist, (3) absolutists, (4) exemption focusing theory.

Johnson (2005) identified three belief packages that have fundamentally impacts onto moral judgement and decision-making: (1) theories related to the operation of the world, (2) theories related to other people, and (3) theories related to ourselves. Focusing onto beliefs (in the concept of moral imagination: mental models) using this aspect will help in the identification of beliefs of representatives of HR area (and deviations of beliefs used in private and professional roles).

Moral intention and motivation

Moral intention and motivation means the background of the determination or decision, which is the basis for the individual when he/she intends to behave in a moral or ethical manner, and which can be the basis for selecting the option of an identified moral act versus other options. The essence of the moral intention is the answer to the following question: why I ought to behave ethically, specifically if this would need sacrifice from me (Rest, 1986). In the argumentation of De Colle and Werhane (2008) the answer given to the 'why' question is fundamentally different in the different ethical paradigms (virtue, Kantian, utilitarian), about the motivation of the ethical behaviour, but they all interpret such motivation on the ground of rationality. Rest (1986) calls the attention that even in the field of psychology we can have various and totally contradictory answers to the 'why': whereas among the psychoanalytic theories Eysenck for example emphasises the role of shame, guilty-consciousness and fear ('conscience can make all of us coward'); Durkheim, the sociologist underlines the role of fear based on respect and belonging to a high-level ideology or theory in the evolution of moral motivation; whereas Hoffmann highlights the role of empathy and altruism (Rest, 1986).

Blasi (1980) could be particularly important for me, as he points to the important of the concept of moral identity, and claims that the role of morality can fundamentally influence the moral intention in the individual's self-definition. Moberg and Seabright (2000) emphasise the effect of social sanctions and our own self-sanction in evolving the moral intention. In this logic the individual will give priority to the moral options, because this selection will support or confirm the picture he/she would wish to develop and present

towards himself/herself and other people (Moberg and Seabright, 2000:867). Jones and Ryan (1998) have the view that our moral intention is closely inter-related with the moral reference group, where the individual is looking for a moral confirmation: he/she will develop the level of his/her own moral responsibility in the light of the reference group's expectations. The professional community, as the role of the moral reference group might be critical in this context.

Moral character and act

Moral character might be defined as '*commitment towards ethical decisions*', or '*moral courage*' (Trevino and Weaver, 2003:181). Perhaps Rest's original definition is the most complete, as '*the person must have sufficient perseverance, ego strength and implementation skills to be able to follow through on his/her intention to behave morally, to withstand fatigue and flagging will, and to overcome obstacles*' (Rest, 1986:3-4). In Rest's original model, he highlights the significance of the strength of moral character, and commitment towards principles and decisions, as well as self-control and self-discipline: this second factor can be developed and improved on cognitive basis, e.g. if we deliberately exercise empathy after making the decisions, or we may even manipulate it.

Inter-action and inter-connection of components can be properly demonstrated through one of Rest's examples (the original Good Samaritan experiment was performed by Darley and Batson, 1973): in this experiment junior priests were asked to prepare a preaching on the parable of merciful Samaritan, and this would be delivered to the followers in another building. On the way between the two buildings a poorly dressed wounded man was lying on the ground along the road: a group of the junior priests was put under time pressure, and they were rather inclined to leave this man being with no help, while they were fully busy to get prepared for a preaching on a merciful Samaritan. In the first situation endurance or commitment could block the moral recognition. If inter-related to moral character and act even the following phenomenon might emerge: the individual is facing the personal costs, consequences of sacrifices of an ethical act personal, thus he/she jumps back into the a moral recognition state and transforms the moral framing of the given situation and is thus looking for an act, where he/she can find and feel himself/herself ethical, but the individual sacrifice is smaller (Rest, 1986).

3.2.6. Definition and significance of the moral imagination

In the philosophical discussions during the 18th century, both Hume and Adam Smith were in their works addressing the effects of moral imagination and sympathy onto the moral decision-making process (Moberg and Seabright, 2000). Both agreed that the decision-making process is not exclusively based onto rational arguments, but the moral imagination based on sympathy/empathy can also form it (but it is important that not exclusively emotions determine it like in emotionism). Thus the moral imagination

includes, in our interpretation, the aspects and viewpoints of stakeholders involved in the decision, Adam Smith supplemented this in this theory that we need not only to make ourselves aware of the emotions evolving by moral imagination and sympathy, but also to evaluate them (Hyslop-Margison, 2006).

Kant also saw the importance of moral imagination as a significant factor; moreover he felt it as having key relevance in structuring the perceptions into interpretations from the perspective of knowledge arising from experiences. He differentiated reproductive, productive and reflective (free play, based on free association) moral imagination (Werhane, 1999:96). The free play-type moral imagination, though builds onto our experiences and interpretations, does not generate from them creative and free ideas based on rational foundation, but creative and free ideas with content and form exceeding these, which our rational thinking can not restrict or limit.

Among philosophers of the 20th century, Kekes found the concept of moral imagination as having of particular importance as well as its inter-connection with 'accomplishment of life'. In his conceptual system moral imagination: '*as personal, agent-centred, psychological activity... (which) re-creates one's past frames of mind, including their cognitive, emotive and volitional elements*, and *envisages what it would be like to live according to possible ideas of a good life one recognised as such*' (Kekes, 2006:33). The moral imagination can appear in three fundamental forms: corrective, discovering and disciplined. The corrective function looks backward into the past: its intention to discover why the individual identified in the past exactly the opportunities if did (and why not all of the available options), would wish to identify the roots of defaults or mistakes and interpret, and correct them. The discovery function is focusing onto the future, and helps the individual to imagine or visualise the realistic options, and, in this context, also his/her own attitude. The disciplined moral imagination can integrate also the other two functions, and while based onto past and future, is concentrating onto complex discovery of the presently available opportunities (Kekes, 2006:33).

Johnson (1993) further modulates the concept of moral imagination. In his concept it is '*the ability to imaginatively discern various possibilities for acting within a given situation to envision the potential help or harm that are likely to result from a given action*' (Johnson, 1993:2). In his train of thoughts we can interpret moral as a traditional element of our Western type thinking, as matching with universal rules and rational argument, which however does not meet either our cognitive processes or reality. Absolutist ethical directions are based either on universal rules of divine origin (like the Jewish-Christian moral thinking dominant in Europe), or on human rationality (like for example Kant's philosophy), where desirable and prohibited acts can be determined based on appropriate laws. Contrary to this the relativist directions contain no general law or rule, and every evaluation is subjective, and dependent on the environment and culture.

In reality, moral argument is a constructive and moral imaginative act, which is primarily based not onto universal moral rules, but onto our metaphors and concepts located on two levels: (1) onto our most fundamental moral concepts (e.g. law, obligation,

free will, welfare), which are determined generally by multiple metaphor maps; (2) onto how we interpret the given situation, which is based onto our system-level metaphors that are also culturally coded. With other words: '*the way we frame and categorize a given situation will determine how we reason about it, and how we frame it will depend on which metaphorical concept we are using*' (Johnson, 1993:2).

Accordingly, Johnson (1993) can see the concept of moral imagination as the central concept of the moral behaviour. His arguments are supported with five main conceptual ideas: (1) We store the categories in our thinking not on the basis of the list of necessary and sufficient conditions, but we identify a given category (e.g. a bird) generally with the prototype that belongs into the same category (e.g. a sparrow), and only then we recognise other subjects that are different versus the prototype, but belong to this category (e.g. stork, penguin, ostrich). Thus concepts of the individuals are far from being consistent or having similar structure in the given category. Moral categories (e.g. freedom, law, etc.) carried by people are similarly less consistent, as these make in most cases (at least which are not typical or schematic cases) impossible the application of universal moral laws. (2) Interpretation of our expressions and concepts that determine the inter-related arguments and might lead to some other act, depends on wider interpretation frames and schemes. Consequently, the given situation may have several different interpretations but only in limited number. (3) Our moral understanding is embedded into metaphors. We connect the abstract concepts with concrete experiences and events, thus our moral concepts are also rooted in concrete experiences. (4) Our basic-level experiences, brain activities and goals will become important or less determinant experiences subject to such social embeddedness. Important and fundamental experiences will better determine our conceptual system. (5) Narratives we create in connection with our experiences are thus important. Pardales (2002) further fine-tuned Johnson's system, and differentiates four components of the moral imagination: prototypes, metaphors, narratives and moral perceptions.

Among the contemporary philosophers, Nussbaum also emphasised the role of the creative moral imagination. The moral imagination can enable us in the given situation: '*to see more deeply into the relationship between fine-tunes perception of particulars, a rule-governed concern for general obligations: how each, taken by itself, is insufficient for moral accuracy, how (and why) the particular, if insufficient in itself, is nonetheless prior, and how a dialogue between the two.... can find a common 'basis' for moral judgement* (Nussbaum in Werhane, 1999:92).

In the area of the business ethics science, the most widely known definition of the concept of moral imagination, that can integrate the preceding philosophical and psychological interpretations, can be linked to Werhane's name, as in her definition the moral imagination is '*the ability in particular circumstances to discover and evaluate possibilities not merely determined by that circumstance, or limited by its operative mental models, or merely framed by a set of rules or a rule governed concepts* ' (Werhane, 1999:99). In Werhane's argument the moral imagination has indeed great importance, because man/woman's life is a network of social and business inter-relations, and each of

these also has a moral significance, i.e. the individual's life can also be perceived as a network of moral relationships and roles. Without applying the moral imagination, man can easily be trapped by the given aspect, viewpoint, role, narrative or thinking, and this can then fundamentally distort also his/her moral decision-making (and moral behaviour).

When we try to understand the moral imagination the filter or camera will have a key role, as it limits our perception, and we can perceive and frame our experiences and get connected to the external world through this (using the camera analogue, we shoot our version of film on the events of the world through this 'lenses'). This conceptual schema is characteristic to the individual: *'we each run our camera of the world certain selective mechanism: intentions, interest, desires, point of views, or biases, all of which work as selective and restrictive filters'* (Werhane, 1999:49). These filters evolve in all of us and are related to our mental models, which are based onto our concepts and assumptions regarding the events and operations of the world, and which are acquired and changing models, coded also culturally, and are based onto experiences. Vidaver-Cohen had the view that the mental model *'is the cognitive frame system required for understanding information and events, and which acts as a bridge between perception and act and thus can determine the responsible behaviour in certain situations'* (Vidaver-Cohen, 1997:2).

Our mental models, if deeply embedded, will become fixed viewpoints, and might represent mental traps, which will block us in discovering new opportunities, in recognising the moral aspects and exercising the moral imagination, thus might lead to a moral tunnel vision. The mental models defined by Werhane (which are closely inter-related with Johnson's basic metaphors) are not all and not exclusively cognitive: our emotions, passions, motivations also influence them. At this point Werhane unambiguously oversteps the cognitive development model (and those who argue exclusively in favour of the cognitive character of moral behaviour), and claims that several mental models are simultaneously living in ourselves but they have only partly determined by characteristics for the given individual, as they are partly constructed by acquired, cultural, religion, social, socialisation and family effects, and contain both cognitive and not-cognitive elements alike. '*We also colour our experiences through our passions, feelings, intentions, interest and foci, so that we each have an idiosyncratic of shaping our experiences. In selecting, focusing, framing, organizing, and ordering what we experience, conceptual schemes bracket and leave out data, and emotional and motivational foci taint or colour experience'* (Werhane, 1999:57).

Exciting issues may emerge as there are several parallel mental models co-existing inside people. Firstly, we can interpret every situation in various ways, and these framings might have serious effects onto the result – from this starting point we should accept that the same experience or phenomenon might have different meaning to other people (who have mental filter). Secondly, our mental models are imperfect, changing and evolving – they might be antagonistic in a given case (Werhane also raises the issue of logical incommensurability), or we may fall into the trap of one single model – that becomes dominant (Werhane, 2008:464). This dominant mental scheme and the relevant scenario might even be a routine-type, automatic narrow-minded product of our brain: the moral

imagination may offer the chance for exit from the conflict, or from a distance we may critically evaluate the dominant model.

We act in the given situation using a contextual script adapted onto a given situation, which refers to the interpretation of related information and the appropriate act applicable onto the given situation, and which may function as a bridge between conceptual level and the act. The scenarios are unambiguously inter-related to the mental models.

We can differentiate several components within the concept of the moral imagination though they are built onto one another:

(1) Reproductive moral imagination: focuses on contextual factors that influence the perception of the given problem, identifies the mental models and scenarios acting in the given situation, and potential conflicts. This component also covers self-reflection (the individual himself/herself, the situation, and filters influencing perception), and the act of abstraction and delineation is of fundamental significance.

(2) Productive moral imagination, which can re-frame the problem, can visualise new opportunities or options from the given perspective or viewpoint, from the given role.

(3) Creative moral imagination, which forms new optional solutions, new (not context-dependent) mental models and scenarios, and evaluates them from a moral aspect (Werhane, 1999:99; Werhane, 2008).

Moberg and Caldwell (2007) found Werhane's definition too complex, and tried to define the components of moral imagination in a similar sense but in a more simple manner: (1) sensitivity towards the ethical side of the given situation; (2) taking others' perspective or viewpoint into consideration; (3) taking un-conventional options into consideration.

Having summarised the two definitions, the following activities appear in the concept of the moral imagination:

- Development and maintenance of moral awareness and sensitivity: departing from the given situation, and recognising and identifying moral expectations (related to the topic, problem or role) and aspects, conceptual schemes, mental models and scenarios.
- Critical re-framing: criticism and re-framing of the situation and expectations – evaluation of direct optional aspects, mental models and scenarios.
- Applying universal morality: applying ordinary morality (or what belongs to the private-life role) onto the actual situation/role.
- Creative moral imagination: development of new and fresh interpretations, aspects or perspectives, imagination of their consequences, projection of new solutions, where several new aspects are also taken into account, and new optional moral expectations will be determined.

- Moral memory and development: discovery of potential inter-relation with similar (past and future) cases, re-.consideration and transformation of traditional solutions and applied rules, thus to secure moral liberation. The morality that can thus evolve is the individual's own 'property', but he/she will take others also in consideration, as he/she integrates others' perspectives and aspects into his/her steps.

Studies related to the phenomenon of the moral imagination are still theoretical: we have very limited empiric findings on its operations. The theoretical directions so far developed can be summarised as it follows: (1) expansion of the concept of moral imagination onto organisational and social levels, and its inter-relation with the corporate decision-making processes; (2) expansion of the concept of moral imagination onto the entire Rest (1986) model; (3) opportunities for developing the moral imagination.

Expansion of the concept of moral imagination onto organisational and social levels
Werhane herself points out that the concept of moral imagination can also be interpreted on organisational and social levels, and with its help traps hidden in the organisational 'enrootedness' can be resolved. In her essays she builds onto specific corporate cases and emphasises the importance of thinking in system in the organisational decision-making processes (Werhane, 2005; 2008). Vidaver-Cohen (1997) interprets the concept of moral imagination primarily based on Werhane's results from an institutional aspect, and recommends specific organisational frame system for developing the moral imagination.

Werhane et al. (2009) attached great significance during the past few years to moral imagination in various global issues, like struggle with poverty, illustrating these efforts with – inter alia – the work of Yunus and the bank of the poor, and activities of certain eminent multinational companies (Arnold and Hartman, 2003). Hargrave (2009) extended the concept of moral imagination and emphasises that moral imagination is not only an individual cognitive, but also a social process, which might be subject also to the power of social actors and political capabilities.

In Johnson's argument (2007) mental models can be interpreted also in organisational roles, or even on organisational and social levels, and are under the effect of social consensus, thus they can be changed and developed. On this basis, moral sensitivity and moral imagination can also be developed. Chen et al. (2008) identified mental models connected to medical role, and pointed onto the significance of moral imagination in the context of the development of the entire health system. Roca studied operations of the moral imagination in cases of stigmatised workplace groups (Roca, 2010).

Based on this logic, identification of mental models of HR experts will be of fundamental importance for me: as I assume we will be able to find patterns related to typical roles and functions in addition to the individual models (e.g. Ulrich roles, or HR responsibilities, as supporter of owner's interest), and models related to corporate operations and employees (e.g. homo oeconomicus). One of the goals of my research is to

discover and identify of these models, which – as I assume – can then help in developing the moral imagination.

Expansion of the concept of moral imagination on to the entire Rest mode

In their theory, Moberg and Seabright expanded and further developed the concept of moral imagination, presenting its effect and inter-relations with every component of Rest's model, also highlighting the related psychological processes (Moberg and Seabright, 2000; Werhane, 2005). Golwin (2006) studied effects of moral development, moral awareness, empathy and creativity onto the moral imagination. McVea (2009) expanded the concept of moral imagination onto the analysis of the entire moral behaviour. These analyses are however poorly supported with empiric arguments, in addition to their theoretical richness.

Opportunities for developing and training of moral imagination

Williams (and others) emphasises the role of fiction (artistic literature) and films in incentivising moral imagination, and thus in developing the individual ethical behaviour (Williams, 1997; Ciulla, 1998). Ciulla also speaks about the fact that the best method for developing moral imagination is to mobilise the individuals from their own world by acquiring unknown and new experiences (mobilisation can be even configuratively interpreted, e.g. based on fiction books). Collier (2006) calls the attention also onto the retroactive application of moral imagination: we can ourselves develop through better understanding our own and others' past moral way of thinking or mentality. Von Welzien Hoivik (2004) presents the training of moral imagination using an example of a specific case study, and emphasises that the moral imagination itself is a learning process, which can facilitate moral liberation. Tuena (2004), in his article of pedagogy orientation, introduces the concept of moral intellect, which can evolve from the inter-action between moral sensitivity, moral argumentation capacity and moral imagination. Christie (2005) identifies the goal of ethics training in the evolution of the moral (in his language: ethical) imagination, which is a permanent questioning, reflecting process, and mutual openness to the new or different. In summary, the referred authors support my idea that discovery and development of the moral imagination is an achievable goal, and co-operative inquiry might be an appropriate frame for this effort, and we have an abundant warehouse of various tools and methods (actions) e.g. past case analysis, as a retroactive action, or analysis of fiction books).

Empiric study of moral imagination

Empiric study of moral imagination has a short history with not too rich results (despite the level of excitement in the concept): real work has started only in the past few years. Now I will present certain empiric analyses that are exciting regarding the topic or

methodology, and they are inter-related to my research work by virtue of their topic (or method).

Moberg (2003) applied the moral imagination approach reacting upon the issue of solution of employees' conflicts, as a special role. He claims that managers are captured in managing these conflicts by their frame system and action-focus attitude applied in their own managerial roles: on this basis they manage the employees' disputes as (1) disturbing factors, as (2) betrayal, lack of loyalty; or as (3) proof for employee's immature status, and this (may) lead to un-ethical management of such cases. If the concept of moral imagination is developed (identification of own mental frame, identification of the stakeholders, management of dispute as a development process, etc.) this situation might be modified. The article is not unambiguous whether the author has actually performed also analysis, but his logic can support me in achieving my research targets.

Moberg and Caldwell (2007) based onto situation-analysis and questionnaire and attempted to discover the inter-relation between organisational culture and moral imagination. Based on their research work, the ethical organisational culture supports the presence of moral imagination (not too surprisingly), and the individual's strong moral identity also has a positive inter-relation with the moral imagination. Operationalisation of moral imagination caused some problems in their research work. McVea (2009) applied the interview method and studied the concept of moral imagination in complex entrepreneurial decision-making situations.

Yurtseven (2006, 2010) developed a Likert questionnaire with 29 questions for measuring the three components of moral imagination, and when it was tested he found a positive inter-relation between moral imagination and empathy, internal control and uncertainty tolerance, and found a negative inter-relation with machiavellism. Takács et al. (2010) used this developed Yurtseven questionnaire in 2010 also in Hungary: after validating the multiple translation, they first tested the linguistic applicability of the statements with a minor student sample (50 participants), including the understanding and interpretation of the used concept, then they again prepared the questionnaire corrected on the basis of reflections using a corporate sample (400 call-centre officers), supplemented with deep interviews. Participants in both cases asked for more detailed explanation and interpretation for the terms and expressions used in the questionnaire: not only the concept of moral imagination, and moral frame system was difficult to understand, but also ethics, and the meaning of ethical or moral act. These problems of understanding were one of the major learning points considering quantitate methodology: the sample group in the first case included university students studying on MA level, whereas in the second case individuals with minimum secondary school certificates, but more than 50% held university diploma (or equivalent), it was still very difficult for them to understand moral imagination. Moreover, based on the results of this questionnaire the researchers could not unambiguously distinguish in our sample the three components (productive, reproductive, creative): the creative component was too difficult to distinguish. Looking the substance of this issue, they perceived the individual's moral imagination as a moderator variable, which suggests to the individual's capability how he/she can and/or is willing to deliver

solutions also in new situations which are ethically satisfactory, but still new. They managed to identify and present significant relationship between moral imagination and organisational commitment profiles, specifically regarding the emotional commitment (Meyer and Allen, 1999).

In summary, the empiric palette is still small: but if we study the existing research works we can clearly see that detailed discovery of interpretation of concepts by the research subjects is fundamental in the area of ethics. Accordingly, I wanted to start in my research work towards a methodology, which involves the research subjects also into the interpretation and has a development focus.

3.2.7. Summary: individual ethical behaviour and moral imagination

Most of research works focusing onto the individual's moral behaviour are based onto cognitive basis, and onto decision-making processes and the discovery of cause and effect inter-relations (De Cremer, 2009), fundamentally onto Kohlberg (1964) moral development model and rational thinking, and is considering less onto other factors.

In my thinking I focus onto, in addition to accepting the aspects of the cognitive direction, the concept and operation of the moral imagination as it integrates both rational and emotional elements. On one hand, I think, in line with Moberg's logic (2003), that representatives of the HR area have specific mental models and frame systems, which block them in the given situations in one or more phases of the moral recognition, moral decision-making or moral act, and which can develop ethical behaviour, if properly discovered. On the other hand, I think that the individual (and organisational) ethics is a phenomenon that can not be simply described with a rational basis supported by rigid decision theory processes, but it is a human act based on difficult-to-describe, emotionally coloured individual interpretations, and which can be better understood in the flexible, creative system of concept of moral imagination.

3.3. The individual at the workplace, workplace and professional roles

'O mankind! O nature! It was you who made me evil and corrupt!
I rage at my monstrous form, my cap and bells!
To be permitted nothing but to laugh!
I'm denied that common human right, to weep
My master, young, carefree, so powerful, so handsome,
half dozing, says: 'Fool, make me laugh!'
And I must contrive to do it! Oh, damnation!
My hate upon you, sneering courtiers!
How I enjoy snapping at your heels!
If I am wicked, the fault is yours alone.
But here I become another person!'

(Verdi: Rigoletto)

In the third part of my summary on literature I address the issue of workplace and professional roles. First I will briefly clarify the concept of work and its pre-dominant significance in the individual's life, then I will cover issues related to various roles, role morality and moral integrity. I will present some interpretations on the criteria applied as the basis for regarding a group of people as a standalone profession, and how the autonomy of profession moral can evolve: in this context I will discuss the issue of professionalism (and professional moral) of the HR area. Finally I introduce some typical ethical issues related to conflict of roles, and present in details three role models that are the most dominant in the HR area, pointing in these models onto the lack of ethical aspects.

3.3.1. Concept and significance of work

Throughout the history of mankind, both in time and place, the concept of 'work' has been very differently interpreted. We know very low number of societies where work, as a phenomenon, was regarded as a positive thing or attached value thereto. Ancient Greeks regarded work directly as the curse of Gods (and they could escape through slaves), whereas Hebrews had the view that it was a penitence for their sins (Knights and Willmott, 1999:35). For Christians during Middle Ages work as an activity was a morally neutral category, but the concept of typical sins linked to various professions appeared: for example merchants often fell into the sin of greed, according to contemporary judgment. Renaissance later re-interpreted and elevated a special form of work onto a high esteem,

namely the creative activity, glorifying diversity of colours and aspects (Ciulla et al., 2007).

In our Western civilisation we can link the fundamental change in general attitude to the appearance of the Protestant logic, as in its thesis hard and consequent work represented the straight way leading to salvation, and thus the disciplined and systematic activity and accumulation of wealth was consecrated and glorified to an ethical activity. Work was promoted as the sacred goal of life. However, in the Modern Ages this consecration and moral taste has vanished, and the declared goal of work became for most people the accumulation and consumption of material assets and goods (the concept of work and changes in work-ethics relation prevailing in the socialism would deserve a separate analysis, as this is where the concept and phenomenon of the socialist working moral appeared, closely linked to the concept of work).

However, definition of the concept of work is still bearing certain contradictions. As the widest definition states '*work encompass everything that human beings do to maintain their material and symbolic existence* ' (Knights and Willmott, 1999:35). Gini (2005) has a similar definition, thus work means all types of activity and act we carry out or want to carry out because they are required for securing and maintaining the conditions of life. There are fairly wide definitions, but in our daily life work generally means an activity for which we receive payment or consideration in some form, like in case of a transaction, when the activity is sold for a price. The critical and feminist directions have an unambiguous effort to recognise low prestige, less valued household and child care activities also as actual 'work' on social and individual level.

In our present society work – also due to its profit-generation function – has a central significance, and this has several groups of reasons, here I refer only a few of them. On one hand, an average adult man spends most of the time (when he/she is not sleeping) with work, in fact more than for family programs and recreation; at the same time e.g. the pension age is going to be increased again in Hungary (Bokor et al. 2007). Work activity thus occupies an increasing slice from our life. Secondly, the dominant part of the society has no choice, i.e. people are forced to work day-by-day as a modern Sisyphus, occupying a job and fulfilling work duties (Gini, 2005), i.e. work activity is inseparable part of life. Common thinking in Europe regards work not only as a tool for capturing individual status, success, material recognition, satisfy motivation, but work is a goal in itself, which shapes and evolves personality ('work makes you noble'), the opportunity for self-expression and also the tool of identity (Gini, 2005). In a paradox manner the individual does not necessarily perceive the enormous significance and effect of work: a man of the street is inclined to interpret work in a simplified way, as a transaction or exchange (e.g. I give my time and efforts for wage), and to forget that work, working environment and the employer's organisation can (and in fact does) shape and change people. In addition to the effect of work onto direct identity shaping, in case of most people the paid work is the basis for his/her consumption, and thus it has robust impact onto the identity (Knights and Willmott, 1999), as well as the workplace, the position (job) is also a symbol, and if it is lost, it may have extremely destructive effects.

In history, when agricultural activity was shrinking, the spheres of work and private life were sharply separated, and, as a consequence, universal nature of behaviour and norms disappeared, and controlling capacity was lost (Knights and Willmott, 1999). This transformation as an exciting process went on parallel with the separation of economy and the society, and norms of ethics were loosing out from the business activity (see Chapter 2.1).

Based on their orientation to work, individuals can be identified in three categories, in Wrzesniewski's system based on sociological and psychological research: people for whom work is (1) an opportunity for earning money, (2) career, or (3) vocation (Wrzesniewski, 2003). Cameron and Caza (2005) state that work orientation can fundamentally also determine the inter-relation between the individual and the employer's organisation: (1) for employees who can exclusively see work as an opportunity for earning money, work is about material consideration, and they look for ways of individual self-implementation within the workplace, their behaviour is evolving by the expected rewards and penalties, they do not necessarily identify with the content of their work or they do not believe in the correctness of their acts. In this concept, work can be interpreted as an external force, and tool for satisfying fundamental needs. (2) For people who interpret work as a carrier opportunity, success, promotion, prestige and power are the key motivation, for them it is important to be regarded in their areas as excellent experts, leading and recognised members of the organisation. Belonging to the organisation is also important, it is often characteristic that they can identify themselves with organisational goals. (3) People assuming work as vocation, can typically work by virtue of individual internal motivation (as a majestic target), irrespectively of material benefits. Full and unconditional internalisation and acceptance of professional and organisational goals and values can be often typical for these individuals (Cameron and Caza, 2005).

It is important to emphasise that interpretation of work depends on the individual's own interpretation and man can feel any type of work as his/her own vocation, irrespective of its social or economic value, or also as a simple opportunity for making money. Nevertheless, based on research, the excessive weight of the vocation orientation within an organisation can be combined with the higher organisational and individual performance (Cameron and Caza, 2005). Senseless or monotonous work may cause frustration, but excessively involving type of work may also be very dangerous, which *'may become so absorbing, so consuming as to displace or destroy other sources of meaning and pleasure, such as family, marriage, leisure'* (Knights and Willmott, 1999:38).

General analysis of the work phenomenon from ethical aspect is an exciting area, but it is out of the scope of the present thesis. It is however important to analyse the inter-relationship between work and individual morality. The fact the individual can see his/her work, where and how he/she is working will have a fundamental impact onto his/her world outlook and define his/her mental and physical health, and will have effects onto this moral perspective, arguments, decision-making and behaviours well (we may refer here to the dynamic model of ethical behaviour, see sections 2.1.6, and 2.3.). Ciulla et al.

(2007) have the view that behind un-ethical acts and behaviour at workplace we can often see people, who lost the target regarding their work, life and themselves. Gini (2005) points it somewhat in excess, and states that in our age the *Cogito ergo sum* (I think thus exist) has been replace with *Laboro ergo sum (*I work thus exist*)*.

Accepting the central role of work and workplace, the fundamental issue will emerge: how profession, occupation, organisation, organisational culture and organisational behaviour patterns can demand suspension of the individual's moral principles, or putting them into 'bracket', following Jackall's interpretation (''*what is right in the corporation is what the guy above you wants from you'*, Jackall, 1988:109). The issue is how the individuals (including members of the HRM department) can perceive this responsibility, and what the organisation and individuals forming the organisational culture can add to this?

3.3.2. Roles and moral behaviour: role morality

The individual has various roles both in his/her work and private life. According to the classic definition role is the totality of behaviours expected by the society from an individual who holds a certain position (Katz and Kahn, 1966:234). These roles are also social constructions, which can determine the responsibilities, norms and expectations related to the position in the given (social, institutional, political) context (Werhane et al. 2004). These expectations, norms can be both explicit and implicit, and can be strengthened or re-produced based on the role-holders' conformist behaviour, or may change due to innovations (Brinkmann, 2009). The role may, on one hand, mean the behaviour norms deemed ideal and expected in the given context, and, on the other hand, the actual behaviour as well (Werhane et al. 2004).

Heller (1971) calls the attention onto the historic embeddedness and complexity of the role concept. Though the theatre, including role-layers had an important role also in the ancient societies, role-playing and the critical nature of existence of various and parallel roles, as a human behaviour, appeared in the Renaissance Age, and it can be best and demonstratively detected in Shakespeare's dramas for the first time. In Heller's example, Jago's role is not simply speaking about hierocracy, but it deliberately selects a role, a human behaviour-package, which he/she consequently plays all the way in the interest of success. In Heller's interpretation prior to the rule of capitalism (and the related social, economic processes) man's scope of movement (and his/her role) was determined at and by the birth and it did not change later, he/she was living this role in front of the community until the end of his/her life. He/she might, of course, have also other roles in a given situation, but these were not legitimate from the society's aspect. When the communities were disintegrated then the possibility emerged for people to play several different roles – also at a socially acceptable level – and act according to other norms in a legitimate manner for exam in the public and private life. In Heller's theory different

leading values emerge in such different roles, and role-stereotypes received from outside and different role expectations might alienate people or make them poorer. It can create an exciting situation, when the individual suddenly finds himself/herself 'with no role' and cliché – the question is how he/she can live up (or how he/she wants to live up) with his/her opportunities, he/she can detect the options, and acts autonomously. This is a situation, where the moral imagination (Werhane, 1999) may have enormous significance.

Modern age man finds it natural to hold several roles (wears several 'hats'), which typically can: (1) determine the individual's inter-relation with himself/herself, other people, organisations and institutions, and the state; (2) often over-lap each other; (3) may get into conflict with each other; and (4) may change in time. For us it is especially important that such assumed roles may demand for different moral expectations from us, and the perceived expectations, norms and rules of our roles (that are often over-lapping) might get into conflict in a given situation (Luban, 1988; Goldman, 1988). We differentiate roles with significant (remarkable) and minor (weak) role expectations: in case of roles with minor differences application of 'weekday' ethical guidelines and decision-making standards can cause no problem, whereas in case of significantly different roles we may find expectations exceeding the individual's moral guidelines, or even contradictory expectations, like for instance among lawyers or journalists. Goldman (2005) emphasises that specifically critical criteria should be used for analysing roles holding such special moral expectations, and we have to differentiate between the perceived role expectations and scope of freedom in action of the role-holder (Goldman, 2005).

Conflicts might arrive also from the 'sub-roles' within the same role: Brinkmann (2009) analysed the role morality of Norwegian real estate agents and presented the embeddednes of ethical tension: these agents are at the same time sellers, moderators and advisors, and as such they have to satisfy often contradictory expectations acting in various sub-roles of the main role (within and outside the role).

Related to the HRM function, it is worthwhile to think how we can categorise this function among activities having characteristically weak or significantly different role expectations: Goldman (2005) has the view that managerial work is one of the generally slightly different roles. On this basis we may assume that human resource management activity is also a role where special moral expectations, which require a separate ethical frame system emerge only rarely in this role, but internal conflicts between sub-roles will most probably appear. In my argument I state that complexity, relevance and weight of ethical problems is characteristic to the human resource area (but I do not claim that it should be a role with characteristically different morality).

There are widely diverse views whether we are acting or ought to act in our various roles related to private life and work on the basis of different ethical norms and guidelines. Some thinkers have the view that we all are 'moral chameleons', and we act based on different guidelines in our different roles, wearing different 'moral hats' (Carr, 1968). Others argue in favour of the same ethical guidelines, moral harmony and integrity

(Gibson, 2003; Goodpaster, 2007). Carr (1968) in his famous article, which provoked great discussions both among theoretical and practical experts, claims that the ethical rules (rules of the game) prevailing in business life are totally different to social expectations, similarly to poker. Time-to-time event the most honest businessmen use bluff (i.e. acts un-ethically from the aspect of general morality), if he/she wants to remain in the game, because this is the essence of the game. Carr (1968) cites President Truman, who, as an excellent poker player, recommended: if you can not stand heat, never go to kitchen, i.e. if you can not accept the nature and rules of business life, forget business.

Expert arguing in favour of moral integrity, consistency and entirety deny the force for moral 'chameleonship': in their view it is also a realistic opportunity of choice when the businessman/woman behaves according to the same ethical guidelines at home as at his/her workplace (Goodpaster, 2007). Gibson (2005) calls the attention that different ethical frame systems may have different views on moral integrity (e.g. this concept can be hardly interpreted in an utilitarist frame system). Werhane (1999) calls the 'ability' as mafia mentality, based on which the individual can simultaneously live and act as a moral chameleon in roles that are extremely contradictory (e.g. he is a father of a family and robust member of a church community, but he is the Godfather in a criminal gang at the same time).

3.3.3. Workplace roles and morality

We may have the following roles at a workplace (1) related to occupation or profession (e.g. medical doctor, lawyer, politician); (2) functional roles (e.g. working in HRM area); and (3) related to a position within a hierarchy (Crane and Matten, 2007). To better understand ethics in the HRM area the role morality related to a special profession (e.g. engineer profession), or morality related to a role at a workplace in a specific organisation (supervisor in a construction) may also be important for us. The issue of conflicts eventually emerging from the professional and organisational role is an exciting issue (Wooten, 2001).

In an organisation we may find the following typical sources for expectations related to roles in various jobs and work tasks: (1) normative job expectations (e.g. as defined in the job description); (2) formal and informal expectations of colleagues and members of the reference group (Ryan and Ciavarella, 2002); (3) expectations arising from organisational or sub-culture; and (4) the individual's own perception on his/her duties or obligations (Werhane et al, 2004). On this basis, under role morality we mean moral expectations perceived and related to the given role. Radtke (based on Applebaum's theory) differently interprets role morality, as *claiming moral permission to harm others in ways that, if not for the role, would be wrong*' (Radtke, 2008:280; Applebaum, 1999).

Individuals working in the same organisation and in similar job (performing the task) are inclined to develop joint expectations related to the given job (task), and these

may significantly develop or change the behaviour of individual, even outside the organisation (Wasieleski and Weber, 2009). In addition to the individual's morality and the organisational factors, the work duties, related roles, and their interaction may have significant effects onto the morality of the behaviour (O'Higgins and Kelleher, 2005). Theoretical and practical scientific works were prepared based on the theory of Wasieleski and Weber (2009), and they address special ethical argument and eventual decision-making specifications of employees working within the company in various functional units or represent different professional areas (e.g. accounting, finance, logistics, HR, IT, marketing).

Trevino and partners (2008) call the attention that formal and informal roles in the organisation and their impacts onto the individual's identity may fundamentally influence perceptions related to ethical problems. Moberg and Caldwell (2007) point to the importance of moral identity, and also that the individual's cognitive picture generated on himself/herself will determine the procession schemes of information, and accordingly we may assume that if a moral category appears in an individual's self-definition, he/she will think more on the moral aspects of his/her acts, and in the given he/she will rather act ethically or morally. Moberg and Seabright (2000) analysed the moral imagination and found the ability of 'shift in viewpoint' as an issue of fundamental importance, and they defined this on the basis of the occupied roles (e.g. mother's role) and their experiences.

The inter-relation of the role-holding individual's morality and the role morality is unambiguously complex. Organisational roles unambiguously restrict the individual's scope of freedom in decision-making, but the individuals are responsible for their acts committed in their workplace roles (and also for their morality), and they can not transfer this responsibility onto the role (Radtke, 2008; Brinkmann, 2002). Werhane et al. (2004) emphasises that morality arising from the individual roles cannot fully explain the individual's moral behaviour, and his/her decisions adopted in various situations. We are more than the totality of our roles.

3.3.4. Professions, professional roles and professional morality

When discussing professional ethical issues the question will inevitably emerge: when and why we can deem an occupation as a profession. Brinkmann (2002) deems profession as occupational groups that have certain characteristics: e.g. they have dedicated (professional) training systems, significance in the society's eyes, and a specific place in the society's operation. As a result of detailed overview of Ardagh's works (2007) he sets out four groups of criteria: (1) professions emerge for satisfying some special human need; (2) professions are systematic, specialised and permanently increasing knowledge, which is transferred in a specialised training system; (3) they exercise their activity along rules and norms, in a fair manner; (4) they have social empowerment, and. On this basis, also have some moral independence and autonomy (Ardach, 2007). Segon (2010) points out

that historically, the term profession was applied to specific vocations (e.g. medicine, law and engineering), which were characterised by high level of expert knowledge, high standards of practice, and controlled by an association that provided a special licence to operate. But today many vocation are '*laying claim to the term profession including sports men and women, administrators, cleaners….*' – says Segon (2010:13). He suggests (based on his extended literature review) that professionalism is made of mastery (conceptual knowledge with expertise) and behaviour standards, but also the representatives of a profession are '*bound by a duty to act within the limits of their knowledge*' (2010: 16). What happens if the education of a non-traditional profession (e.g. HRM) does not provide the basic values for and behavioural standards?

The issue of professional ethics can be quite exciting, as groups that belong to the same profession will most probably encounter with similar difficulties and problems, and Radtke's role morality concept may also emerge, as a special permission that can be the basis for the representative of a profession (e.g. journalist, policeman) to cause damage to others in such a manner which can not be morally acceptable outside this role (Radtke, 2008:280). In some professions, for example lawyers and medical doctors this moral difference might be particularly characteristic; in these cases the society can often define the different moral expectations – it is of course an issue how this can save or release the individual himself/herself, see Eichmann's example (Radtke, 2008). Gibson (2003) differentiates four base cases for the inter-relation between social/individual and professional role expectations: (1) social norms and professional expectations are the same; (2) it is ethical according to social norms, but is contrary to professional norms; (3) it is contrary to social norms ethical, and ethical to professional norms; (4) not ethical either according to social norms or professional norms. Whereas there is no conflict in (1) and (4), there is a conflict in (2) and (3). Based on his research, case (2) is fairly rare, and most cases that are doubtful morally in practice belong to (3) category.

In his argument Rohr (1997) points to two characteristic cases or situations, where the role moral may question the general ethical guidelines (i.e. in Ardach's concept (2007) they have moral independence or autonomy). In certain roles we may face forced situations or extreme conditions, where we violate some moral ethical expectation or rule: on our private life role a good example can be, when the parent steals bread for his/her hungry children, or when the father protect his family against attackers. In these private life situations it is generally characteristic that the society perceives the extreme and peculiar nature of the situation (e.g. we all can 'feel' the parent's need, as we were all children and can easily become parents) and accepts and legitimates such 'un-ethical solution', as a proportionate act. The perceived proportion nature is here a critical aspect: in the given example, a most of the society would probably disproportionate and would disagree, if the father commits a fraud of several million dollars referring the hungry family.

Role holders however can make 'exception' in professional role on a different basis: in Rohr's logic these roles legitimate their own ethics and ethical autonomy on the theoretical basis that they refer to the profession's extraordinary importance and

exceptional status, and also that the usefulness of the professional role ethics is in totality higher than the damage, i.e. in aggregate the deviation from the ethical behaviour serves the interest of the community (society, humanity, etc.). The goal is to maximise social usefulness: this is of course again utilitarist logic. Projecting this to the subject of our research it is questionable whether the society can legitimate, as example, the situations where the representative of human resource area, referring to the interest of the majority and regarding people simply as a cost item, implements a mass lay-off; or referring to the shareholders' (including thousands of small shareholders) interest lies to the employees? In summary it is questionable, even if we recognise the legitimate existence of certain special role ethics, whether these professionals can time-to-time subject themselves and their ethics to a thorough self-assessment, and indeed serve the interest of the 'public' (society, humanity, etc.) (Rohr, 1997). How can we develop and sustain this critical and awareness-based self-reflection and self-restriction or self-control?

Besides, the nature and contextual embeddedness of the profession is a crucial point. Some of the representative of so-called historical professions (e.g. lawyer, doctors) are basically work alone, e.g. they are members of the professional community but only loosely connected to an organisation. Others are members of organisations (e.g. doctors in hospitals), but could work independently (at least theoretically). But the activities of HR practitioners are deeply embedded in the organisations, so their professional norms, professional roles have permanent interaction with organisational norms and roles, their professional identities seem to be less independent. (Even in education – suggest Hallier and Summers (2011:206) – '*HRM academics, unlike practised or practising teachers of medicine, engineering and other historically influential professions are less likely to act simply as the socializing agents of he membership's and subjects' professional values.'*)

One of the methods to resolve conflicts emerging on professional level between various role conflicts can be, if the given profession formalises its ethics (e.g. in the form of code, rule system, recommendations, regulatory bodies, etc.). This effort is typical, according to Török (2004), generally among occupations and professions, which have higher than average personal responsibility, or have greater effect onto public welfare and general status of the public. In certain occupations acceptance of written code of ethics, based on professional mutual consent (including also moral and professional requirements) this is the pre-condition for exercising such occupation, and if these rules are breached it may lead to prohibition from exercising this occupation. It is important that in case of professional ethics the responsibility will be individual (Török, 2004). Gibson (2003) has the view that in case of such ethical rule systems it is ideally characteristic that they generally do not serve the interest of the profession or the profession's representatives, but that of the individuals using the services, moreover, interests of the society as a whole.

In Brinkmann's argument (2002) formalised professional ethics can be interpreted from several aspects: (1) from the aspect of moral conflict, the goal of professional ethics is to help analysing, managing or preventing the conflicts, based on moral dimensions of a workplace context. (2) From the aspect of professional code of ethics, the task of

professional ethics is to develop and introduce the appropriate rule system (code of conduct or behaviour). These professional codes provide maps for the emerging conflicts, and they contain the potential solutions and sanctions. (3) From the aspect of professional role, professional ethics is addressing expectations and obligations of roles being in conflict with each other. (4) From the aspect of ethical atmosphere, professional ethics is embedded into the organisational culture, organisational atmosphere, and organisational culture evolves in the inter-action with professional ethics. Thus the code might be the tool for development and evolution of culture.

3.3.5. Ethical problems and phenomena related to workplace/professional roles

Based on the literature, there are various types of ethical problems and phenomena related to workplace and professional roles (see Table 1). Werhane (1999) calls the phenomenon as role adaptation, when the individual can fully identify himself/herself with the role and thus he/she has no doubt regarding the related expectations (not even from moral aspect). Goodpaster (2007) focused onto the concept of teleopathy, which means that the professional or organisational targets are narrow-mindedly followed (and Goodpaster interprets not only on individual, but also on group and organisational levels, e.g. referring to the catastrophe of Challenger). A teleopathy is (1) following a target unconditionally, in an unbalanced manner like a 'fixed idea'; (2) a tendency in order to rationalise or even deny every obligation and fact, which may prevent the implementation of the defined target; (3) worrisome separation of topics of business ethics and general ethics, which leads to total emotional rejection of the human consequences arising from following the target (i.e. impersonalisation). The myopia phenomenon is similar, which also means, in addition to the deliberate exclusion of values from the decision-making process, also the denial of value side of expectations related to the role (e.g. denial of employee's expectations towards human resource activity, like respecting human dignity or justice and fainess) (Orlitzky and Swanson, 2006).

The phenomenon when the individual mix up the rules with the moral expectations, and hide behind the rules, formalised expectations and job descriptions and disregard considering ethical aspects, and interpretation and assumption of responsibility can also be connected to the workplace role (Werhane, 1999).

De Cremer et al. (2009) call the attention onto several psychological processes, which are related to workplace-professional roles and thus can support resolving conflicts of moral expectations, but through this they may conserve un-ethical practices. Among them, the bounded ethicality phenomenon, the intention of following self-interests is indeed behind the assumed ethical arguments and ideologies, as in the moral rationalisation process the individual can in himself/herself explain and ideologise his/her un-ethical behaviour, thus resolving or avoiding tension or suspense (this can be explained as a special case of cognitive dissonance) (De Cremer, 2009; De Cremer et al., 2009).

Ethical phenomena, problem related to workplace roles	(One) definition of the problem	Author discussing the problem
Role adaptation	The individual can fully identify himself/herself with the role and thus he/she has no doubt regarding the related expectations.	Werhane (1999)
Teleopathy	The professional or organisational targets are narrow-mindedly followed.	Goodpaster (2007)
Myopia	Deliberate exclusion of values from the decision-making process, also the denial of value side of expectations related to the role.	Orlitzky and Swanson, (2006)
Bounded ethicality	The intention of following self-interests is indeed behind the assumed ethical arguments and ideologies.	De Cremer (2009)
Moral rationalization	Individual can explain and ideologise his/her un-ethical behaviour, thus resolving or avoiding tension or suspense.	De Cremer (2009)
Role ambiguity	Formal and informal expectations related to roles are not clear, or are ambiguous from the point of view of role senders or receivers.	Wooten (2001)
Role complexity or multiciplity	The individual in his/her workplace role has various, multiple, sometimes unconnected tasks, responsibilities and duties.	Wooten (2001)

Table 1: Ethical problems and phenomena related to workplace roles

Within the same role lack of clarification or ambiguous expected performance of expectations related to the role or complexity of the same role can be characteristic (for example in case of the referred Norwegian real estate agents)(Wooten, 2001).

Conflicts or contradictions between roles, and conflicts between various sub-roles (Wooten, 2001) include several problems discussed also on social level and kept in the focus for long, which were addressed (for example: lawyer, hangman or soldier) where, according to some opinions, the social consensus evolved professional morality (and sometimes, related to it, professional ethics regulating system), which may be in conflict in the given case with the role-holding individual's own morality. Most people however face less evident role conflicts, either related to various tasks within the workplace or related to workplace and private life. The question is which professions can today in Hungary actually have special social empowerment and permission (moral autonomy)?

3.3.6. Workplace/professional roles in the area of human resource management

My research is focusing on HRM activity and HRM professionals: however, in organisations significant part of HRM related tasks are performed by other stakeholders (e.g. line and top managers). Now I confine myself to briefly overview roles and sub-roles related to human resource management. We can interpret these as roles related to functional area (or role within the hierarchy), and also as professional role (if it can be deemed as an HRM profession).

There has been an intensive discussion going on professional development in this area for more than 30 years within HRM. Some authors have the view that strategic importance of HRM has drive the process when this area has become a profession, and this can be confirmed on one hand by evolving professional standards and expanding professional literature, and, on the other hand by organising university MSc programs and postgraduate training courses, professional bodies and events focusing onto this profession (Wooten, 2001; Ardach, 2007). The question however emerges that if we deem identification of ethical problems as one of the aspects of development of this area as a profession, and evolution of ethical standards, then how we can deem HRM activity as an actual profession (Ardach, 2007)?

Caldwell (2003) analyses the HRM development from another aspect: firstly he also identifies legitimating efforts of the HRM profession (which is typical in several professional areas), through which it wish to obtain social (and organisational) recognition, power, authority and independence or autonomy. Practices and processes within the organisation can however fundamentally block these efforts, like: (1) exclusion of HRM from strategic decision-making; (2) the fact that HRM can not defend its own area against the corporate management's control; (3) HRM's contribution to the company's profit can be quantified with great difficulties; and (4) sustaining the obviously impossible assumption that HRM can simultaneously represent contradictorial corporate interest groups (e.g. company management and employees). As an answer to these challenges, HRM re-defines the former roles (one of its appearance is the descriptive role matrix, elaborated by Ulrich), but then it become the victim of the changing business environment, where HRM activities fall apart, become specialised, were dominantly captured by the management, or may perhaps be partly outsourced. The main threat is 'erosion of expert knowledge, credibility and role-based status' (Caldwell, 2003:985). It is a paradox that excessive drive to become a profession and professional specialisation are the reasons for elimination of professional solidarity and identity, which is the distinguishing feature of professional groups.

Kochan (2007) suggests that HRM profession (at least in US) faces serious crises: 'HR derives its social legitimacy from its ability to serve as effective steward of a social contract in employment relationship capable of balancing and integrating the interests and need of employers, employees and the society in which these relationship are embedded.' (2007:600) But the social contract has been broken: as international and domestic competitive pressure intensified, HR professionals lost their ability (and identity) to provide balance among the different stakeholders' (especially between employee and employer) interests at work. By now HRM lost its legitimacy in the eyes of corporate

stakeholders, and it is questionable whether professional bodies in their present forms would be able to facilitate the restoring the trust: *"if the strength of a profession in part is judged by the strength of the professional norms enforced and promoted by professional societies, the HR profession, at least in the USA, must rank among the weakest'* (Kochan, 2007:605). In his articles he offers some directions to face this challenge, e.g. the development of shared professional standards, which reflect a clear set of values, the restoration of employee voicing possibilities (see also in Greenwood, 2002), and the rebuilding of information channels and trust in the workplaces. Maybe for this necessary shift in professional norms we have to wait for the new generation of HRM scholars and practitioners – question of Kochan (which dilemma shows again the importance and possible influence of HRM education).

In sharp contrast to the previously mentioned views, Wiley (1998) represents another aspect: she thinks that the process when HRM role becomes a profession has been completed, and the expert or professional role to be represented in the organisation has already been established: but HRM finds itself in conflict vis-à-vis the intuitive and subjective decisions of the senior management just due to its 'objective' professional expertise. Wiley defines the HRM profession as '*HR-related professionals are bound by an altruistic norm of service and a code of ethics that directs them to honestly represent the welfare and interests of all parties including management, employees, the community, and society*' (Wiley, 1998:147).

It is really difficult to form an opinion about the "status" of HRM community in Hungary: I would suggest that is has actually started to become a profession, but at present it is characterised by moral dumbness and lack of ethical discussions. This discussion may be launched both from theory and practice: development of academic aspects of HRM ethics can be the beginning, but only if it can be 'translated' onto practice in an easy-to-understand manner and language.

Bokor and partners (2005) call the attention that when HRM roles (and the related expectations) are defined it must be made absolutely clear what we use as the basis for such definition of roles: (1) actual activities, (2) the time invested, (3) metaphors related to the activities, (4) actually added values. For me own metaphors of representative of the human resource area, and roles of stakeholders, as role-senders can be of particular importance.

Torrington and Hall (1998) identified six typical roles, related to the activity development and adjusted to the given economic-social situation (in their historic model some of the more advanced levels may include the previous levels): social reformer; welfare responsible; human administrator; concensus-creator (focus onto securing labour peace in employee's relations); organisational man (focus on organisational performance and efficiency); manpower analyst (focus on efficiency and burocratic control). Legge (2005) differentiates also the deviant innovator (focus on organisational recognition and legitimation).

During the 1990ies two indeed influential (can be still regarded as dominant) categorisation was developed regarding the roles of HRM function: Storey (1992) –

fundamentally based on his research conducted in the United Kingdom – identified roles along two dimensions: intervention-no-intervention and strategic/tactical focus (Storey, 1992; Bennington, 2007). He differentiated (1) housemaid, (2) advisor, (3) regulator and (4) change agent roles. (1) Those holding the housemaid (later re-named as service provider) role (not intervening party/tactical) are reactive organisational players, who are responsible for generally operative, often fire fighter-type and rigorously specified tasks identified by the management. It is characteristic that housemaid can hardly enforce professional aspects: if the management does no deem any HRM practice valuable or useful from business aspect, it terminates such practice, and if any function is less expensive out of the organisation then it is outsourced. (2) Advisors (not intervening party/strategic) are not willing to deal with daily, fire fighter-type tasks, but rather support the company management in long term, strategic issues. (3) Regulators (intervening party/tactical) form and develop the formalised part of HRM systems from manuals, through ensuring compliance with labour law until the job description system, but they have lower level participation in strategic-level decisions (maximum they are asked about eventual dangers or risks related to decisions). (4) Change agent (intervening party/strategic) role is striving for systematic integration of HRM and business strategy, and it is unambiguously the contrary pole of the non-intervening party advisor and housemaid (Storey, 1992; Legge, 2005:88). Storey' roles are exclusive roles contradicting each other – HRM can bear one role within the given organisation (this simplification is otherwise one of the main critical direction related to the model). In this logic the ethical contradiction may emerge within the role (e.g. within the change agent role), and expectations identified by himself/herself and the role may be in conflict with one another (e.g. an operative-type HRM expert pushed into the housemaid role might be less able to represent his/her own ethics guidelines). Storey's categorisation was primarily criticised because it does not consider sufficiently changes in the business environment and diversity and complexity of the HRM roles (Caldwell, 2003).

Contrary to Storey's categorisation fundamentally based onto empiric concept, Ulrich (1997) categorised roles on the basis of the HRM's focus onto operative or strategic orientation and process or the people: his analysis is fundamentally based onto theory, and is strongly descriptive, and is looking for the answer how HRM representatives can become dominant company players. This approach identifies the following four potential roles along two axis (operative vs. strategic, people vs. process focus) for HRM: (1) administrative expert, (2) interest conciliation, (3) change manager, (4) strategy partner.

(1) Administrative expert is responsible for the organisational infrastructure: by operating characteristically different HRM systems he/she supports HRM-type operative needs emerging in the organisation. (2) In the interest conciliation role the task is to manage the psychological agreement between employees and the company, focusing onto the employees, dealing with day-to-day problems, difficulties and demands of members of the organisation in the interest of improving their commitment and develop their capabilities or competences. (3) In the change manager role HRM supports creation of the

organisation's ability for change. It helps identifying new behaviour forms that will enable the organisation to maintain its competitiveness. (4) In the strategic partner role the HRM is focusing onto harmonising its own strategy and practice with the business strategy (Ulrich, 1997; Conner and Ulrich, 1999; Bokor et al., 2007), similarly to Storey's role under similar name (1992). In Ulrich's original logic several HRM roles appear (or may appear) within the same HRM organisation – here we can now unambiguously speak about conflicts between various sub-roles within the HRM role: role expectations and focus of the people-focusing interest conciliation is, for example during an organisational change, clearly different than in a change manager or even strategic partner role. The main criticism to this model is exactly that though diversity of HRM role is emphasised (thus unambiguously it is more advanced than Storey's typology), it less considers conflicts 'build into' the role and the competing roles, which are exactly the results of making this activity outstanding (Caldwell, 2003).

Few years later Ulrich and Beatty (2001) further developed Ulrich's model: in the introductory section of the article the authors explain that '*HR professionals must always he 'becoming' or constantly changing and adapting*' (Ulrich and Beatty, 2001:293). It requires instead of partner role a 'player ' role, where the HRM can produce added value or results; and it is not just standing along the side-line but participating in the game. In their theory they identify six closely inter-related 'sub-roles', like (1) coach, (2) designer, (3) builder, (4) facilitator, (5) leader, and (6) conscience (Ulrich and Beatty, 2001), which should appear at the same time in HRM activities. (1) The coach is responsible for supporting professional development of the senior management in the interest of the company's success. (2) Designer can provide specific support to translate general strategic guidelines onto tactical actions. (3) The builder builds up, integrates and renews the HRM systems required for fulfilling the strategic targets. (4) The facilitator monitors and supports the change processes within the organisation. (5) The leader is able to credibly and efficiently manage and lead his/her own organisation towards strategic directions, serving as an example for the other leaders. (6) Authors interpret the conscience role as on internal *conscience referee*, who can ensure that the organisation and its members can act in compliance with the regulations.

Finally based on their global survey research Ulrich et al. (2008) identify 6 competencies (roles again), which enable HR professionals to be successful in the 21th centuries: (1) credible activist, (2) operational executor, (3) business ally, (4) culture and change steward, (5) talent manager/organizational designer, (6) strategy architect. (1) Credible activist is respected, credible member of the corporation, and also a proactive player, who is able to take initiative, who challenge assumptions. (2) Operational executors efficiently and effectively manage the administrative HR systems. (3) Business ally understands both the business itself and also the environment of the corporation, (4) culture and change agents develop the corporate culture based on effective change initiatives that reflect the business strategy. (5) Talent manager/organizational designer is the developer of both individual abilities and organizational capabilities. (6) Strategy

architect helps to build successful business strategies, and also helps to diffuse it throughout the company.

In his research Caldwell (2003) studied Storey's (1992) and Ulrich's (1997) basic roles, partly overlapping each other, based on samples taken in the United Kingdom: in his analysis he points out that each role carries a multitude of internal contradictions (each can be regarded as a separate 'Pandora's box'), moreover, Storey's roles are in most cases significantly overlapping each other (e.g. the advisor and the change agent roles). In totality, Ulrich's roles (also roles imported into the United Kingdom) can better reflect the changed organisational conditions, but the model itself is too simplifying reality, setting out unrealistic targets: it disregards old conflicts that are also present in the new roles, and shadows of past HRM roles (e.g. reactive behaviour), and handling HRM activity as a unit it does not deal with the various power relations within a company and pluralism of interests.

Caldwell (2003) interpreted role conflicts in four areas in the HRM activity: (1) conflicts between roles (when tasks related to various roles demand contradictory actions, and in aggregate their number is too high, and any of them can be implemented only on account of another); (2) conflicts within the role (contradictory expectations emerge within the same role or the performance criteria are not unambiguous); (3) value-role conflict, when individual or professional values are in conflict with the role or the task in a specific role; and (4) old-new role conflict, when some of the new and expected role (e.g. change agent role) gets into conflict with an old role.

3.3.7. Summary – the individual at the workplace, workplace roles

We all have several private life and workplace roles: the question is how consistently we can behave in these roles that often require different norms and expectations in our perception, how we can overcome on contradictions, conflicts, ambiguity and complexity of these roles, strike the balance between expectations. Such conflicts may emerge not only between private life and workplace roles, but between various workplace roles themselves: conflicts arising from organisational roles and professional roles, from different organisational roles (functional vs. position in the hierarchy) and even between sub-roles might also be different.

Referring to roles I highlight three thoughts linked to HRM. Based on the foregoing it is evident that workplace roles have great significance or importance in the individual's life, and they will also change the individual's ethics or moral. Thus the HRM area, having direct effects onto the evolution of formal roles (and also onto the environment of such roles, e.g. organisational culture), will have impacts onto the ethical environment linked to these roles. In the interpretation of HRM roles dominant in academic and business discussions (which today in Hungary almost exclusively means the role of Ulrich's model) potential conflicts between sub-roles emerge: but the ethical

implications, the conflicts incorporated into each role and between roles is hardly discussed.

Finally, how HRM can become a profession is a critical issue: irrespectively where HRM is now progressing on the way towards becoming professional is a fundamental question for creating its own ethical norms and to evaluate its activity from ethical aspects – the sooner the better.

3.4. Human resource management and ethics

Human or inhuman resource management? – asks the (hypothetical) question Stayaert and Janssens (1999) on the pages of 'Organization' referring to one of the basic dilemmas of human resource management in modern day organisations i.e. the degrading of human beings into 'resources' and the aspect of human dignity. In order to make sense of ethical issues I shall adhere to the following logic: first, will briefly discuss the development of the HRM; the diversity and contradictions of current theory and practice. Then, I will mention a few ideas about the concepts of, and differences in soft and hard, mainstream and critical HRM, with regard to practical differences in USA, Europe and Hungary. On the basis of these in the second part of the chapter, I will outline the main effects which put ethical aspects of HRM into focus, then I offer a picture about different directions and levels of ethical considerations, theoretical frameworks and empirical studies. Finally I will examine the concept of moral muteness.

3.4.1. The development of human resource management as an independent discipline

The appearance of HRM as a discipline is related to that of the modern corporation, yet, obviously in larger-size organizations, functions and practices concerning the administration, organization and individual performance-appraisal of paid labour came earlier and reached a rather sophisticated form in certain cases. Parallel to these activities, two hardly compatible approach and goal systems came into being. On one side, focus is given to management, leadership and control, while on the other side, support, caring and development with their related tasks are emphasized (Bratton and Gold, 2007). Among the emblematic economic figures of the 19th and early 20th centuries, both control-oriented reformers (e.g. Taylor, the father and adaptor of scientific management) and representatives of the caring approach appear (e.g. the social reformer Robert Owen who limited working hours for the well-being of workers and introduced previously unthinkable educational and social supporting systems; or factory owner Edward Cadbury who employed paid welfare agents to manage far-reaching, socially supportive systems in his factory) (Legge, 2005:52). Similarly, in the field of employment relationship, Redman and Wilkinson (2009) point at two parallel, but contradictory approaches: the paternalistic attitude and market-oriented individualism. Paternalistic attitude means that owners – based on their own moral responsibility – make provisions for employees in subordinate positions by giving them social benefits and a certain degree of protection in a quasi feudalistic rapport. Market-oriented individualism, on the other hand, promotes the rights of personal freedom and coordinative market mechanisms, interpreting relationship with employees as an individual business contract. Connected to this idea, Legge (1999) points that corporations speak about and treat employees in an antagonistic way: as human

beings and as goods at the same time. In the 'market' rhetoric of organisations employees are inner customers and resources, 'soulless goods of the labour market'. In the community rhetoric employees are part of the family, or team members – but here the independence and free-will of employees become questionable (Legge, 1999, Delbridge and Keenoy, 2010). Ever since its beginning, HRM has always involved apparently insoluble contradictions, contrasting demands of parties and a struggle also with resulting paradoxes. In the interest of reaching organizational objectives, (e.g. cost effective operation) it has to make decisions (e.g. downsizing workforce), which may indirectly prove counterproductive in reaching those objectives (e.g. unfavourable change of organizational climate) (Bratton and Gold, 2007). These built-in paradoxes will appear in HRM's moral and ethical aspects as well.

The discipline called 'human resource management' has strongly been influenced by American sources, its development being supported by mostly American scientific findings. Cascio (1992) identifies eight historic impulses which contributed to the development of modern HRM in the USA: industrial revolution, introduction of free collective bargaining, scientific management movement, early psychology, the appearance of personnel specialists (forming later departments), human relations movement, the school of behavioural sciences and US laws enacted in the 1960's and 70's. According to Szőts-Kováts (2006), theoretical background was laid down by the marked influence of the following disciplines: scientific management, psycho-technology, human relations movement, and disciplines of behavioral sciences (including organizational psychology, organizational theory, organizational behaviour, and sociology).

Literature has several attempts that refer to a number of developmental phases (evolution models) of the discipline. Perhaps the most common phases include personnel administration, personnel management (PM), human resource management (HRM) and strategic human resource management (SHRM) (Bakacsi et al., 1999; Szőts-Kováts, 2006). Bratton and Gold (2007) – using a somewhat different approach – write about phases of welfare management, personnel management, and human resource management. The question may arise (in literature it definitely does), whether we can witness a genuine change and improvement of the discipline with its actual practice or, as among others, Storey (1987) and Legge (2005) suggest, it is the case of the 'new robe of the emperor'. In a theoretical context, is it just a strategic trick or an attempt to gain legitimacy? In a practical context, is it more like a rhetorical trick and a means of manipulation, and is it the upgrading process of PM-HRM or HRM-SHRM only perceivable in the re-naming of organizational units?

Along with these question marks we can more or less definitely identify differences and changing tendencies that are characteristic of each given phase. Legge (2005) points at three emphatic areas: (1) While in the PM phase personnel functions focus exclusively on employees, HRM also concentrates on leaders, and the improvement of management. (2) In the PM phase, leaders treat subordinates in a reactive way (tactically; pursuing short-term goals), while in the HRM phase, leaders manage subordinates in a pro-active way (strategically, pursuing long-term goals). Using a

different approach we can say that in the PM phase the function is passive, while in the HRM phase HRM policies form a fundamental part of corporate strategy in an active way, (i.e. supporting them). Bokor et al. (2007) stress that in the HRM phase labour force is considered not just as one of the 'cost factors' but as an important corporate resource. Accordingly, human resource activity is regarded as an independent function capable of effectively enhancing productivity and of supporting the process of creating values. (3) The shaping of organizational culture – as a basic and important task of senior management – appears in the HRM phase. Although organizational development movement began as early as the 1970's, in the PM phase, while working independently from personnel functions, it was only regarded as 'sheer top-management trickery'. Yet, by the growing importance of relationship between organizational culture and business success (e.g. the success of Japanese companies, their characteristic organizational culture being one of the key factors), the developing of cultures and its positive influence on HRM came into focus (Legge, 2005:113).

Bratton and Gold (2007) also argue that differentiating between PM and HRM phases is not just a linguistic trick and identify six differences that partly overlap Legge's observations: (1) At least in theory, HRM is integrated into strategic planning (becoming complete in the strategic phase). (2) In the HRM phase, the concept of 'psychological contract' becomes emphatic, the importance of commitment on the part of employees appear along with HRM's role to ensure mutual commitment. (3) Training and personal development at the workplace becomes important. (4) The individual gets into focus (individual motivations, the reconciliation of individual and organizational goals), the collective aspects of labour-relations are left behind. (5) HRM is pro-active. (6) Literature tries to establish a definite relationship between effective HRM and organizational performance (see further analysis by Storey, 1987; Guest, 1992; Legge, 2005.)

It is important to note that it is rather hard to make sense of 'pure' PM or HRM models either at a theoretical or practical level. In both developmental phases we can find (1) normative; (2) descriptive-functionalist; and, in exceptional cases, (3) critical-evaluating models which reflect highly different viewpoints and emphasis (Legge, 2005). The aim of normative models in each phase is to demonstrate the optimum way human resources may be used to reach corporate goals. This trend has mostly American roots with positivist fundamentals. The aim of descriptive-functionalist models is the regulation of relationships with employees. They are more likely to be discovered in the reference literature of the UK and reflect a pluralistic approach. Critical-evaluating models may be regarded as quite exceptional, stressing the appreciation of interests of involved parties (mainly of employees), the aspects of justice and rights. In many cases they point at theoretical and practical abuse, and highlight common rhetorical clichés of both PM and HRM, in a sceptical and revealing way (Legge, 2005).

Guest (2007) suggests that HRM's development into strategic function has based on two basic propositions: (1) people are a key source of competitive advantage to organizations; (2) effective HRM systems yield higher organizational performance. Taking this aspect into account, organizations increasingly recognize and acknowledge the

strategic value of the human factor and the fundamental influence of HRM on basic organizational capacities. The representatives of HRM functions get into top management and become part of strategic decisions. Parallel to this, every top manager is involved in HR tasks (Bokor et al., 2007). Building on the afore-mentioned grounds, the 'system approach' appears emphatically in SHRM theory and practice. Since employees are simultaneously linked to several HRM systems, it is important that each HRM system work in an integrated way, in the same direction, mutually supporting one-another. Lepak and Colakoglu (2006) underline that SHRM must consciously try to achieve not only 'strategic streamlining' but also the consideration of external environmental and internal influences, demands and objectives.

According to Guest's summary (2007), current SHRM research focuses on the different aspects of relationship between HRM activity and business performance:

(1) Theoretical and practical studies concerning the integration of corporate strategy and HRM are widespread: e.g. HRM strategies complementing corporate strategies (Storey, 1987; Legge, 2005; Lepak and Colakoglu, 2006; Újhelyi, 2001), HRM's potential contribution to the business performance, productivity, flexibility and social legitimacy of the organization (Szőts-Kováts, 2006; Boxall and Purcell, 2007).

(2) Relationships within HRM on the whole and among each of its systems, applied practices in actual business performance – and the quality, measurability and reliability of these relationships has become a dominant research area (Guest, 2007).

In Greenwood's (2002) interpretation HRM's strategic struggles were fuelled by its determination to gain legitimacy. In the 1980's the representatives of this field wanted to lay solid grounds and justify the importance and independence of the 'new' discipline. Consequently (SHRM) primarily focuses on and cares about those who decide and execute strategy i.e. top management. Thus, SHRM is definitely (and often exclusively) management-oriented (Delbridge and Keenoy, 2010). Lepak and Colakoglu (2006) notes that SHRM research is clearly dominated by financial-business performance; and the viewpoints, interests of owners and management. As long as we acknowledge that corporate operations involve several stakeholders, it would also be important to include other aspects (and, accordingly, other performance dimensions) in SHRM analysis. The stakeholder theory (Freeman, 1984), which refers to a broad circle of parties, may provide a framework for this, inasmuch as not only dominant groups (e.g. investors, shareholders with power and means for interest representation) but also each of the primarily involved parties (management plus employees) are given a role, along with the claimant (who has no means to interest representation but is highly affected by the organization) and latent groups (whose interests are less apparent, less obvious) (Greenwood, 2002; Lepak and Colakoglu, 2006).

Soft and hard human resource management

Naturally, the current theory and practice of HRM (and SHRM) is far from uniform. HRM alone has many definitions: one part of them generally concentrates on functions and actions that relate the operation of various sub-systems, e.g. selection, compensation, training and development (for the evolution and grouping of definitions, see Legge, 2005). On the basis of another group of definitions, HRM characterizes management approach, style and attitude as mirrored by the operation of the system, instead of merely representing a collection of functions (Pinnington et al, 2007). In certain cases definitions clearly reflect the result-centred nature of HRM (i.e. it aims to reach sustainable competitive advantage based on people's commitment). Other arguments, however, show that it focuses on the process in which relationship between intellectual and social capital (represented by organizational members) and a corporate strategic goal system may be formed and developed (Bratton and Gold, 2007).

Using Storey's (1987) ground-laying terminology we may refer to the two variants of HRM as hard and soft (which, of course, in practice are not as sharply differentiated). Legge (2005) in his interpretation of the 'hard' variant lays the emphasis on resource management, the maximum use of resources and 'resource approach'; while the 'soft' variant focuses more on human resource management and the importance of the human factor. Hard and soft HRM, or the combination of the two reflect a different attitude towards people, and refer to the different nature, quality and extent of their 'application' within the organization.

Hard HRM (manifesting the logic of utilitarian instrumentalism in its approach) covers a performance-centred viewpoint in which HRM activity is the sum total of systems, processes and functions that work in close integration, and for the interests of business strategy. Of the most significant hard models we may mention the strategic model of Fombrun et al. (1984) from the Michigan school, and the model of Schuler and Jackson (see Legge, 2005; Bratton and Gold, 2007). In these frameworks the employee counts as one of those resources (e.g. arable land, production machinery) which has to be managed along strategic lines in order to gain maximum return and profit. People are treated as passive means of production with a basic requirement for measurability, calculation and control. HRM systems are impersonal and focus on cost effective operation, i.e. providing a just sufficient quantity and quality of labour force at the lowest possible price and developing it according to the needs of the organization. From this point of view the relationship with employees is to be interpreted as an economic transaction that can be ended if it is no longer required. The focus is expressly on HRM's strategic fit, rationality, control and profitability (Pinnington et al., 2007:2; Szőts-Kováts, 2006). Hard HRM practice has also been termed – mainly in American literature – as '*high performance work systems*' that basically concentrate on practices that can be directly (and provably) related to financial profitability (e.g. incentive wage-system, internal recruitment) (Legge, 2005:19).

Soft HRM relies on 'developmental humanism'; at times American literature uses the term *'high commitment management'* as well. Soft HRM activity intends to ensure a sustainable competitive advantage for the company by building on the commitment and loyalty of the employees. It is committed to the reaching of business objectives, yet it does not regard employees as passive, but active, creative, development-oriented individuals capable of making decisions and who are worthy of trust. Their commitment to the organisation can be developed and sustained by proper motivation and communication under the auspices of enlightened management and leadership. Competitive edge for the organisation is ensured by the employees' creative energy and participation in decision-making (Pinnington et al., 2007). As an important focus of soft HRM we may mention development; providing organizational framework for individual development (by training, creating suitable production systems and working conditions, employee participation), while at organisational level the development of organisational culture is involved. Literature dealing with soft HRM models highlights the importance of the Harvard model (Beer et al., 1985), and the partly subsequent Warwick model (Hendry and Pettigrew, 1990; Bratton and Gold, 2007).

The two approaches do not rule out each-other. In fact, in everyday practice there is a tendency to apply soft and hard HRM means in a closely integrated way; even within the same organisation a variation of soft or hard elements may be used with different groups of employees. Boxall and Purcell's (2007) matching SHRM model clearly shows the parallel application of both the soft and the hard approach: it differentiates between primary level organisational objectives (viability, sustainable competitiveness) and secondary level objectives (productivity, organisational flexibility, social legitimacy), which – they argue – can only be achieved by the simultaneous application of the two approaches (i.e. the application of hard HRM alone attains little social legitimacy). This kind of strategic approach may be related to the resource-based approach (Boxall and Purcell, 2007), and the recognition of the fact that competitive advantage may be based on a quicker learning process and a more effective adaptation to a changing business environment (Legge, 2005).

The analysis of soft and hard HRM obviously entails further ethical questions. From many aspects, soft HRM may seem more attractive (research findings definitely confirm that these systems are more desirable to employees as well, see Legge, 1998). Yet, in a number of industrial fields several groups of employees have no chance to work in such organisations. While a well-qualified, desirable white-collar youth may most probably enjoy the benefits of such systems, in the vast majority of cases a blue-collar worker with no qualifications appears only as a digit in HRM systems (We are living in the age of MacJobs and McJobs – as Legge, 2005 suggests). Pinnington et al. (2007) note that both soft and hard HRM models primarily focus on business objectives and those ethical factors like 'justice' or a 'full and balanced human development' are of little avail for them.

Finally, it should be noted that employees with specific, hardly replaceable knowledge, skills, cooperative abilities (contrary to other resources e.g. machinery) are no

possessions of the company, i.e. they may leave the organisation anytime. It will constitute a significant ethical dilemma for the organisation to decide how far it can go to keep this competitively advantageous, specific resource.

Mainstream and critical human resource management

Greenwood (2002) differentiates between the so-called mainstream and critical theory and research trends, noting at the same time that certain authors question even the existence of a general theoretical and practical HRM paradigm (see Kamoche and Mueller, 1988; Stayaert and Janssens, 1999).

The basis of mainstream HRM paradigm was laid down in the USA (Legge, 1998; 2005), its dominant tendency is practice-oriented, essentially prescriptive in nature, tending to present practical advice, empirical data and focuses on the best, most effective solutions. Basic propositions include the supposition of a rationally operating organisation that follows its own strategic goals trying to keep balance and where the management's basic task is the motivation of employees to reach higher efficiency and realize organisational objectives (Bratton and Gold, 2007). This logic attempts to maintain the 'status quo' of the current system and reflects a functional approach that regards HRM as a 'mechanism' to achieve organisational objectives. Thus, it reflects the development- and effectiveness-cantered character of classic management theories (Greenwood, 2002).

Theory and practice belonging to this group of mainstream paradigm have been criticised in several aspects. According to a comment (also present in mainstream thinking) these research approaches are often theoretically less refined and lack proper conceptual and theoretical background. Furthermore, their recommendations with no detailed principles and guidelines are rather hard to apply in real life situations (Greenwood, 2002; Szőts-Kováts, 2006). Criticism coming from outside of mainstream HRM is based on the notion that – due to their system-sustaining, manager-oriented stance – mainstream schools simply do not address issues like inequality, conflicts, dominance, subjugation, the abuse of employees (hard HRM) and manipulation (soft HRM) (Alvesson and Willmott, 1996; Stayaert and Janssens, 1999).

According to Greenwood (2002), another group of mainstream theories are formed by those attempts which, building on a serious theoretical basis, deduce their strategic HRM models from macro-level economic and organisational theories. Several of them (e.g. the resource-based approach, human capital theory, agent/transaction cost models) explain specific HRM correlations by using strategic and rational terms in a scientifically sophisticated, coherent way. Other mainstream theories with 'equally solid theoretical grounds' (Greenwood, 2002) focus on the relationship of the organisation with its internal units, e.g. on the instrumental and political determinants of HRM. In these latter approaches HRM's irrational and dysfunctional nature and the influence of informal activities occasionally appear. HRM's central role and effectiveness becomes challenged, i.e. HRM theory and practice are regarded with growing criticism.

HRM's mainstream approach is supported by popular management writers and gurus like Peters and Waterman (1986); Covey (2000), as well as by HRM experts like Ulrich (1997, 2008) who come up with new and easily applicable methods which – to all expectations – will produce more efficient and more successful individuals and organisations. These highly influential books, sold in millions of copies and translated into numerous languages also contribute to the notion that *'positivism should be HRM's dominant epistemological approach"* (Greenwood, 2002:263).

The majority of HRM criticism or critical trends come from the UK where the beginning of critical assessment dates back to the 1980's (Legge, 2005; Guest, 2007; Prasad and Mills, 2010; Watson, 2010). The main focus is on power, control, conflicts and their influence on HRM activity. The above critical approach sees HRM as a rhetorical and manipulative deception, a means by which management control over employees is secured. HRM is accused of re-defining the meaning of 'work' and the organisation-employee relationship in order to make existing and intolerable practices acceptable (e.g. unfair wage-system, misleading of employees). Authors regard HRM as the sum total of dehumanising practices (Dachler and Enderle, 1989; Towney, 1993), the suppression of resistance and confrontation (Sennett, 1998), in short, as a means of manipulating employees – using a more evaluating than a descriptive tone in their assessment. Hart makes an extreme point of criticism: *'I judge HR to be amoral and anti-social, as well as unprofessional, reactive, uneconomical and ecologically destructive'* (Hart in Stayaert and Janssens, 1999:185). As opposed to mainstream authors, critical writers (also representing several trends) lay emphasis on the multi-faceted nature of the workplace (several involved parties with the legitimate presence of their interests and goals) – and its collectivist character (Greenwood, 2005). They suggest that different parties at the workplace may have different views, consequently, different goals which organisations should consider strategically and tactically as well.

In its theoretical principles critical HRM school definitely relies on scientific workshops like the Frankfurt school, the ideas of Habermas, Derrida and Foucault, and has ties with the trends of critical management and critical pedagogy. At the same time it is opposed to the positivist approach of mainstream trends.

Delbridge and Keenoy (2010) summarize the common characteristics of present critical HRM (closely connected to the aims of CMS) as following: (1) critical HRM wish to understand the corporate and managerial practices in their wider social-economic, political context, emphasising the influence of capitalist system and market economy, the presence of structural antagonism. (2) Representatives of critical HRM are willing to reveal and reject the dominant metaphors and assumptions of mainstream management and HRM language (e.g. globalisation, competitiveness and performativity). They wish to 'denaturalize' those taken-for-granted assumptions and show alternative metaphors. (3) Critical HRM wishes to include and represent that voices usually excluded in mainstream HRM, e.g. employees working in non-standard forms of employment (e.g. sub-contractors, agency workers, self-employed, part-time workers), employees in 'flexible' organisations (e.g. call centres), employees working in developing countries (or at least

outside Western industrialized economies), representatives of different functional fields. (4) They emphasize that mainstream HRM has focussed on the problems, issues of large-scale organisations hence problems of SME-s, NGO-s and public organisations (and alternative forms of organisation such as cooperatives) have been largely ignored – but need to be addressed.

Delbridge and Keenoy (2010) point out that *'there have recently been some suggestions of possible softening in the relationship between mainstream and critical HRM'* (2010:809). First, critical HRM itself step by step became less marginalized; it is now considered as established and institutionalized school of scholars, which is part of the HRM discourse. Second, inside mainstream HRM some scholars speak about issues, which are connected to critical HRM: e.g. the necessity of 'more balanced approach' (Paauwre, 2009) or pluralist nature of interests. Among others, Bowall et al. (2007: 4) promote the notion of analytical HRM, which steps over the *'prescriptive, positivist, managerial, functionalist'* version of HRM, and seeks explanations, taking into consideration the social-political embeddedness of HRM. However, it is a basic question, that what could the *'more balanced approach'* mean and to what extent is it possible to question the hegemony of managerial interest in mainstream HRM? Or the representatives of mainstream HRM and HRM itself remain in the role of '*servant of power'* (Delbridge and Keenoy, 2010:811).

Uniform or diverse human resource management

USA dominance is characteristic trait of HRM theory and published empirical studies. Using a somewhat simplified stereotype, this kind of American dominance is challenged by UK authors. According to Guest's interpretation HRM may be regarded as *'the contemporary manifestation of the American dream'* (Guest in Bowen et al., 2002:103).

Cultural differences, however, are obviously strongly perceivable at the levels of HRM theory and practice. American, usually individualistic models are palpably hard to apply to a European or Asian (or even Anglo-Saxon dominated Australian or New Zealand) environment with diverse philosophical roots, cultural heritage and social-economic characteristics. Bratton and Gold (2007) urge the study of 'emic' and 'etic' aspects of the HRM field and the more thorough integration of these alternative theories, practices and characteristics into HRM discourse.

Asian HRM practice is characterized by various cultural roots and religious diversity (Poór, 2006). Until the 1990's Japanese HRM practice was characterized by cooperation-based organisational culture, collective decision-making, seniority, the model of life-long employment and a high level of employee commitment. According to analysts, the increased involvement of HRM in corporate productivity may also be taken as a response to the Japanese economic miracle (along with special cultural traits in the background). In response to globalisation and macro-economic changes, however, traditional Japanese practice has also been transformed in the past 20 years. In support of organisational flexibility, performance-oriented incentive systems were introduced, job

security became swayed along with a service-based promotion system. Also, issues concerning female discrimination have been brought into the lime light.

West European HRM theory and practice is characterised by historic, national and cultural diversity. Yet, in spite of the considerable differences in national cultures, typical company size, and industrial interest representation, it shows marked differences in several aspects from the USA theory and practice which is grounded on a – more or less – uniform system of values. Poór (2006) basically identifies five factor groups (characteristic of West Europe, and different from USA) which at the same time have a significant influence on HRM practices: (1) higher proportion of state ownership; (2) a stronger presence of trade unions and industrial interest representational bodies, the regulated structure of labour force market; (3) EU legal framework (complemented with diverse national regulations); (4) a more limited managerial freedom; (5) less individualistic European national cultures. As an important tendency we must also mention the convergence of practice. An increasingly uniforming legal framework within the EU and the considerable role of multinational companies clearly work to this end (Poór, 2006).

Central and East European (including Hungarian) HRM fundamentally bears the traits of a formerly socialist economic and social system. Of these, now I would like to highlight only those which might have significance from an ethical point of view (for further research on HRM in Hungary, see Bakacsi et al., 1999; Karoliny et al., 2003; Bokor et al., 2005). In the former, socialist way of thinking the major task of personnel activity involved (apart from the administration of labour affairs) 'cadre management' (i.e. the training of an ideologically reliable layer of leaders) and the sustaining of a proper organisational 'morale'. Work done at personnel departments was determined by political aspects, in fact personnel-related activity served as one of the executive means of ideological control. The shadow of this kind of status is perceivable to the present day in both individual and social way of thinking. In practice, it is palpable in the suppressed, fundamentally passive and reactive role it still plays in a given organisation. It remains questionable whether a one-time administratively functioning and ideologically observant HRM will ever be able to step out of its shadow and authentically represent ethical values.

In the aftermath of the change in the political system western HRM theories appeared as international companies brought along their own HRM practices. Karoliny et al. (2000; 2003) studying the development of Hungarian HRM practice point out that while global and international organisations working in Hungary keep up with international tendencies, Hungarian-owned companies significantly lag behind. The fact that the latest West European and American HRM practices are taken over by leading companies is supported by the findings of Bokor et al.'s (2005, 2009) 'HR Mirror' Research Program which has been specifically focusing on these companies for nearly 10 years. It must also be mentioned that due to their centralized structure, the Hungarian HRM unit of multinational companies often has to accept 'ready-made' solutions (with minimal scope for adaptation), i.e. it has to execute projects that were developed in headquarters abroad. It is questionable how much scope is left (if at all) for the realization

of ethical aspects, or in the case of foreign programs (concerning e.g. diversity management, workplace stress management) how much is perceived of the potential ethical aspects. In a Hungarian company environment where the development of HRM systems is very often related to figure of a leader coming from a multinational company, it may be even more questionable whether ethical aspects will actually get into focus. Paradoxically, since these organisations may have to meet fewer external requirements, ethical principles represented by leaders or HRM experts may have a higher chance of realization.

As a final thought, we must also note the heterogeneous nature of Hungarian HRM profession (provided it may be regarded as such). Among the representatives of HRM one may find psychologists, psychiatrists, lawyers, economists, MA's, engineers, (the list is far from complete). This mixed background may be one of the reasons for the strong search for a common identity in professional dialogues (Takács, 2008). Part of this process might be a more emphatic study of professionally relevant ethical issues and aspects.

3.4.2. The relationship between human resource management and business ethics

The relationship between human resource management and business ethics is deeply rooted, yet the transformation of the two principles into a common one has begun to really take place and – to a small extent – get into focus only in the past 15 years. As a sign of this, books have been published with themes such as ethics at the workplace, HRM ethics, ethical HRM (Johnson, 2007) along with collections of essays (e.g. Parker, 1998; Deckop, 2006; Pinnington et al., 2007). Theoretical articles and research results have appeared in leading business ethics and human resource management journals (Journal of Business Ethics, Personnel Review, Human Resource Management Review). There are more and more topics and presentations at conferences concerning HRM activity with ethical aspects (e.g. the annual conference of European Business Ethics Network UK has HRM ethics section).

The interwovenness of HRM and ethics can be seen in education as well: Wooten (2001) in his summary points at the fact that certain HRM textbooks addressed ethical dilemmas as early as the beginning of the 1990's, principally building on the conceptual framework of human rights, e.g. ethical issues of labour relationships, protection of personal data in the process of HRM activity or the ethical aspects of using tests in the selection process. Other authors, using a systematic approach, at the end of each chapter complement the given field with relevant moral dilemmas (see among others Bokor et al. 2007). Some authors dedicate whole chapters to ethical issues in their HRM textbooks (e.g. Torrington and Hall, 1998; De Cieri and Kramar, 2005; Cascio, 2009; Redman and Wilkinson, 2009). Parallel to this, certain business ethics textbooks and reference books deal with issues such as ethical dilemmas concerning employment, ethical HRM (e.g. Bowie, 2002), and ethics at the workplace (e.g. Knights and Willmott, 2007).

The fact that this field of study has got – however moderately – into focus may be due to economic, social tendencies at the turn of the 20th and 21st centuries along with reasons rooted in organizational functions, and specifically in HRM activity. Corporate social responsibility and the dilemmas of sustaining ethical business activity in general has got more and more in the focus of academic and social attention in the past 20 years (see Chapter 3.2). Owing simply to the influence of the above tendencies, ethical question marks have cropped up in relation with functional activities within organizations, i.e. marketing, finance, production, and also in HRM. Although big corporate scandals of the past 15 years stressed the responsibility of top management and the finance sector, it is easy to see that involved organizational cultures and HRM systems (e.g. performance appraisal and compensation systems or internal communication) in the background may have contributed to the ethical failures, or rather, failed to eliminate those moral fiascos.

When approaching corporate responsibility it is of fundamental importance to enlist all the involved parties, not excluding the employees, with whom the concept of corporate responsibility has to be (re)interpreted as well. It might be even more important in the case of global corporations, which quite often employ tens of thousands of people. Their HRM systems and (e.g. dismissal and deployment) decisions have a direct influence not only on the employees themselves but also on their families, fundamentally affecting their quality of life, well-being, happiness which, ultimately, may have a significant influence on local communities and society on the whole (Wiley, 1998). According to both academic experts and business professionals, who take social responsibility seriously, the ethical nature of HRM activity plays a decisive role in the ethical management of the whole corporation. It is also fairly obvious to see that global corporations, which occasionally may have higher influence than certain countries, do not usually wish to complement their enhanced power with an enhanced sense of responsibility or truly responsible behaviour.

The coordination of tasks related to corporate responsibility and ethical behaviour within some organizations is undertaken by the HRM field (in other cases by PR, quality insurance, legal department or it may function in an independent organizational position). It may also occur that only specifically HRM-related programs and their responsibility belong to the HRM field (e.g. diversity, health development, volunteering, changed working ability programs, etc.). Certain authors emphasize that in spite of heterogeneous organizational solutions HRM is regarded as the conscience of the organization (Wiley, 1998), the focal point of ethical conduct concerning employees, ethical champion or the authority in charge of ethical affairs (Greenwood, 2007). (An early form of this kind of 'role' may be reflected in the 'conscience' role among the HRM roles of Ulrich-Beatty, 2001) In response to these external expectations, theoretical and practical representatives of this field have to think about ways HRM may support the solution of ethical problems at an organizational level, what basic principles should define ethical conduct and what kind of ethical aspects may be encountered in their own field.

As a parallel tendency – though not independent from the above phenomena – it may be noted that in several countries (including Hungary) the role of collective

representation of employees, the role and influence of trade unions is waning, also the legal protection of employees is being transformed (and reduced). (An example for this reduction in Hungary is the recent withdrawal of legal expense coverage in labour court cases.) Greenwood (2007) characterizes this (global) phenomenon as the repression of collectivism and employee interest representation and suggests that the stifling of employee participation and empowerment at organizational (and also social) levels reduces the self-defence abilities of employees, further strengthens individualism, which contributes to the excessive empowerment of corporations (and HRM functions) over more and more defenceless employees (Pinnington et al., 2007, Van Buren et al., 2011). It is also controversial that while the rhetoric of soft HRM puts a growing emphasis on the empowerment of employees, it is quite often – as Legge (1998) notes – the case of a *'wolf in sheepskins'* i.e. in reality, under the disguise of empowerment and by the manipulation of organizational culture employees become transformed, limited and exploited. Supposing that soft HRM may mean genuine empowerment, the 'blessings' of it can only be enjoyed by a fraction of employees, i.e. generally well-qualified, marketable knowledge workers. While chances are open to employees who are important for the sustaining of the competitive advantage of the corporation, the masses of less qualified, easily replaceable, according to this logics, 'less valuable' manual workers (or even the administrative workforce at call centres) are excluded.

Here, it is important to note that the issue of employee relationships has long been present in ethical discourse. In many parts of the world, in the USA, the larger part of Europe, and Australia we may mention the fundamental transformation of the nature of employment i.e. besides permanent, stable forms of employment we may also talk about changeable, temporary, transactional, short term contracts. The importance of labour insourcing (both blue and white collar) is rising in the same way as (not necessarily voluntary) self-employment. The proportion of secure and steady jobs has decreased. As underlying reasons for this, we may mention the organization's drive to secure financial, numerical and temporal flexibility (Legge, 1998). On the whole, the nature of attitudes and ties between employer and employee, the 'psychological contract' is changing: more and more emphasis is given to transactional contacts (Greenwood, 2007). Werhane et al. (2004) straightforwardly talk about a 'new social contract' which – contrary to the 'old social contract' – no longer offers a stable position and decent pay in return for employee performance and loyalty. On the one hand, these changes can be regarded as the (applaudible) end of paternalistic dominance and mutual dependence and thus, the new nature of employment may be seen as mature, free, full of challenges. On the other hand, it may rather lead to impersonal, senseless work and alienation (Sennett, 1998). By and large, these changes will have significant influence on organizations, the individuals involved and the relationship among them as well as on ensuing ethical outcomes.

The growing presence of ethical aspects is partly due to the definite strengthening of the ethically integrative approach in organizational and management theories: considerable part of ethically problematic organizational dilemmas identified by these theories are linked to HRM functions (e.g. equal treatment, drug and alcohol abuse,

performance management and a fair compensation system, see e.g. Wooten, 2001). Apart from the above positivist mainstream, the voice of the already existing critical, postmodern school has been rising in the past 20 years, increasingly questioning and challenging the basic principles of the ruling neo-classic paradigm. They point at serious ethical tensions characteristic of modern day corporations, such as commodification of labour (Werhane et al., 2004); treating employees as human capital (Martin and Woldring, 2001), organizational exploitment and distorted power sharing (Knights and Willmott, 1999). The contrast between the rhetoric and reality in modern practices is not seen only by theoretical professionals outside the mainstream. Along with the difference between espoused values and values in use and the phenomenon of organizational integrity for example, the above issues are addressed with considerable emphasis in the literature of organizational socialization or organizational culture (see e.g. Bakacsi et al., 1999).

Even within mainstream theory, the following idea has come up: HRM wanted to shrug off its 'low prestige underdog status' in order to adopt a strategic role and to have its legitimacy acknowledged (both at theoretical and practical levels). Ultimately, it managed to acquire an efficient, management-oriented professional status but something has been lost on the way (Pasmora, 1999). In its struggles it has neglected to treat employees as human beings (instead of human dignity it talks about 'human resources'). In place of their inherent, fundamental values, people are identified with their prices (and regarded as the potential source of maintaining a competitive advantage for the corporation). Dachler and Enderle (1989: 598) point out that '*the term human resource management make sense in its wide use because it is an euphemism for identifying those people who are used as resources as contrasted to people who use the resources*'. Management oriented HRM basically gives up on championing employee interests and on employee care (Kochan, 2007). Ackers (2009) envisages a 'Faustian pact' i.e. HRM experts 'sold their souls' for greater influence and now they are totally dedicated to serve shareholders and management in a soulless and impersonal way.

Decisions related to HRM functions (similarly to other organizational decisions) are often posed as impersonal and faceless decisions of a professional-technical nature and not as value-based, reflective reality, which, at the same time, affects the lives of human beings (Redman and Wilkinson, 2009). In this context, the old question is given a fresh impetus: does HRM have any kind of caring role? And if so, is it compatible (and how) with its controlling functions? How does the given organization handle (or does it acknowledge, perceive or handle at all) those negative influences in the employee sector which result from the realization of primary organizational objectives such as sustainable competence and effectiveness)? Other, strategic functions-related HRM paradoxes also have their ethical aspects, e.g. flexibility vs. loyalty, individualism vs. teamwork, empowerment vs. standard working and control (Legge, 1998).

Certain researchers emphasize the importance of the professionalization of HRM functions, i.e. that it has become a profession in its own right (Wiley, 1998; Martin and Woldring, 2001; Wooten, 2001). HRM stepped on the road to become a distinct profession with more and more clearly-laid professional standards, its own training

framework and logics have been established. Similarly to other professions (e.g. legal, medicine, political professions), it now has to form its systems of ethical principles and codes acknowledged by professional opinion. This will only be possible in the conclusion of a wide-ranging professional discourse and on the basis of consensus (Martin and Woldring, 2001). Among others, Kochan (2007) suggests that the 'status' of professionalism of HRM is a somewhat contraversial issue, because HRM lost its social legitimacy, which would be of vital imporartance in case of a established profession.

Finally, HRM functions face novel expectations from society as well. They increasingly get caught in the crossfire of social and political debate on issues like equal treatment, diversity, expected employer responsibility, stress at the workplace and keeping balance of work and private life. These are challenges to which organizations – including HRM – have to find some kind of legitimate response. Furthermore, HRM activity in an organization often directly affect not just employees but also their close relatives and in many cases whole residential communities. This way, the workplace and its HRM practices do not only affect the well-being, physical-mental health and life-prospects of immediate employees, but also the wellbeing, mental-physical health and life-prospects of society on the whole.

According to Pinnington et al. (2007), this field would deserve more attention from both theoretical and practical points of view. In real life HRM still struggles to adopt a strategic role and consciously fends off ethical considerations as 'patronizing' or, in many cases, nonsensical, while theory, in spite of efforts, remains insufficiently structured.

3.4.3. Ethical frameworks in HRM

For the definition of 'ethics' and the interpretation of 'ethical conduct' several moral frameworks can be applied. As in the field of business ethics, it will be of fundamental importance in HRM related ethical studies as well to form clear concepts concerning moral framework, organizational goals, responsibility of leaders and the rights and duties of employees (or of other parties involved). According to Greenwood (2002), HRM ethical studies often fail to make an explicit stance in this respect.

The most fundamental interpretation in the fields of ethics and HRM may be linked to employment ethics. Redman and Wilkinson (2009) define this field as a sub-section of business ethics, which applies general moral principles to employee compensation and working conditions. As such, it can be taken as a professional ethics, which – similarly to those of the medical and legal professions – focus on interpersonal relationships and the treatment of people. In my own interpretation, HRM ethics has a wider scope: although it has ties with general and business ethics, it has its own specific goals, environment, tasks and problems (Pinnington et al., 2007), which needs a special focus that has not been granted so far.

Traditionally, the ethical analysis of labour relationships has been linked to the rights and duties of employees and employers, justice and fairness perspectives or religious teachings (Greenwood, 2002; 2007; Alford and Naughton, 2004). The rights and duties of employees and employers – going beyond basic human rights – include the rights and duties to work and workplace, and as such, some of their elements were adopted by international law (e.g. ILO), state laws, and legal regulations as well. Crane and Matten (2005) list nine employee rights: (1) right to equal and discrimination-free treatment; (2) right to maintain a personal sphere; (3) right to fair conduct (in promotion, dismissal, disciplinary procedures); (4) right to collective bargaining and representation; (5) right to participation; (6) right to work safety and health hazard-free working environment; (7) right to fair compensation; (8) right to free speech and conscience; (9) right to work.

In modern day practice at the workplace, however, the granting of the above employee rights are far from perfect, even if they are declared on a legal level. Not even in the so-called developed countries (Werhane et al. 2004), not to mention the Third World (Greenwood, 2007), but Hungary is no exception, either. In many cases, employees lack the kind of power that would enable them to enforce the granting of these rights (according to certain analysts, the very existence of these rights may become doubtful, e.g. Koehn, 2002). Rights-related studies must also face the problem that making sense of certain rights can be very context-dependent. Let us just consider how differently interpreted the 'right to work safety and health hazard free working environment' might be in an African mine, in the USA or in Hungary. On the level of theoretical criticism it may be mentioned that basic employee rights may even be contradictory to one-another, as well, (e.g. equal treatment vs. fair compensation) or from a qualitative point of view, they might be rather tight-fisted (i.e. what kind of work does the individual has a right to?) With the extension of basic rights, Bowie (1998) has created the complex concept of 'the right to meaningful work' (which can not be regarded as universally accepted so far). It includes: (1) freely chosen workplace; (2) employee has independent status; (3) has a possibility for development; (4) gets decent pay; (5) employer secures moral development for employee; (6) employer refrains from patronizingly influence the individual's life and the pursuit of personal happiness. Yet, the question is open how – for example, a modern day Hungarian company – is able to secure the 'moral development' of its employees in practice (Greenwood, 2007).

Studies concerning justice and fairness are also deeply rooted. Among others, the following issues have also been for a long time in the focus of theoretical and practical experts: What is meant by just and fair treatment of employees? What is just and fair pay? What can the employer expect for a given pay? What is meant by and how to secure equal treatment? The underlying concept of organizational justice consists of three, equally important justice concepts: (1) distributive justice means the perception of whether we have received the quantity and quality of rewards that we deserve. (2) The concept of procedural justice focuses on the fairness of the rewards distributing process, while (3) interpersonal justice refers to the way of treatment perceived in these processes and to the appreciation of human dignity. The aspects of justice have great importance both in the

whole HRM activity and in its sub-systems. Similarly to employee rights, part of these aspects – mostly those of procedural justice – have been legally codified (e.g. the principle of equal treatment). Yet, the same is hard to imagine concerning interpersonal justice. Besides, there is not much point in achieving more and more detailed legal regulation in the world of work if, parallel to this, the power and influence of big corporations are also growing (Greenwood, 2007). Among a number of authors focusing on justice, Weaver and Trevino (2001) examined the role of HRM in ethical compliance programs in the aspect of organizational justice. Harris (2002) also had a justice-based approach when he examined HRM practice. Crane and Matten (2005) have brought together the aspects of rights, justice and fairness in their textbook.

Theoretical and empirical studies based on (various) religious teaching were also present in the field: among others Stackhouse et al. (1995) apply the teachings of numerous Eastern and Western religions to management practices, and to HR practices. Johnson (1995) suggests the reframing the employment relationship and the modern workplace, as organizations of '*complementary, mutually supportive members*' (1995:649) based on Christian tradition, and argues for a radically different approach for organizational structures and job designs based on human dignity, responsibility and commitment. As another example, Cortright and Naughton (2002) analyse HRM systems (e.g. training and development, performance appraisal, compensation) and develop new models based on Catholic Social teaching, like 'full human development' (Alford and Naughton, 2004) or humanistic job design (Murphy and Pyke, 2002). These studies are characterised by the wish to change the basic assumptions of the modern corporation, and by the intent to reframe the present HR practices according to the some religion – in other cases not Christianity, but Hinduism, Buddhism, Islam – doctrines.

Apart from analyses concerning rights, justice and religions, research work of the past 20 years has been characterized by 'traditional' aspects (with one universal framework or several parallel frameworks). Legge (1996, 1998) in her highly-acclaimed analysis studies soft and hard HRM approaches in the light of four schools, i.e. the utilitarian, Rawls's system and the virtue-ethics principles of Aristotle and Kant. She stresses that the analysis and evaluation of HRM is highly dependent on the ethical framework being applied.

Schumann (2001) proposes a framework consisting of five framework of ethical thought for the study of HRM from an ethical point of view: utilitarian, rights-based, justice-based, caring-based and virtue-ethics-based. In his reasoning he justifies his choice by stating that these schools have a detailed and sufficiently sophisticated background literature, they are generally used in moral decision-making and represent distinctly different viewpoints. The four-dimensional scale of Reidenbach and Robin (1990) with aspects of egoism, relativism, deontology and justice Kujala and Pietilainen (2007) have complemented with female ethical frameworks, and – on the basis of them – began to study diversity policies.

In conclusion, we may say that in their theoretical and practical studies to bring ethics and HRM together the authors have followed several kinds of logics:

- Starting from given ethical school(s) they examined how, and to what extent each and all of them together may be applied to HRM theory and practice (Schumann, 2001; Koehn, 2002).
- On the basis of one or more ethical frameworks they evaluated HRM on the whole or one of its aspects, basic theoretical concepts or the practice of the organization or the organizational culture (e.g. whether it is hard or soft HRM). (Legge, 1998; Weaver and Trevino, 2001; Kujala and Pietilainen, 2007; Ackers, 2009; Montemayor, 2006).
- They attempted to identify and rank the basic ethical principle(s) that were apparent in the actions, conduct, rhetoric and documents of organizations and the parties involved in them (Fisher, 1999; O'Higgins and Kelleher, 2005; Wasieleski and Weber, 2009).
- They identified and grouped HRM-related situations or cases that were deemed ethically problematic by the involved parties (Wiley, 1998; Wooten, 2001).

When linking ethics and HRM, it is important to make the ethical stance explicit, since – as I shall later demonstrate in detail – in each given framework the modern organization or basic HRM propositions are assessed along different logics and different results. I would like to dedicate my own research to ethical pluralism. Building on Goodpaster's (2007) views I think that both individuals and organizations need the development of moral imagination or, as he calls it, 'moral insight', which does not mean the keeping of rigid rules or basic principles. This is all the more fundamental because organizational situations are often very complex, the rights, interests, duties of several involved parties are at stake and exist in correlative tension. One possible approach for the assessment (and solution) of these problems is the integrative presence of several viewpoints and frameworks in an accepting and multi-coloured environment i.e. moral pluralism (Greenwood, 2007:571). Greenwood (2007) highlights and stresses stakeholder theory and the pluralistic nature thereof. In this sphere of thought associated with Freeman (1984), the Kantian roots are clearly present with the emphasis on rights and duties of employee and employer. Utilitarian thought is present with the emphasis on the results of actions, while justice and fairness is represented by employee participation and the transparency of organisational processes.

3.4.4. Level of ethical analyses in HRM

In the 1990's HRM related ethical examinations were characteristically assessed at two levels: in macro-level analysis Kantian and utilitarian ethical theories were applied for the whole of HRM, while at micro-level justice and fairness theories and the aspects of employee rights were applied for specific HRM practices and situations (Greenwood, 2002; Greenwood and De Cieri, 2007). Going beyond this, Martin and Woldring (2001) set three possible analytical levels: (1) the assessment of HRM sub-systems from an

ethical point of view, (2) ethical aspects of overall HRM activity, (3) the role of HRM at corporate level ethical issues.

	Characteristic questions, focus	Related article, author
Macro (system)-level	- Analyses of modern market economy and economic systems; the basic assumptions and operations of modern organizations. - The ethical nature of basic propositions of HRM activity (e.g. hard and soft HR).	Legge (1998) Bauman (1993) Ackers (1999) Guest (2007)
Mezo (corporate)-level	- Contribution to - and participation in - the responsible behaviours of corporations. - The role of HR as moral champion within the corporation, ethical organizational culture and communication, and participation in the creation of ethical leadership.	Lepak and Colakoglu (2006) Orlitzky and Swanson (2006)
HR function/ department level	- An examination of HRM systems based on one (or more) ethical schools. - Analysis of ethical problems related to HRM in general, or focusing on special cases/phenomena. - Examination of the ethical aspects of HR functions or roles (e.g. Ulrich (1997). Ethical analyses of role conflicts. - Detecting, classification of and managing individual-unethical behaviour in the workplace; employee deviance.	Mathis and Jackson, (2006) Alford and Naughton (2004) Murphy and Pyke (2002) Wooten (2001) Wiley (1998) Ulrich and Beatty (2001) Cardy and Selvarajan (2006), Schumann (2001)
Micro-individual level	- Individual moral decision-making connected to HRM functions and roles; individual perceptions and sense-making.	Wooten (2001), Dachler and Enderle (1989). O'Higgins and Kelleher (2005)

Table 2: Levels of ethical examination of HRM

These levels – both in theoretical and practical sense – are organically linked to one-another. Therefore, this kind of grouping might seem artificial and in certain respect 'forced'. For instance, the ethical nature and the individual perception of certain HRM roles and the resulting moral behaviour of the individual are tightly related. I shall now complement the three levels with a fourth one and give a brief outline: at each level I present one or more definitive works focusing on the given level with the introduction of the applied ethical aspect and one or two relevant ideas.

Overall corporation ethics and the ethical nature of HRM functions
The fundamental question of HRM ethics is whether any kind of its theory and practice can be regarded as 'ethical' in today's ruling market economy and organizations. As Legge (1998) sees it, this question induces two further propositions: First, what do we mean by ethical nature? Second, if ethical HRM is not just an utopistic idea and we accept

its potential existence, what are its characteristics in reality? If we regard capitalistic economy as ethical (or at least we see the potential for ethical corporate conduct within its framework), this can also be possible in the case of HRM. It remains questionable, however, whether a fundamentally unethical economic system allows for ethical HRM activity or the ethical treatment of employees, regardless of any kind of ethical framework.

Responses to the above question are many. According to Marx (and his followers) in capitalist corporations people are exploited and denied the free use of their abilities, creativity and freedom. In the interest of maximizing profit, human beings are dehumanized i.e. used as commodities – hence the term 'human resource' – , they are excluded from decision-making, which all lead to the alienation of work. In Marxist thought the capitalist is downright unethical, while HRM is a downright means of exploitation and manipulation (Wray-Bliss and Parker, 1998). *'Show me a caring capitalist and I'll show you a vegetarian shark'* – illustrates Legge Marxist scepticism (Legge, 1998:167).

According to Bauman's (1983) opinion, in capitalist organizations the individuals' behaviour is determined by strict rules and controlled by a number of means (e.g. by bureaucratic and cultural methods), since corporate objective (i.e. the reaching of profit) requires collective action. The ethical responsibility and moral sensibility of the individual is pushed aside and diminished by corporate control and pressure and, in some cases, uniformity. The organization expects employees to do what the boss tells them, instead of doing what they feel right and fair – according to their own set of values (Jackall, 1988). All in all, the corporation in its institutionalized form erodes the conscience and moral sense of the individual. Then, how could this 'formation' be called ethical (Bauman, 1993)? MacIntrye (1997) believes that management itself cannot be ethical, either, since it is fundamentally involved in the manipulation of the employees. What is more, as a result of unbalanced and fragmented development within the organization, the individuals' inherent sense of identity is also damaged; their moral character is corroded (Wray-Bliss, 2007:520.; Legge, 2005:36).

In Legge's (1998) analysis Adam Smith's original idea of a decentralized and free market, competition, the self-regulation of offer and demand could have been regarded more ethical in his own age than mercantile economic set-up. In the utilitarian framework Smithian capitalism is a combination of individual freedom and efficient production in which each individual – following rational self-interest – makes a contribution to the wellbeing of society. Nevertheless, Smith also called attention to the danger of concentrating economic power in too few hands leading to the distortion of the market. At present, this is definitely the case – global corporations possess considerable economic-political power. The notions of 'free choice' and 'fairness of transactions' are also questionable. A transaction may be called 'fair' if the involved parties are free, (under no obligation) and equally informed. But in a modern day context, to what extent can the relationship between employer and employee be regarded fair? What real choices are left at all to job seekers (if the alternative is unemployment)? How could they refuse doing compulsory overtime or following unethical orders from the boss (if the alternative is

dismissal)? How could the individual be equally informed if corporations have control over the media? Consequently, it is seriously questionable whether – even in a utilitarian framework – a present day capitalist corporation can work ethically (Legge, 1998).

The ethical nature of basic propositions of HRM activity

A number of theoretical and practical studies examine the basic propositions and functions of HRM models (i.e. hard or soft HRM) from an ethical point of view. Legge (1998) analyses hard and soft HRM models. In her interpretation it is only the utilitarian framework in which hard HRM model can potentially be ethical, inasmuch as it provides for the survival of the organization and thus, leads to greater social utility (although this assessment may have some feasibility problems). From a Kantian point of view, the hard model is definitely unethical as it handles employees as means and not as ends. Hard HRM can not be regarded ethical in virtue ethics either, since the balanced development of the individual is far from gratified. The analysis of soft HRM (could) show a more favourable picture: apart from the positive evaluation of the utilitarian aspect, it could also satisfy the basic propositions of virtue ethics, but, as Legge (1988) notes, genuine virtues may be fundamentally distorted by adopting forced roles at the workplace. The 'workaholic' way of life hinders harmony and the pursuit of happiness in private or family life. Although soft HRM would be able to pass the Kantian test, several observers question the unity of rhetoric and truthfulness in these organizations.

Guest (2007) in his analysis suggests that the SHRM system and organization, which in principle, should deal with the management of employees, in practice (1) ignores their interests; (2) in reality it becomes the major means for HRM-orchestrated exploitation. The former phenomenon is especially typical of hard HRM systems, in which – let alone representation employee interests – even positive, negative or neutral reactions of employees are ignored and which can be compared to a kind of black box or a robot. In soft HRM systems, however – in line with Legge's analysis – HRM may become the central means of manipulation.

Concerning the basic propositions of HRM activity, Ackers (2009) perceives three basic forms of deception: (1) In the 'golden calf' approach all human values are subdued by business and economic considerations. Human beings with their specific, complex, material, social and spiritual needs are 're-defined' and degraded to impersonal economic items (resource). Economic and business terminology defines and shapes individual motivation and needs. Each HRM decision (regarded as business decision) has its own cost and return. In line with the afore-mentioned Faustian pact, HRM, driven by the golden calf approach, has sold its soul and now *'they are asked to lead the worship at the altar of the false values'* (Ackers, 2009:463).

(2) Advocates of the 'enlightened, self-interest approach' say that since it is the long- term interest of companies to establish trust-based relationship with employees (and other involved parties), ethical conduct that lays the ground for this is also essential. In this framework the enlightened company – following its own interest – shall behave

ethically towards its employees without any external (e.g. state, social) or internal (e.g. trade union) pressure. In a real world context, however, this approach is problematic in many aspects. On the one hand, the study of correlation among organizational trust, organizational integrity, ethical conduct and corporate success is a barely exact area which, consequently, produces controversial results. On the other hand, companies often sacrifice genuine long-term goals to short-term interests (e.g. in corporate rhetoric long-term sustainability is replaced by short-term survival). In addition, the concept of 'long-term' is not necessarily relevant to a mobile, usually transactionally contracting company management. Conclusively, ethical conduct based on enlightened self-interest may seem rather unstable and haphazard.

(3) The followers of the 'happy family' fallacy feel that the relationship between employers and employees is akin to a happy family which would only be spoiled by trade unions and the state. This approach rests on the basic principles of paternalism but lacks its emotionally motivated ties (e.g. generations of the same family working life-long for the same company). It is fundamentally grounded in a speculative basis and often fundamentally hypocrite (e.g. certain employee groups are differently focused). What remains is the subjugation and helplessness of employees.

Ackers (2009) finally stresses that we must have a differentiated approach towards (1) HRM ethics functioning as a 'showroom' or 'mask' projected towards society and which, both in theory and practice, legitimatizes short-term profit-maximalization and self-interest driven economic functions. We must also have a different understanding of (2) an ethical role that rests upon a genuine commitment towards employees and whose real aim is the realization of partnership, loyalty and an organization which works as a moral functionary. This can obviously be linked to the diverse directions perceivable in business ethics, among others, Aasland's (2009) dilemma of ethics *in* business or ethics *for* business.

HRM's contribution to responsible corporate behaviour and ethical conduct

The other group of researchers focus on issues like contribution to, and participation in corporate ethics, the role of moral champion, or ethical steward within the corporation (Greenwood, 2007), ethical organizational culture and communication and the participation in the creation of ethical leadership. One potential starting point of these directions is that HRM has a substantial role in the shaping of contextual factors that influence individual ethics (i.e. compensation system, organizational culture, the formal descriptions of roles (Crane and Matten, 2007). Thus, factors belonging to the domain of HRM will greatly influence overall corporate ethics.

Orlitzy and Swanson (2006) argue that HRM may fundamentally contribute to ethical corporate behaviour by consistently representing values both in theory and practice – especially in the fields of compensation, performance appraisal, selection, training and development. In other words, by adopting a value-attuned approach, by which it creates, develops and reproduces organisational culture supportive of responsible behaviour. In the

field of selection – and of course, in training – it may mean, for example, that cognitive moral maturity, moral sensibility and moral receptivity become important aspects. Also, company management genuinely wants diversity in the labour force, supposing that a multi-faceted labour force possesses multi-faceted reception and will be increasingly perceptive of the value-expectations of involved parties. Distinctly homogenous communities may tend to exclude certain alternatives and to collectively rationalize on moral issues. Apart from economic objectives, performance appraisal may refer to social, ecological and moral aspects determined together – or perhaps with the participation of external involved parties, and which will eventually appear in the compensation system, as well. It is certainly doubtful whether a basically individualistic and competitive organizational culture would allow the setting and reaching of social and moral goals that require trust and cooperation. Value-attuning must, at the same time, mean moral integrity within the organization. Value-attuned organizational culture may be considered as an alternative to individual and organizational myopia which generally means the denial of personal values, ignoring value-expectations from involved parties, and thus, the exclusive concentration on business objectives (Orlitzky and Swanson, 2006).

The corporation must keep a balance among the interests and demands of several involved parties, i.e. to avoid the exclusive respect for dominant interests and to achieve responsible and ethical behaviour in the organization, a theoretically grounded, strategic HRM approach may have an important role. Lepak and Colakoglu (2006) (in contrast with Wal-Mart) gives a supermarket chain called 'Costco' as an example which also follows a price-competitive strategy on the market but pays 42 % higher wages (plus other benefits) to its employees and realizes a fair enough financial performance. The authors suggest that if we think in terms of corporate life-cycles, a certain rhythmical response to involved demands may be formulated. In different corporate phases different involved parties may get into focus (e.g. at an early phase investors, at a 'mature' phase employees). Ethically functioning HRM systems must basically support this kind of strategic approach.

The assessment of HRM systems, ethical problems and ethically problematic cases
Different approaches are applied to the identification and grouping of relevant ethical problems and unethical practices. Certain authors focus on special, complex cases in company practice which may be related to issues of justice, reliability, and social responsibility and which are especially difficult to resolve: e.g. the treatment of employees who, after a long time of working status have lost their job owing to organizational changes, or the prohibition of smoking at the workplace (Mathis and Jackson, 2006). Others study general ethical problems e.g. discrimination, using psychological tests, the obstructing of trade union activity, forming of work systems, safety at work, disciplinary procedures, personal rights, outsourcing and dismissal, confidential handling of data (Wooten, 2001). These analyses include the systematic analysis of a given field (HR system: e.g. selection; or problem area: e.g. favourism), and the ensuing (HRM-related) system analysis, complemented with the assessment of unethical conduct of employees (management and subordinates) in a given situation.

Another group of studies attempt to list and categorize cases: on the basis of practical experience Wooten (2001) made a genuinely thorough attempt to categorize ethical dilemmas. In the 8 HRM systems he set up 5 general ethical problem categories identifying 40 potentially unethical conduct and practices in HRM activity. These ethical problem categories are as follows: (1) misinterpretation and collusion, (2) misuse of data, (3) manipulation and coercion, (4) value and goal conflict, (5) technical ineptness. In his model he stresses the conflict between individual and organizational morals and demands and its influence on HRM activity (Wooten, 2001).

An interesting feature is the significant role of perception (and its torsions) in relation to ethical HRM activity and ethical conduct (with emphasis on the importance of communication and the possible ways to improve ethical conduct). Cardy and Servajaran (2006) analyse the potential (and difficulties) for the integration of ethical conduct into a performance management system. In the assessment of individual performance and unethical conduct at the workplace they come to a surprising finding: the perception of unethical conduct is in negative correlation with performance i.e. the 'more successful' someone is, to a lesser extent unethical conduct is perceived (or communicated). Unethical conduct is interpreted along 6 dimensions: bribery, fraud, forgery, producing false reports, unethical treatment of colleagues or company resources. Wiley (1998) has researched the seriousness and frequency of HRM-related unethical phenomena and the perception thereof, in respect of sex, hierarchic position, size of company, field of industry. Concerning the latter aspect, she found few real differences. Cases of unethical conduct were most often perceived in HRM areas such as flow, compensation, work safety and health. In respect of the grade of seriousness the areas are the same, only the order is different (work safety and health being at the top). The interpretation of Wiley's study (and a considerable part of research findings belonging to this group) is made difficult by the fact that the definition of the concept of 'ethics', and the clarification of the ethical framework by the author or the other participants in this research is missing. Dachler and Enderle (1989) point out that basic propositions and values of HRM-representatives fundamentally determine whether they are able at all to perceive certain ethical issues and, although the term is not used, the authors emphasize moral sensibility.

Human resource management roles
One group of this research include the ethical analysis of organizational and individual role conflicts within HRM (Wooten, 2001). According to this view, the individual in a HRM role continuously keeps a balance between personal, professional, organizational ethical principles and demands. Ethical dilemma arises when the HRM expert in his/her work encounters different demands, which involve conflicts of personal, professional and organizational values, basic principles, beliefs, demands and needs (Wooten, 2001:165). Unethical conduct arises when a HRM-related decision or the ensuing behaviour causes damage or hurt at an individual or organizational level. It is important to maintain congruency between represented values and demands. (This again, stresses moral integrity).

Wiley (1998), in the process of solving ethical problems, identifies roles: in 94% of the eight roles (in a given situation the interviewees identified several roles) they perceived themselves in 'Investigative' role, trying to solve ethically problematic situations; in 92% they had a 'Monitory' function controlling compliance with laws and internal rules; while in 89% they were in the role of an 'Organizational' when they had to defend an organizational decision or the organization itself from an external party. The author did not elaborate on the percentages of other roles (Advisory, Educator, Advocate, Questioning, Model). Nevertheless, it is quite telling that control-type roles (internal or external) were clearly perceived with the highest frequency.

Surprisingly few studies focus on the ethical analysis of 'classic' HRM roles. The multi-faceted nature of the HRM role appears in connection with the role matrix of both Storey (1997) and Ulrich (1997). This is due to that fact that there are a number of different tasks, duties and responsibilities which can be contradictory to one another and in extreme cases, to the given role itself. Yet, none of the authors deal with expressly ethical aspects. Ethical nature, however, is directly involved in the following grouping of Ulrich and Beatty (2001), in which HRM roles are no longer interpreted as a partner role, but as a player role (see Chapter 2.3.5). The role of conscience is especially intriguing: it is interpreted as a 'conscience referee' who ensures that the organization and its members function in compliance with the rules. It is all the more important – in the authors' view – because breaking of the rules in the medium or long run may strike back in the form of judgement by the market and society. Also, the company may become less attractive in the eyes of the employees. (In the above reasoning the concepts of law-abiding and ethics is somewhat mixed; the authors definitely build on a 'rewarding' kind of ethics). The conscience role is a rather thankless (and undesired) one: the honest and fair player who points at underhand or expressly problematic cases and practices may find himself/herself 'off side' or 'substituted'. In present day practice HRM encounters scandals (e.g. sexual harassment, falsifying of reports, environmental pollution) only after they burst up, and even then, has the job of a 'fire-fighter' or 'damage control agent'. Therefore, the strategic and pro-active role of HRM and its functioning as an ethical compass would be important.

HRM role-related, emblematic research in Hungary began in 2004 as 'HR Mirror Research Program' (Bokor et al., 2005), the first phase of which have been followed by three further phases. The main focus was on how valid the original Ulrich (1997) model could be in Hungary, how different the expectations of HRM-related parties might be and what kind of competence is deemed most important for HRM activity (Bokor et al., 2005). Of the several exciting findings of this research I would like to highlight only those ideas that might be of interest regarding the contradictory and ethical aspects. We must emphasize that this research is basically management – and HR – focused: the authors confront the views of managers at different levels (top, medium and lower) and the views of HR representatives. The views of other organizational parties are not included.

According to the findings of the research, HR representative and company managers have different perception and evaluation of roles, their contents and importance. On a 36-item list of important competencies – compiled by the participants of the research

– 'ethical conduct' scored the highest in both groups. But when we look at competency models set up by the connection of specific competencies and by factor analysis, the respective models of HR experts and managers differ. In the manager's competency model items like ethical conduct, taking up responsibility, empathy, cooperative behaviour are among the most important basic competencies (Bokor et al., 2005), while the self-same personal competencies were listed far lower by HR experts showing little perception of these expectations, or, perhaps, thinking these expectations are not real – merely 'projected' ones. According to the conclusive interpretation of the managers' view, HR managers and experts are expected to act as 'mature and cooperative partners', while HRM defined its own role as 'professional provider'. Another significant finding (invariably valid in the fourth phase of research in 2009) is that the four roles are not much present in the Hungarian managers' head. Instead, thinking and differentiating along the operative-strategic axis, they opt for two roles.

Concerning the four roles, the research outlined sharply differentiated 'status'. The role of 'administrative expert' was felt fundamentally important ('the expected minimum'). Role expectations towards it are similar; scope for development is the improvement of efficiency. Differences concerning this role do not appear in general, but rather, in relation to specific organizations where in the minds of managers, (and consequently, in the functions of the company) HRM is 'imprisoned' in an operative, administrative, task-oriented, executive role. The representatives of HRM, however, would like to break free from this stereotype (and move towards at least the roles of 'strategic partner' or 'change agent)'. In this role – along with the managing of administrative systems – ethical demands and criteria may appear, e.g. issues of justice and confidentiality; and related ethical problems, e.g. which leader should have access to which kind of document, etc.

Regarding the role of 'strategic partner', less theoretical and more practical dilemmas have been formulated: each involved party wishes that HRM would make a more significant contribution to strategic decision making, yet this contribution – the researchers found – is interpreted in a different coordinate system and context. One part of HRM representatives still feel that they do not live up to these expectations and are compelled to fight and prove their competency.

In the role of 'change agent', the inner contradictions were sharply perceived: in practice it is obvious for HRM representatives, too, that focusing on an active role in organizational changes and employer demands may greatly ruin confidence in HRM (and may be in conflict with demands in the role of employee interest champion). Still, if HRM adopts an active (ideally pro-active) stance in these changes, it may break out of its strictly administrative role and win appreciation. This role involves conflicts of demands by concerned parties (e.g. during corporate reforms with huge layoffs), and the question remains: to what extent HRM is able or willing to consider the above-mentioned demands.

The role of 'employee champion' is the least valued, the most controversial one, loaded with chaotic expectations. On the one hand, conflict of interest is perceived by HR

managers at a number of levels and areas: conflicts of managers and employees are common, either in specific cases, e.g. performance appraisal, career prospects, internal disciplinary cases, or in general cases like the areas of compensation or internal communications; but they also tackle conflicts between medium- and top-level managers (over the number of staff/employees, the distribution of resources, etc.). They may even be directly responsible for the handling of conflicts between the representatives of employee rights (as trade unions) and corporate management (e.g. wage settlements and participation) but we may also mention conflicts between headquarters and regional centres. The number and diversity of currently used metaphors (e.g. mother hen, scapegoat, marionette) all refer to how little they can keep balance between rightly perceived and construed demands that come from several sources. Conflicting demands fight each-other, i.e. the principles of fairness and empathy vs. equality and justice, in certain cases the role of facilitator or referee vs. the role of the ally. On the basis of research findings, the involved parties have little confidence in HRM: lower- level managers, for example, think that HRM clearly serves the interests of top management by following their orders in a technocratic and result-oriented way.

Bokor et al. (2005) identify two basic, role-related strategies: the masculine and the feminine approach. Advocates of the 'masculine' strategy reject the 'mothering', empathic role (or pass on to somebody else the role of mother hen), focusing their thinking and activity on HRM's strategic and business importance which is the number one priority in their resolving of interest conflicts, as well. Terms like 'competition', 'fight', 'struggle' dominate their language. The followers of the feminine strategy try to participate in the solution of human conflicts creating an emotionally supportive and cooperation-centred role for themselves. It is important for them to meet the expectations of involved parties, which may subsequently push them into emotional (and most probably moral) conflicts. As a combination of the two strategies Bokor et al. (2005) identified a third 'coach' strategy. The representatives of this strategy accept the existence of human conflicts but stay away from them, trying to create corporate systems and environment in which medium level managers themselves are able to solve or avoid these problems. The tasks they define for themselves include the supporting of management, development, shaping organizational culture and the improving of internal communications. In the latest phase of the HR Mirror Research Program (2009) the weakness of the employee champion role is still perceivable, the low levels of confidence and credibility is still problematic. The medium and top level management also feel that HRM basically represent the interests of top management (the controlling function of HRM invariably held strong).

According to the research, used role metaphors and their diversity may also give an interesting picture of expectations. HRM sees itself mostly as 'internal counsellor' (41%); followed by the role of 'Mr Unknown' standing in the shadow of the general manager (10%) and the 'serving maid' (9%). In the eyes of managers, however, the metaphor of 'internal counsellor' (23%) is practically at the same level with the role of the 'administrator' (22%), while the role of 'Mr Unknown' is weighed similarly to that of

HRM representatives: 9 %. These metaphors are surprisingly close to Storey's model, and the perceived ethical content of this role-metaphors is still waiting for investigation.

3.4.5. HRM and moral muteness

Finally, some thoughts about the role of communication and discourse regarding ethical conduct. The question is how the individual – when going along the phases of Rest's model and behaves ethically in a specific situation – communicates this situation or process. Again, it can be important, especially in a HRM role, which, in a great part of the organizations is responsible for internal communication as well.

In Bird's (2005) concept, individuals are faced with normative expectations from several sources. These important behavioural standards are defined by laws, national cultures, social roles, professional codes, corporate policy, etc.… which fundamentally affect individual actions at the workplace, too. Verbal communication has a very important role not just in setting up, identification, shaping and transfer of normative demands, but also, in specific cases, in the evaluation and criticism of the given behaviour and in the encouragement to meet given expectations. Bird identifies four situations in the context of meeting normative demands and orally used moral arguments: (1) matching moral behaviour, i.e. when words and actions match; (2) matching immoral or amoral behaviour, i.e. when actual actions are in line with communications; (3) hypocritical behaviour when the individual decidedly behaves differently from what he/she said, or moral weakness when, in spite of his/her intentions, the individual acts differently from what he/she said; finally (4) moral muteness, when individuals evade talking about moral issues although they possess definite ethical principles and perceive moral expectations. In certain cases they even follow their principles with actions and react to expectations (Waters et al., 1987; Bird and Waters, 1995; Bird, 2005).

From our point of view the first case is more or less obvious. In the second case, however – where professed and followed values are identical, it is doubtful how much they cover genuine principles and values, or, if there is a diversion from them, how sustainable it is in the long run. The third case – where words and actions are different – is not even seemingly harmonious. According to popular usage this is the case of 'preaching water and drinking wine'. McCoy (1989) too, argues that the fourth phenomenon – which Bird calls moral muteness – has a ubiquitous presence: managers make decisions in their own interest but they disguise them as 'economic interests'.

Moral muteness is a rather embarrassing phenomenon. Drawing on Bird's research, 'moral muteness' of individuals and communities may be owed to at least four main groups of motives. (1) In many cases they think that investigating ethical issues may bring danger to organizational harmony, generates destructive conflicts, personal controversies and discord, which later will be hard to resolve. Although they perceive ethically questionable practices and are aware of certain discriminative machinations

around promotions, the presence of psychoterror and burnout, they believe that investigating and 'advertising' these issues would only cause greater harm than good. They content themselves with waiting for some kind of automatic or external solution (e.g. legal regulation, civil movements, the quitting of a key player from the organisation). The interpretation of HRM's role will greatly affect the grounds upon which decisions are weighed, when to remain mute and when and how to intervene.

Others argue (2) that discussing moral issues is an unnecessary waste of time, it only makes effective decision making more complex and slow, it often results in looking for scapegoats and producing ideologies, inflexibility, downgrading freedom and increasing administrative burdens. HRM activity basically concentrates on people, making or communicating decisions that directly or indirectly affect their lives. In a general sense, too, it is interesting to see how one is able to adopt a constructive, self-reflective approach, to learn and develop and to focus on problem-solving. Ethical discourse lays an equal emphasis on looking for scapegoats, demonization or canonization, instead of hypocritic preaching.

(3) Certain leaders feel that discussing moral issues jeopardizes their power and may threaten the image of their effectiveness. In some cases they are less well-informed, ignorant of moral arguments and usage of terms, which would be difficult to admit to both subordinates and to superior management. This, again, can be traced back to the role of higher education where discussion of ethics and business issues is scarce or given a less practical approach. Moral muteness may be further spread when moral arguments are often deemed utopistic, alien to life; thus, their realization would only harm the image of strength and power (Bird and Waters, 1995). Similarly, HR managers may be anxious about losing an unstable power position and top management image that they have achieved so hard. They do not wish to risk it, therefore, would rather close their eyes and quietly do what is expected of them in a given role. Akin to moral muteness is the case of moral amnesia when organizational decision-makers wilfully hide moral aspects and make decisions referring to strictly strategic, business, or organisational policy interests. This kind of 'efficiency rhetoric's' can be especially characteristic of HRM, where ethically-based decisions, (e.g. employing people with changed abilities) have to be 'sold' to management (and subsequently, to the owners).

(4) Individuals think that they are merely small cogwheels in the machinery and it is not their task to correct things they think are wrong. This is reflecting Bauman (1993) explanations about the phenomenon of bureaucracy, where the individual is only one little dot, ethical responsibility and moral sensibility of the individual is pushed aside and diminished by the expectations of the role, the corporate control and pressure.

In the background of moral muteness both organizational and individual factors are present. In an organizational environment, where moral muteness is common, the individual's stressing of moral aspects or speaking up against unethical practices may seem a heroic (easily suicidal) act resembling scenes from Hollywood movies (or even famous, real whistleblowing cases). Often, they may feel that they are unable to make a

heroic stand for their opinions, not prepared to this kind of fight and cannot overcome more influential players. In this context the stressing of ethical aspects may seem contrary to loyalty and commitment to co-workers and organization alike. A fear of potential reprisal, however, both at organizational level (e.g. disciplinary procedure, dismissal, negative managerial appraisal) and at community level (e.g. exclusion, alienation, losing of political influence, limited access to resources) – may not be justified. On a personal level, moral imagination and the disengagement from limiting, self-construed moral models may be helpful. On an organizational level moral muteness is fuelled by the improper functioning of two-way communication channels, the absence of forum where employees can voice their ethical comments, criticism and views without threats and reprisal (and in the hope of due consideration).

Long-term moral muteness may have serious consequences both at individual and organizational levels. There is a phenomenon which literature calls 'moral stonewall' when the individual reduces the limits of his/her moral scope and declaredly excludes such considerations from certain decision-making situations (e.g. cost-cutting decisions). This reduced scope in ethical conduct may often entail the muddle up of legal and moral demands i.e. by strictly keeping legal regulations the organization or HRM may exempt itself from broader ethical duties. By literally enforcing work safety rules, for example, they either fend off demands that go beyond (e.g. longer breaks, specifically-designed, more practical protective wear), or avert the interpretation of these demands by other involved parties. (Perhaps, instead of supplying more protective wear and fining those who do not use protective gloves, work- safety could be better enhanced by relieving performance pressure.) Moral muteness can help to maintain role-morality, and naturalize its existence.

Moral muteness does not contribute to solving moral dilemmas in given situations; rather, it preserves the ensuing stress. Obviously, it is unavoidable to encounter a certain extent of moral stress in HRM roles i.e. the often-mentioned demands and expectations by management and employees, the application of certain ethical principles in specific situations, (e.g. what should be meant by sincerity) and the balancing on the stepping stones of basic ethical principles. The question is to what extent do organizational or professional communities 'desert' the individual, who thus has to foster his/her own protective mechanism. Finally, ignoring moral problems and sweeping moral conflicts under carpet become embedded into organizational culture. Standards for ethical conduct are not realized or left unchanged (Bird and Waters, 1995).

3.4.6. Summary: HRM and ethics

Due to their complex and serious nature, HRM-related ethical issues and dilemmas are hard to resolve on the basis of a given ethical school. In addition, making sense of the problem may also be different in many cases: let us just refer to one of the most

commonly cited problematic ethical issue – discrimination. But what does it exactly mean at an organizational level and in a given HRM system? Who and on what grounds is entitled to exemption from discrimination? How and on what grounds can one differentiate between perceived and genuine, conscious and unconscious discrimination? Could it ever be possible to better this situation by rules and prevent discrimination? Even the definition of the concept is unclear, and the actual application in an organizational context or a specific situation is even more problematic. Furthermore, in a great part of the problems it is difficult to give an exact numerical expression to the influence and results of occasional decisions, which fundamentally hinders argumentation within the organization or towards management.

In a number of cases, society does not provide consensus either for good and ethical solutions (e.g. glass ceiling) or the problems are embedded in global, economic-social phenomena from which there is no way out, neither individually nor at an organizational level (e.g. capitalist economic set-up, ethical traps in a capitalist corporation). Certain moral demands become contradictory in practice, e.g. exemption from discrimination vs. fairness.

Solution or tackling of these problems may be supported by professional discussion and communication, analysis and the sharing of occasional good practices and solutions, moral pluralism, internal communication and participation both at individual and organizational level. This, however, is hindered by many factors: at individual level it is blocked by mental models which strengthen and preserve the separation of private-life and workplace ethics, the presence of 'homo oeconomicus', the mental models of the profession insisting on fulfilling strategic roles which are necessarily manager-oriented and undoubtedly focus on controls. At organizational level, the drawbacks are free business, the multi-faceted nature of relevant moral muteness and finally, the absence of discussions within professional and organizational units. Accordingly, it would be interesting to establish individual and organizational discussion in a specific company environment, to reveal individual or organizational blocks and to demonstrate how individuals are able to shape their own an their company's ethical conduct as a result of these revelations.

4. Research methodology

In this chapter I present the methodological background and characteristic features of my two research projects (group 'A' and 'B'). First I introduce the objective of the research process, the research questions on which I had built the research project (Chapter 4.1-4.2). After that, I put forth the selected research paradigm, participatory paradigm (Chapter 4.3) and the applied methodology, co-operative inquiry (Chapters 4.4) Apart from presenting the steps of the process (i.e. recruiting the two teams, the role of the researcher, research cycles, data collection and data analysis) I refer back to the basic findings of literature and at the same time I attempt to 'confront' the original research plan and my own expectations with reality (Chapter 4.5). Then I move on to deal with issues of validity, reliability and the possibility of making generalizations (Chapter 4.6) with due regard to aspects of research ethics (Chapter 4.7). Some of the methodological learning points related to the research projects come up in this chapter, others will be dealt with in Chapter 6, at the presentation of results.

At the planning and execution of the research Maxwell's interactive model (2005) was a fundamental factor to me. In this model the specific elements of the research plan (research objective, theoretical background, research methodology, research objectives and questions, validity) do not follow in a linear pattern but rather, they form an integrative entity where individual elements are linked to several others simultaneously. I feel this kind of 'iterative nature' especially characteristic and personally experienced it in the case of cooperative inquiry: I also intended to present the relationship and interaction of these topics in the methodology chapter. (See Figure 4.)
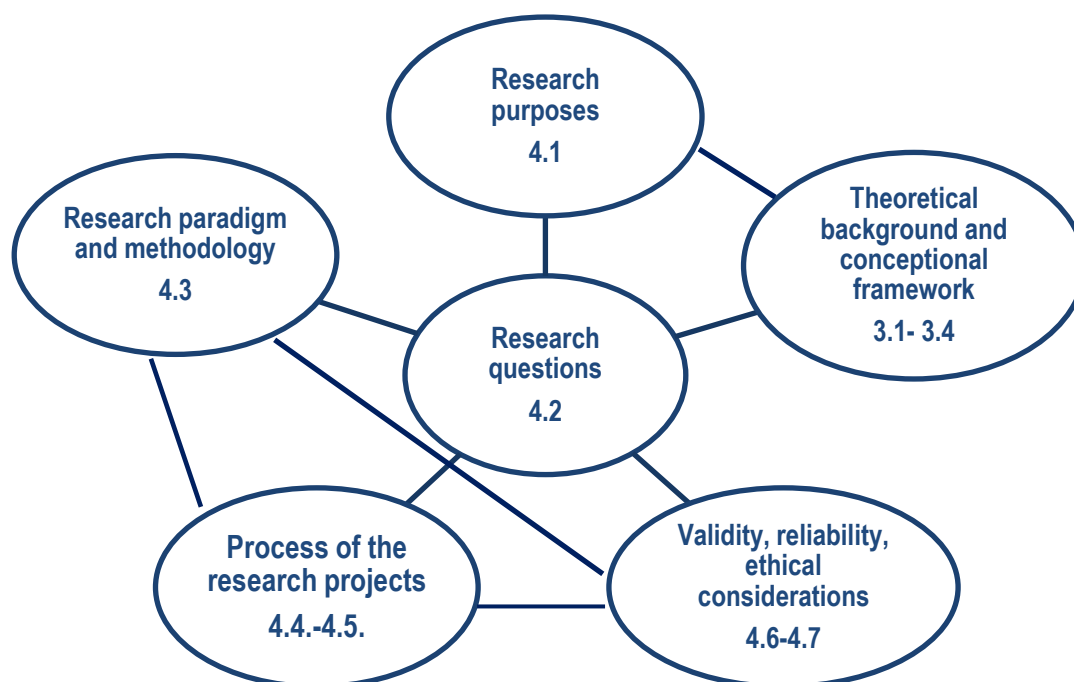
***Figure 4: The structure of the research plan** based on Maxwell (2005)*

4.1. Research purposes

I defined the research goals based on Maxwell's (2005) proposal into the following three categories: (1) intellectual research goals (to understand something); (2) practical goals (to achieve something specific or concrete); and (3) personal, individual goals (including the researcher's motivations and curiosity regarding the topic or testing the research methodology). Each of the goals form critical and legitimate part of the research work (moreover, they may over-lap each other). In case of personal goals it is essential that these should be sincerely unveiled, as the researcher's presumptions, beliefs and motivation can have fundamental impacts onto research process and scope, thus they will have such basic influential potential also when the validity is analysed (and this has special significance in the so-called participatory research). I will get back to these factors later in more details.

Build onto the basic principles of the selected paradigm (participatory paradigm) and methodology (co-operative inquiry) my goals and the relevant research issues could form only the kick-off points: during the research process together with the co-researchers, we developed and transformed them (in Chapter 5 I show the development of the research questions, expectations and goals). Goals of co-operative inquiry may also include exploration or transformation (Heron, 1996). In my research I wanted to take steps to both directions: I specifically wished generate actual changes and development in respect of individuals involved into the research process (individual and organisational levels alike), as a kind of educational goal.

Intellectual research goals:

- To discover the meaning of ethical dilemmas, situations and difficulties related to HRM activities as experienced by the participants, and inter-relations emerging at various levels, to identify the applied individual and organisational mental models and scenarios, to study the functioning of the moral imagination, related difficulties and solutions.
- To understand the process how individual ethics may evolve due to effects and issues emerging from or related to HRM activities, and how this can contribute to the organisational ethics.
- To establish a valid experiential, propositional, presentational and practical knowledge, and thus to ensure better understanding of HR activities and ethical aspects of roles interpreted at individual and organisational levels.
- To experience the characteristics of a co-operative inquiry project in an ethical research.

Practical goals:

- To support and help the co-researchers (as individuals and as HRM experts), the research group (as a community) and the organisation(s) in interpreting these situations, and in finding the mental (e.g. distortions, self-assertion) and practical barriers (e.g. moral muteness) preventing them individually and organisationally, to experiment and obtain experiences, and to learn from them. To discover alternative viewpoints and solutions, to assume and represent their own individual and organisational level ethical solutions, thus to develop also their organisational environment, to emancipate and roll-out the ethical HRM practice.
- To establish openness in the participants regarding aggression-fee, confidence-based communication, participation and democratic group experience, capturing experiences in the personal and community-type positive features.
- To contribute to the development of co-operative methodology and at the same time encourage the application of co-operative inquiry in scholarly research and practice.
- To generate theoretical and practical knowledge which can be integrated into my teaching activity.

Personal goals:

- To explore and understand my own dilemmas concerning ethical nature of HRM.
- To satisfy my personal curiosity regarding what the co-researchers feel as ethical problem in the present Hungarian HRM practices, and how they can resolve these issues.
- To acquire further experiences in the co-operative inquiry practice.
- To develop my PhD dissertation.

In both research projects, at the beginning of the process participants shared their own content-related and methodological expectations and motivations. Building on this common ground each group went on to define their own focus, which concentrated on a smaller segment of the broad interpretation I had. These (multi-faceted) expectations, objectives and focuses had the same importance as my own declared objectives and questions and determined the process of the research in the same way. There were no contradictions in objectives and expectations in either team. However, it was quite unusual to see how the success of my PhD thesis gradually became a common and then a personal concern for them. As one participant put it: *"The other day I found myself worrying about your PhD, how you'll be able to make real use of all this." (Andi).* (See Chapter 4.3 for the characteristics of participatory paradigm and co-operative methodology and Chapter 5 where in the summary of specific projects I give a detailed discourse of motivations and the formulation of individual questions.)

4.2. Research questions

With my research questions I would wish to exactly define what I want to learn and understand the current phase of the research planning process (Maxwell, 2005). My research questions are focusing onto the research problem, and are connected to my research goals on the basis of my personal experiences and my knowledge in business ethics and human resource management as described in the summary of professional literature.

The basis of my research is the following, general question:

What do HRM ethics/the ethics of HRM actually mean? How can one make sense of ethical HRM?

5. **Question group:** What do 'ethics' and 'ethical behaviour in the context of the workplace' mean in research participants' interpretations? What do persons think of inter-relations between 'private life' ethics and 'workplace' ethics - and why? What ethical dilemmas can be seen as related to HRM responsibilities and roles - and what inter-relations might be identified as existing between them?
6. **Question group:** What mental models, scenarios and role-interpretations do persons detect and identify in themselves in referred-to situations? What inter-relations can people identify between ethical principles, intentions and acts, as well as between theory and practice? In what ways do they perceive and judge their moral imagination? How might individual ethics develop due to the effects of emerging ethical dilemmas and issues, and how can this contribute to organisational ethics?
7. **Question:** How can one develop, practice and make experiments in referred-to situations, as an individual and as a community?
8. **Question:** Are there any special Hungarian characteristics in relation to HRM ethics?

4.3. Research paradigm and tradition

4.3.1. Research paradigm

As qualitative research, it is for me of fundamental importance to make the scientific theoretical and organisational theoretical paradigm applied in the research explicit. (As Dachler and Enderle (1989) suggest, implicit choices of the research are immanent part of

the research, so if the researcher wish to act in an ethical way, he/she has to clarify them.) My selected paradigm is the participatory paradigm, which can reflect both my own picture of the world and my methodological preferences, and it can also match with the research goals. I outline the main fundamentals of the paradigm onto Heron's and Reason's argument (Reason, 1988, 1994; Heron, 1996; Heron and Reason, 1997, 2001).

The concept of paradigm emerged for the first time in Kuhn's science history analysis, who described the development of natural scientific thinking as consecutive theories, concepts and knowledge trends (Kuhn, 1984). Though Kuhn has the view that the issue whether this development sample is characteristic also in the area of social sciences – is an open issue, and, as a result of his concept, an intensive dispute emerged in science philosophy also in this area about the characteristics of the paradigm, dominant paradigms and change in paradigms, as well as about inter-relations of the paradigms (Burrell and Morgan, 1979; Scherer, 1995). In the scientific discussions the incommensurability dispute is still a 'living' topic, juts like matching and measuring the paradigms vis-à-vis each other (Burrell and Morgan, 1979; Scherer, 1995), and, related to this, possibility of multi-paradigm approach (Primecz, 2008), or even the issue of change of paradigm during the individual research life cycle.

According to Guba and Lincoln, *'paradigm represents a set of basic beliefs, that defines for its holder the nature of the world, the individual's place in it, and the range of possible relationships to that world and its part'* (Guba and Lincoln, 1994:107) These fundamental beliefs and convictions are fundamentally based on belief, and can not be verified without doubt. By research paradigm ' *we mean fundamental assumptions accepted in certain research works about the goal of such works (subject of recognition), characteristics of the analysed subject (ontology), and methodology applicable onto its research (epistemology or methodology)'* (Scherer, 1995:4). Selection among scientific paradigms is thus based onto answers of science history given onto questions that reflect the fundamental convictions of research, namely what purposes science can serve (or what purposes it ought to serve), what tools are used for research works (or ought to be used), and it also carries choice of existence theory. Guba and Lincoln (1994) emphasises (in line with their otherwise constructivist basic paradigm) that paradigms, as systems of fundamental beliefs and assumptions, are themselves human constructions, reactions of members of scientific communities that created them, and they also keep on changing and developing, and may be (wholly or partially) at default.

The existence of paradigms and scientific communities related to and time-to-time competing with certain paradigms is not questionable in the area of organisation theories either. Several attempts have been made in the past 30 years to define the paradigms, and to categorise and separate various schools into paradigms (Primecz, 2008). This is true despite the fact that directions within each paradigm might be quite heterogeneous, and 'yes' answers given to questions, as the basis for categorisation are often continual, thus boundaries between certain paradigms may also become blurred.

Burrell and Morgan (1979) created the most influential categorisation, when they defined two dominant demarcation lines (and, from this solution, four groups): categories along objective or subjective scientific philosophical viewpoints, and along commitment towards sustaining order or radical change. Along these two axis they defined four paradigms: (1) functional, (2) interpretative, (3) radical humanist, and (4) radical structuralist (Burrell and Morgan, 1979; Morgan, 1980). In the system of Burrell and Morgan participatory paradigm works have partly radical humanist, partly interpretative characteristics (though they did not categorise the participative school directly). Alvesson and Deetz (1998) (while criticising the Burrell-Morgan categorisation, in order to highlight the differences between paradigms) transformed the original Burrell-Morgan matrix, and placed the relation with the dominant philosophical samples into dimensions (consensus or discensus) and the original of concept and problems (local/emergent or elite/a priori) into the focal point. In their logic participative research can be rather compared with the dialogue research of the post-modern paradigm (e.g. in respect that they raise voice for the suppressed), but they can also be linked to critical thinking (e.g. in questioning the dominant forms of thinking) (Alvesson and Deetz, 2005:72.).

In their categorisation, Guba and Lincoln (1994) identified four dominant paradigms based onto ontology (nature of reality, and how we can understand it); epistemology (nature of inter-relation between research and the subject of research and how we can understand it); and methodology (what methods can be applied for understanding) aspects (though they emphasised heterogeneity within each paradigm): (1) positivist, (2) post-positivist, (3) critical and (4) constructivist paradigms. Based on the authors' typology, participative research works can be partly put into the 'collective category' of critical research, and partly (due to family membership of ontology basic assumptions) into the constructivism paradigm (Guba and Lincoln, 1994:109).

Representatives of participatory paradigm argue that the 'family' of participative research works (far from being homogeneous) is still forming the fifth paradigm, quite different from the first four, though in its elements it is unambiguously connected to both certain elements of the post-modern, constructivist world outlook (e.g. emphasising the importance of self-reflection), and to the critical school (e.g. in emancipation goals) (Heron, 1996; Heron and Reason, 1997).

Reason and Bradbury (2001) explained that science, as an empiric-positivist (modern) scientific paradigm which is separated from day-to-day life and which rules the Western scientific thinking for several centuries, is now in crisis: modern world outlook is unable to satisfy the contemporary social needs and answer to issues like alienation phenomenon, human rights problem or ecology crisis. Denzin and Lincoln have the view that in the social science 'critical, interpretative, linguistic, feminist and rhetorical turns' have lead to 'the current triple crisis in representation, legitimation and praxis' (Denzin and Lincoln, 2000:28). Reason and Bradbury (2001) recognise the importance of linguistic turn and the significance of the constructivist, post-modern directions, however they have the view that though post-modern directions may rightly point to the problems in

modernism, they fail to offer genuine way-out from the crisis, and do not establish genuine practical knowledge.

Representatives of the participatory paradigm finds the solution of the crisis in the 'action turn' that follows the language turn, and, as a result, the social scientific thinking and target system will be transformed focusing onto the day-to-day practice of primary, aiming at blossoming the individuals, narrower community and ecosystem (Reason, 2006:188; Reason and Torbert, 2001). In their argument, the participatory paradigm and world outlook could fill up this role. The participatory paradigm can answer to the triple crisis: the participants themselves are research partners, so it is not the researcher that represents them, but the result of the research is their common work; while researcher himself/herself is also the subject of research, thus his/her knowledge is rooted also in his/her actual experiences and interpretations. Validity of research can be secured with critical subjectivity, cyclical action, and building types of knowledge onto each other, while by integrating theory and practice we can secure a knowledge which is valid also for the practice.

The participatory paradigm is far from an integrated or consistent theory, we can see large variety of theoretical approaches and practical applications (developed dominantly in the past 20 years), but their common characteristics can be unambiguously identified. In the following section I refer to Reason's and Bradbudy's definition, who define their 'participative research' and 'action research' concept in the same meaning as a collective concept, and offer the following definition: '*a participatory, democratic process concerned with developing practical knowledge in the pursuit of worthwhile human purposes, grounded in participatory worldview... It seeks to bring together action and reflexion, theory and practice, in participation with others, in the pursuit of practical solutions to issues of pressing concern to people, and more generally the flourishing of individual persons and their communities*' (Reason and Bradbury, 2001:2). In the following section I overview the theories of participatory paradigm, focusing onto the goal of science, the nature of reality, regarding the fundamentals of epistemology, and methodology.

Goal of science

In the participatory paradigm scientific research works are carried out 'for the people' and 'with the people's' active participation, which is contrary to the research tradition which regards people as the passive subject of the research ('researching on the people'). Efforts based on participation is on one hand, regarding its goal, in conflict with the targets of the orthodox science, which is focusing onto solution of intellectual problems and accumulation of technical knowledge, pushing into the background (or rather forgetting totally) the support to human welfare, as a key task. The emphasis in the participatory paradigm is again shifted onto the 'philosophy of wisdom', and human development again becomes a primary target (Reason, 1988:3). '*The basic (humanitarian) aim of inquiry, let it be remembered, is to help promote human welfare, help people realize what is of value*

to them in life… But in order to realize what is of value to us in life, the primary problems we need to solve are problems of actions – personal and social problems as encountered in life' (Maxwell in Reason, 1988:3). Every research goal has also an ethical aspect, and it is essential to set targets that are indeed focusing onto worthwhile goals closely related to human welfare (Reason, 2006:188).

The primary goal of participative research is to secure a practical knowledge that can support people in its day-to-day practice: in a wider interpretation the development of man and communities and propagation of new forms of understanding, establishment of harmonic inter-relation between emancipation and the wider ecosystem (Reason and Bradbury, 2001:2). Most goals of participative directions are identical (with some major differences) in respect of basic guidelines like striving for emancipation, empowerment of individual and the society and participative democracy (Boog, 2003:432). The goal of research, in addition to understanding and interpretation in certain directions, is towards transformation and evolution (contrary to the explanatory and predictive goals of positivist and post-positivist paradigm) (Guba and Lincoln, 1994:113).

On the other hand, the participatory paradigm rejects monopolisation of knowledge by a selected few, dominance of the scientific elite suppressing and excluding the majority, and striving for objective knowledge accumulation as outsider expert, and aiming at democratic, pluralist, holistic and participation-based concept of science (Reason, 1994). Thus 'alienation' of people from science can be eliminated, which may partly be explained by the traditional theory and practice of scientific research degrading them to passive subjects of scientific experiments: alienation from results of research, research works, other people and from themselves (Reason, 1988:6). At this point it is resonating from one side onto the basic assumptions of critical management of research and pedagogy, and, on the other hand, also onto ethical discussions on who owns the ethics (Brinkmann, 2002): it is owned by the professional community or the man on the street, and thus it supports the position that 'ethics is for everybody', and this is the concept I also agree with and wish to represent.

In the participatory paradigm and as a result of understanding and reality-creating process based on equality and participation the cooperative and harmonised co-existence (with each other and the wider environment, e.g. society, ecosystem) and evolution based on act, experiences and reflection will be possible.

Nature of reality

Participative thinking is, regarding the nature of reality and its understanding possibilities, subjective-objective. Rejecting the positivist thinking, it believes in participative reality, which *'is neither wholly subjective, nor wholly objective, neither wholly dependent on my mind, nor wholly independent of my mind. It is always subjective-objective, inseparable from creative, participative, engaged activity of the mind, but never reducible to it, always transcending it'* (Heron, 1996:163). At this point it is quite in harmony with Freire's thoughts: 'f*or me, the concrete reality is something more than isolated facts. I think that in*

dialectic thinking the concrete reality contains not only facts and (physical) objects, but it also includes the ways how the relevant people can perceive them. ... For me, concrete reality is an inter-connection between objectivity and subjectivity, and it is never separable objectively from subjectivity' (Freire, 1982:30).

We can create picture on the universe (which objectively and cosmically exists) through interpretations of our mind. Thus reality is the inter-action of the constructed and creative creation of our mind and the objective existence. Our understanding is gradually evolving by encounters with the world and other fellow human beings, and through our active participation in these encounters and experiences. Our own individual subjectivity is the window through which we can perceive the world; however this exceeds the perception and interpretations evolving in our mind. Genuine understanding of each other and the reality in this cluster of thoughts can only be based onto encounters, interactions and sincere and open dialogues, assuming reciprocity, the attention of mutual participation, and commitment and openness of participants: '*when we open up for encounter, we are caught in the others' presence, or with other words, the Other opens up for us, and we can resonate to his presence in the world*' (Heron and Reason, 1997).

Acts, experiences and reflections thereupon of persons and communities have a key role in the understanding process and creation of knowledge. Participative research underline the importance of acts in understanding the reality, build onto Dewey's philosophical pragmatism, Lewin's T-group model, Habermas' argument on emancipation tasks of critical science, and, joining Skolimowsky's opinion, who emphasises that the process of existence is itself the process of understanding (Reason, 1994).

Epistemology

In a participative worldview research cannot be located outside and on top, it is always part and creator of the world to be understood. There is no value-free, objective and politically neutral research role as such, research by definition has personal, political, and spiritual connotation, and is always carried out from a concrete perspective and with a concrete goal (Reason, 1994:332). Researcher himself/herself is organic part and object of the research, and participants of research are in inter-action and the interpretations form the process, and also have their share from the knowledge, as the result of the research.

In the worldview based onto participation, knowledge is evolving, by integrating theory and practice and as a result of the participants' understanding in four forms of extended epistemology. The said four knowledge types are closely inter-connected to and are enrooted in each other, can ensure the totality (holistic nature) of knowledge by each other, and their harmony can ensure the validity of the research (Gelei, 2005).

(1) Experiential learning: it emerges from direct encounters with other people, living beings, processes, phenomena, situations and entities, experiences lived through and personal experiences. This knowledge type is based on the fact that we, as participants in the experience can resonate to the other, and experience, perceive and construe similarities

and differences, being tuned on common wavelength and supported with our empathy (Gelei, 2005:11).

(2) Presentational knowledge: it emerges from and is based on experiential knowledge. Its essence is that how we can express experiential knowledge and transplant it onto propositional knowledge, how we can verbally present it with our imaginative power (words, linguistic methods, stories) or with other than verbal methods (artistic works, pictures, voices, movement, etc.). Presentational knowledge works as a bridge between tacit and difficult-to-express elements of experiential knowledge and propositional knowledge (Reason, 1994:326).

(3) Propositional knowledge: 'knowledge of something'; theories, concepts, argument systems belong into this category. In case of research related to human nature or communities it is essential that these statements should be rooted in the participants' experiences and/or practical knowledge.

(4) Practical knowledge: method and way of act or action, abilities and/or competences, which make knowledge complete supporting onto and supplementing the other three knowledge types, and thus giving them sense and meaning.

Experience/practice and theory are integrated in the participative research. The four knowledge forms will become genuine and true knowledge on the basis of joint actions, reflections and dialogues of the committed participants, focusing onto critical subjectivity (Heron, 1996:164).

In the research process critical subjectivity is a state of consciousness which '*means that we do not suppress our primary subjective experiences but accept that it is our experiential articulation of being in the world, and such is the grounding of all our knowing. At the same time, we accept that, naively exercised, that it is open to all the distortions of those defensive processes by which people collude the limit their understanding*' (Heron and Reason, 1997:5). Our defensive mechanisms, distortions in perception can shade these experiences, or potential traps of our won perspectives can restrict them. It is important for us to continually inter-connect the experiential knowledge emerging through our subjective filter and compare them with the other three knowledge types, as well as to make distortions eventually arising in the research process explicit. In participative research works knowledge can evolve at several levels: knowledge is created, in addition to the participant's individual experiences, also in the research community (even in each of the four forms), and this may then become to organisational or social knowledge in line with the researcher's intention.

The methodology of participatory researches
Participants in participative research implement actions in consecutive cycles, and they can reflect upon them, thus systematic testing of theory versus practice and the iterative process of reflecting thereon will form organic parts of the research process. Among

results of research knowledge that can be utilised in practice will be the primary, and propositional knowledge created mainly for the academic community (e.g. report or publication on formal research) is only secondary (*primacy of practical*) (Heron, 1996:34).

Concept of participation is the basic principle of the paradigm in several aspects. Practical knowledge cannot be in fact created from methodology aspect without committed participation, viewpoints and information of participants affected by practice. The initiating researcher, as the other participants, will himself/herself be the object of the research, actively participating in each cycle of the process. The participative school has a key basic assumption: men/women are individuals able to think, interpret their own reality and reflect, are autonomous (Gelei, 2005:8), able to develop in the said qualities or capacities (at this point this school is also definitely build onto the humanistic psychology). True democratization of science can only be achieved if it *"acknowledges and appreciates those various, peripheral forms of knowledge (regarded by traditional research as 'disturbing') and integrates 'multi-layered' forms of knowledge into research."* (Stirling, 2006; Balázs, 2011: 143). This does not mean that 'non-academic' knowledge would acquire a leading role – but apart from academic knowledge 'expert' or 'lay' knowledge could also play a part and thus the various 'inputs' would be in balance and this way a new, multi-layered kind of knowledge could be generated.

But a participation also has ethical (political) significance: people are not only able to participate in the decision-making processed, but have also the right to participate in and influence the decisions that have effect onto them (Reason, 2006:189). When they have a chance to participate in the research as equal partners they have the opportunity for presenting their own viewpoints, enforcing their ideas and concepts, develop in the community, and they may avoid to be intentionally or accidentally mis-interpret them, and thus suppressing and unfavourable circumstances may be conserved (Heron, 1996:21).

Various emancipation efforts and attempts to empowerment appear among the goals but such efforts may also face barriers: '*although we may accept that persons are fundamentally are self-directing, and celebrate the common people's altruism and ability to cooperate, we must also recognise that in Northern and Southern societies alike many of the groups, which might benefit from participative inquiries, are alienated from the processes of knowledge creation and may be part of a culture of silence*' (Reason, 1994:335). Build onto this, the role of person who leads the research or of the facilitator/mentor could be fundamental in the research process, inter alia, in encouraging the participants and creating the confidence and open atmosphere. As for my specific research projects I found it an exciting challenge to explore how much HRM profession or even Hungarian society as such is characterized by an 'alienation from participation' or 'keeping distance from scientific work' or – as Reason (1994) put it – a *"culture of silence"*? My research work was partly built on the basic preconception that HRM experts do have a kind of openness and interest in unorthodox, novel and innovative scientific methods. Similarly, the concepts of co-operation and participation are not alien to them, thus the breaking of moral muteness is possible.

4.3.2. Research traditions

Guba and Lincoln (1994) have the view that the qualitative/quantitative adjective would be reasonably applied for describing the research methods: 'from our perspective, both qualitative and *quantitative methods may be used appropriately with any research paradigm. Questions of method are secondary to questions of paradigm ... It is certainly the case that interest in alternative paradigm has been stimulated by a growing dissatisfaction with the patent overemphasis on quantitative methods*' (Guba and Lincoln, 1994:105). Others have the view that inter-relation between certain paradigms and the qualitative and quantitative traditions is unambiguous, e.g. the positivist-quantitative inter-relation (Bloomberg and Volpe, 2008:13).

I followed the qualitative traditions in my research. I think this selection is also supported by the basic principles of the participatory paradigm (as presented above), and, on the other hand, the goal and area of the research and me, personally, interpretation of my research role also determined this. Thus my arguments in favour of the qualitative traditions:

- The interactive, common interpretation process is definitely important from the perspective of the topic of HRM ethics, lack of consolidation of the area and clarification of the concepts.
- One of the goals of my research is to understand and interpret the individual and collective behaviour, which is based on the experiences, acts, thoughts, reflections, individual and collective constructions of participants in the research. As these phenomena are difficult to formalise, and include cognitive, creative and affective components, they can be understood only through the cooperation of objects in a flexible form, based onto verbal and non-verbal 'data' that emerge during the research process, and these could be hardly created using quantitative methods.
- The other goal of my research is to develop the participants (and myself therein), to remove individual and collective barriers and learning, emancipation – this can only be build onto inter-action and personal inter-relations, which is not possible in case of objective and outsider research role of quantitative methodology.
- As I am also personally involved into this topic, my research position is certainly presenting the position of an internal student (contrary to the position of the outsider observer of the quantitative researches).
- Finally, my personal background in research and my works so far prepared unambiguously act as strong bondage to the qualitative tradition and to its methods (deep interviews, focus group, co-operative inquiry).

4.4. Selected research methodology: co-operative inquiry

I categorise my own research within the participatory paradigm into the group of co-operative research (*co-operative inquiry*, sometimes refer to in US professional literature as *collaborative inquiry*) (Reason, 1988). Co-operative inquiry has diverse roots: its theory and practice is build, inter alia, onto Lewin's research on theory and methodology for experience learning and action research based on participation and democracy (Lewin, 1946). It is also supported, primarily in the area of humanistic psychology, by thoughts of Maslow (2003) and Rogers (2004) about the individual who is able to act freely and under self-direction and for self-development, and to decide how they would like to live their life.

Thinkers of the critical school had also significant effects onto the evolution of co-operative school. Thoughts of Freire (1982) must be emphasised in this context, especially the concept of '*consciencisation*', the phenomenon of sensitivity and conscience development related to social, political and economic injustice, or Habermas' work on the theory of communicative action (importance of evolution of agreement, free-of-violence consensus and communicative space) and significance of emancipation (Habermas, 2001). Theoretical foundation of methodology and elaboration of the practical side can be primarily connected to John Heron's and Peter Reason's work (Heron, 1996; Heron and Reason, 1997; Heron and Reason, 2001; Reason, 1988; Reason, 1994).

In the next section, build onto the arguments related to participatory paradigm (4.2. Chapter), I briefly discuss a couple of characteristics within the co-operative inquiry 'family', whereas further characteristics will be presented integrated into my own research plan.

4.4.1. Characteristics of co-operative inquiry

Initiating researchers in a co-operative inquiry do not invite research objects, but co-researchers who are interested in and committed to research for participating in research works (with topics within their interest). In consistency with the participatory paradigm, participants in the research are partners having equal rights (and not passive experimental objects), who are democratically involved into and can participate in every phase of the research (in content and process, planning, data collection, interpretation). This equal standing and the wide 'decision-making authority' offered for participants in the research is deemed also as quite radical even within the participatory paradigm (See Table 3). As a consequence, the group norms – which are agreed on during the common phase of the 1st research cycle – have particularly great significance: based on the norm system the group can (or can not) control itself during the research.

level of participation in…	full co-operative inquiry		partial co-operative inquiry		supported co-operative inquiry		traditional quantitative		traditional qualitative	
	Researching with people						**Researching on people**		**Researching about people**	
	researcher	subject of the research	researcher	subject of the research	researcher	subject of the research	researcher	subject of the research	researcher	subject of the research
Decisions	full	full	full	full	full	full	full	none	full	partial
Experiences	full	full	partial	full	none	full	none	full	partial	full
Analysis	full	full	full	full	full	full	full	none	full	none

Table 3: Research methods according to the level of participation, based on Heron, 1996

There is an obvious tension in methodology which is characteristic to the entire research, namely that before starting the research the person initiating (and planning) the research should adopt certain theoretical and practical decisions related to methodology and based on his/her knowledge of the literature, personal experiences, research topics and basic position of scientific theory: these decisions have effect onto the total research process, and directly appear in the research plan and the invitation to research. It is somewhat paradox that these selections will shape up the space to be later freely and democratically formed by joint decisions of participants of research, and where they can move during the research. The planning phase of research (or before research) can thus mean only the definition of frames and setting the foundation of the research, which will later be finalised jointly by the research group (1st cycle first phase). On this basis, the research is changing and emerging regarding its 'nature': the researchers should manage this 'uncertainty'.

Regarding potential topics of co-operative inquiry works Heron points out: '*any aspect of human condition, constructed as a dialogue between fully embodied people, is available as a topic for inquiry*' (Heron, 1996:37). Based on Reason's categorisation we can identify some among the most characteristic topics of the past 30 years:

- Development of practice of some profession, e.g. holistic medicine group (Reason, 1988).
- Raising a group in disadvantageous situation, e.g. group for equal chances for Afro-American women at workplace (Douglas, 1999), or project aiming at developing learning abilities of youth workers (Heron and Reason, 2001).

- Better understanding of some physical-mental experience, e.g. group of altered states inquiry (Heron, 1988).
- Research aiming at organisational institutional change, e.g. municipality project (Krim, 1988).

As a personal experience, we have a co-operative inquiry group aiming at mental barriers in employment of handicapped persons and it fits well to the topic 'raising a group in disadvantageous situation', and we have involved young HRM experts into this project (Csillag and Hidegh, 2010).

Regarding its targets, co-operative inquiry is permissive: this methodology can embrace (as two extremes) both discovery and explanation of individual-level phenomena, research of learning at individual level (e.g. group of young workers), or to change the thinking, behaviour and acts of the entire society, and projects aiming at transformations at society level (e.g. municipality project).

In summary, support to the personal development of the participating individuals, critical openness and self-reflection will always appear in the research works: in the specific research works the group will progress towards the external world, while in others it will remain within the frame of the group. It is however unambiguous that, regarding the arch of the research, we always move 'inside out': i.e. first internal processes are understood, and only then it turns towards outside.

My own research is focusing onto a concrete social, professional role (HRM role): pursuant to Reason (1999) we can speak about (1) same role research, if participants hold the same role; (2) reciprocal role research, if the co-research are each others' partners in the intensive inter-actions, i.e. they are colleagues, spouses, etc.; or (3) mixed role research, when participants jointly conduct the research, but hold different roles that have similar features (Reason, 1999).

Role of the initiating researcher(s) is on one hand given based on the topic selection (i.e. he/she is a stakeholder or outsider in the given issue). Co-operative inquiry has the characteristic that initiating researchers can decide in a wide spectrum how they want to hold a leading (or mentor, facilitator) role in the entire research process or they would rather rotate the facilitator function and any other formal group roles (e.g. administrative, organiser, devil's advocate role). Pursuant to Reason's (1999) recommendation, the facilitator role will be absolutely important during the early phase of group development (formation, norm creation) in order that every member can become part of the group, and emotional security and group cohesion can be developed. When the research goes on to subsequent phases, this role may be transferred (if and when the group has become a mature unit).

4.4.2. The research cycle

Co-operative inquiry includes 4 phases of reflection and action (Heron and Reason, 2001). In the first phase group of research partners (generally 6-12 researchers) meet, agree in the research focus, prepare the list of questions or issues they wish to research about, prepare the research plan, and agree on research norms and rules acceptable for all of them. In the second phase research partners themselves become objects and carry out actions (individually, in smaller groups or collectively together), observe themselves and each others, and finally record the results. In the third phase they go deep into experiences, and are fully involved into the action; new interpretation is prepared on issues in the focal point of research. In the fourth phase research partners meet again to share their experiences and interpretations, new thoughts and ideas are elaborated or the original thoughts are re-framed, and decisions are adopted on the new scope of actions.

Each research typically contain 5-8 research cycles, which can be flexibly transformed in time: in some researches the work is completed during an intensive cooperation within a couple of days spent together, in other cases meetings are held with the given frequency (weekly, bi-weekly, monthly, semi-annually): thus the duration of research may vary between a couple of days and several years.

Regarding the practical side of cycles, there are several remarkable chances of selection of the research group. In an 'outside' research the participants' role and project outside the group is in the focal point, actions are dominantly implemented outside, while in an 'inside' research the group is focusing onto internal processes, thus actions and the practical experiences are dominantly concentrating here. The group's internal dynamism is also important in an extravert research, thus there is some kind of 'introversion' also in this type of research.
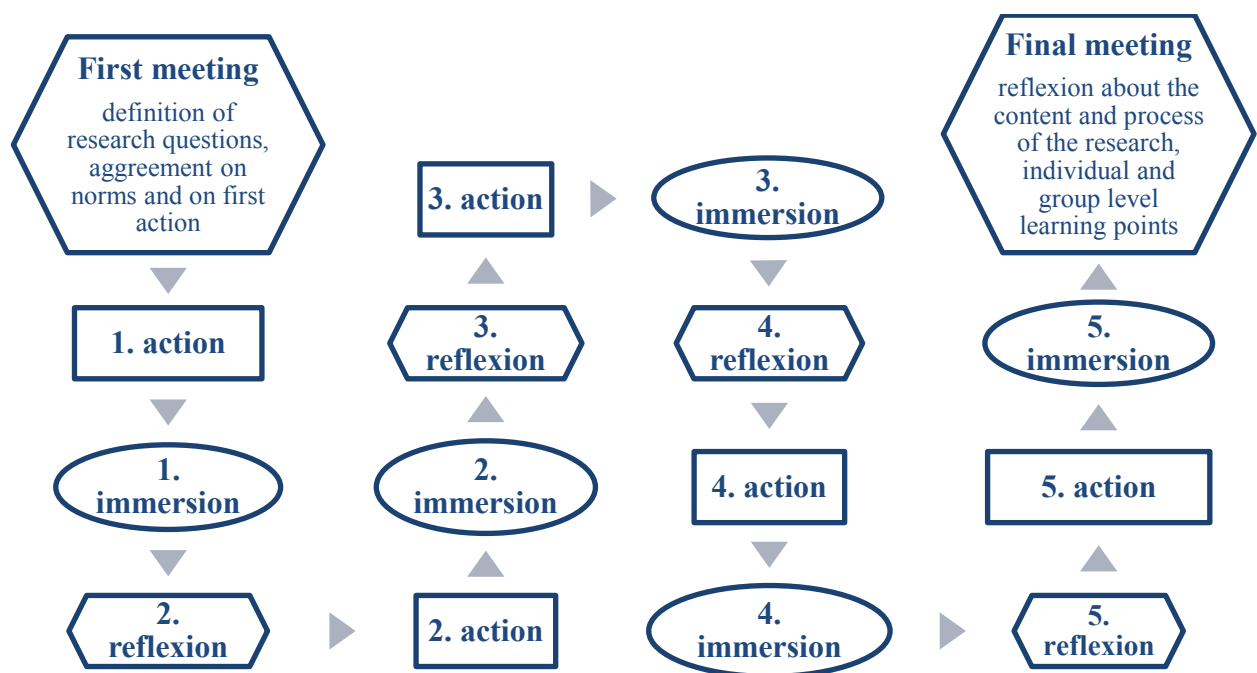
Figure 5: Outline for the planned research cycles

In open research external people participate in 'data generation' during the action phase and/or they have a chance also for interpretation of data during the reflection phase, whereas in case of closed research external people are never involved into the action phase. In case of a genuine open research external people involved into the data generation will be also involved into the interpretation phase.

Regarding the culture of research we may speak about Apollo and Dionysus character. Apollonian research is progressing along a pre-planned process elaborated in details, striving for structured and systematic approach, and the research process is systematic and research partners work linearly in a disciplined manner. Steps of planning, action, observation and reflection are repeated in consecutive cycles in a rational manner. In the Dionysian culture processes are less planned, impulse, improvisation, creativity and experiments may have larger role: steps may follow the specific rhythm of emotional processes, and may evolve freely, phases of action and reflection may overlap each other, and certain cycles of the research may be very different in terms of shares. There are two sides present in every co-operative inquiry: each has Dionysian character, as itself the content of the research can not be planned in advance, and also Apollonian character, as without a certain control every research would fall apart. Striving for excessive control and exclusion of spontaneity (excessive Apollonian) may prevent the research to go deep and become rich; whereas lack of systematic approach (dominant Dionysian character) may lead to the loss of focus, and death of research, as a scientific process.

4.4.3. Research works based on participatory paradigm in the area of ethics

Practical application of co-operative inquiry can also be linked to the names of Heron and Reason, and their followers. As far as I know, such research has not been directly conducted in HRM topic (at least, no publication has been issued in English). In the next chapter I will present three researches (at least partly) connected to the area.

Bellefeuille and Hemingway (2006) conducted co-operative inquiry with the participation of university students graduating on social worker faculty (as part of their mandatory professional practice). In the research process they studied concrete ethical situations, decision-making and ethical awareness of students emerging in the practical work of a social worker. As results of the research build basically onto the foundations of critical pedagogy, they thematically analysed the emerging situations, and selected the most characteristic cases, which were incorporated into the teaching materials (the propositional knowledge was one of the declared goals). Further, the authors had the view that the most important result was the development in the critical awareness of students, and acquisition of self-reflection experience related to the moral decision-making.

In the frame of his action research, Brinkmann (2009) wanted to understand the ethical challenges detected and experiences by the Norwegian real estate agents, and also to develop their ethical sensitivity and critical awareness. As a result of the research build onto questionnaires and focus group methodology, an interactive website was prepared, where readers (typically real estate agents) can get access to information, share their experiences in ethics blog, and evaluate their own ethics and morality, and develop themselves. One of the main conclusions of this research is that ethical discussion is fundamentally necessary, in addition to the existing formalised code of ethics, within the profession, which can be appropriately elaborated only by involving the stakeholders.

In our own research we invited MA students, who studied HRM and OD specialisation, to jointly discover beliefs and attitudes related to the employment of handicapped people, which may hinder that these people may get employment in the labour market (Csillag and Hidegh, 2010). We got two key results: as the first step of such critical thinking the students recognised the asymmetric power relations bidden behind the care when such handicapped persons are treated as children, and also discovered the power of communicative rationality and liberating effect of a power-free community. The research also resulted in several methodological conclusions (e.g. proportionate nature of research cycles, facilitator background role, the importance of the learning diary), generated practical knowledge, and lead to experience, and I wish to definitely build and highlight these elements into the present research.

4.4.4. Arguments in favour of the selected methodology

My selection of co-operative methodology is based on the following arguments:

- I believe that the research topics can be discovered and the related research goals (fact-finding, emancipation, transformation) can be realised only with the support of committed and interested co-researchers, who have full confidence in each other, and can together create, as equal participants, and open and self-reflective communicative space: this is unambiguously different that the orthodox, objectivist research viewpoint, but it is alienated also among the participative researches that are striving for full democracy.
- The subjective-objective ontological position of co-operative inquiry is in harmony with my personal opinion on ethics and ethical pluralism, where various ethical mentalities and arguments can help interpretation of each problem and situation, understanding of the stakeholders' way of thinking and arguments, and thus to reach consensus and common understanding (Radácsi, 2000; Palazzo, 2002). Based on this research methodology the opportunity could arise for ensuring comprehensive interpretation of ethical concept and common interpretation, detailed analysis of each act, and as a result, for better understanding of the objects.

- The co-operative inquiry emphasises 'generating and creative processes of the mind', which is in harmony with the creative-cognitive processes of the moral imagination, integrating also emotions. Similarly, the 'critical subjectivity' of co-operative inquiry is in harmony with the critical evaluation appearing in the concept of moral imagination.

4.5. Process of the research

In this chapter I introduce the actual process of the two research projects: first I summarise my considerations about the sample selection, the structure of the groups, my own role as the initiating researcher, details of data collection and analysis. Following this, I deal with the issues of validity, reliability and ethical considerations.

4.5.1. Sample selection

In case of qualitative researches, the researcher is looking for a sample – contrary to the statistical sampling processes applied in quantitative researches focusing onto representativity and random method – which is supporting it to important information (Maxwell, 2005). On this basis, nature and aspects of sample selection can also change, and the goal will be to ensure richness in potential data. Based on Gelei (2005) and subject to research issues, the process has the following key characteristics:

- Samples are selected intentionally and deliberately by the researcher (contrary to the random sampling method).
- Lower number of samples is sufficient, but embeddedness into the context is critical (contrary to high number of samples and disregarding the context).
- The sample is theoretically oriented (contrary to representativity).
- It may happen that sample may gradually evolve step-by-step during the research, in a less planned manner (contrary to the pre-defined sample).
- In the definition of sample, the researcher may get support from his/her own previous information, knowledge, experiences, or even his/her intuitions (Gelei, 2005:176).

In case of purposive sample selection it is important to adjust the sample selection aspects to the research topics and methodology, and their precise description. Sample selection may strive: (1) for selecting situations, individuals and organisations that can be regarded as typical (and homogenous) from the aspect of problem definition or; (2) for as far as possible heterogeneous sample from the aspect of the problem; (3) for selection of critical or deviant cases or exceptions, or (4) for comparison of such cases, i.e. contrast (Maxwell, 2005).

The topic of sample selection in the co-operative inquiry is an exciting issue from several aspects: firstly, taking part in the research requires serious, regular and long term time and energy investments, genuine and deliberate commitment from participants (contrary to, let's say, filling in a questionnaire or to a single interview). Secondly, based on Reason's idea (1999), the level of sampling is also questionable: the initiating researcher may look for an already existing group as its research group, or may himself/herself initiate for a group in the given research topic (there are obvious benefits and disadvantages in both cases).

	'A' research group	'B' research group
Potential benefit or advantage from the aspects of research participants or the research process	- Participants can have a 'card blanch', no prejudice with each other. - Genuinely voluntary and committed individuals. - Power- and dominance-free process will prevail within the group. - Participants arrive with clearly different experiences and background. - Creating 'cooperative atmosphere' within HRM profession is possible, it may then be expanding.	- Group members know each other, so no (or just slightly) need to ice-breaking, put the group together. - Common and individual actions are possible both within and outside the organisation. - Both individual and organisational levels might bring robust results. - A kind of 'cooperative atmosphere' might be created legitimately within the organisation, it may be later expanding.
Threat, difficulty and danger in the research from the aspects of research participants or the research process	- 'Glorifying' own organisation, professional prestige aspects may jeopardise sincerity. - Differences in organisations may cause difficulties to comparing organisational-level experiences and results. - Few opportunities for real common actions of the group. - Agreement in time/date and meeting point might cause difficulties.	- There will be no organisation who is willing to participate. - Organisational hierarchical relations, power fights will penetrate, thus the atmosphere may not be sincere. - Organisational aspects may prevail and suppress individual aspects, and thus also individual learning. - Other organisational activities push the research aside. - Existing group dynamism and group roles may cause difficulties to openness for the new. - Not genuine sincerity in the group. - Organisation's reaction may be questionable.

Table 4: Presumptions for setting up and operating the two research groups

In my own research work I have been looking for individual and collective interpretations, and based on them the inter-relation between HRM profession and ethics can be better understood and interpreted, transferring all these into the contemporary social, business and organisational environment and context. Several individual stakeholders appear in the research (e.g. practical experts working in HRM, other

organisational players, academic experts in HRM and/or ethics, families of HRM experts, and the society as a whole, etc.), but representatives of the HRM profession are in the focus of the research problems and the research questions based onto these problems, thus I regarded them as the unit of analysis in the research.

During the planning phase of the research on the suggestion of Reason (1988) I looked through the two, previously mentioned possibilities: one of them was the invitation of the members of the HR department of a company, the invitation of an existing group (research group 'A'). The other possibility was to invite certain HR experts, independently of their organizations, and create a group just for this research (research group 'B'). In both solutions I identified some possible advantages, strong points and also disadvantages and imminent dangers (see table 4).

Systematically considering these two possibilities I decided on carrying out both: on one hand I didn't want to resign from those special learning points provided by any of the two, on the other hand I was afraid of the incalculability of research and I intended to lessen the risk of a possible failure (for example in case I don't find participants for one of the groups). In my thesis I won't systematically compare the process and the results of the two researches, rather I am to present the similar and different patterns parallel.

During the invitations of the two research groups I applied 'purposive' sampling or in justified cases in a complementary way, that of the so-called 'snowball' method (Blakie, 2009).

A) In the 'A' group, through informal channels – I invited the HRM department of an organisation to constitute a research group. On one hand I hoped that in an existing group the members already know and trust one another. On the other hand the organization as a research field could be absolutely common, we can carry out common actions and both on an individual and an organizational level strong results and knowledge can come about. Concerning the organization I considered as an important selection viewpoint that it should be a HR department consisting of minimum 5 persons carrying out a strategic role according to its own judgement. This research group demanded a multi-level commitment: the organization itself and within that the commitment of the HR director was necessary for starting the research: but the research itself could be realized only with the members' (co-researchers) voluntary and committed participation and endurance. I started seeking this research group in March 2011. In my dissertation I present the work of group 'A' between May 2011 and December 2011, consisting of 7 research cycles.

B) In the 'B' group, HR professional group – also through professional forums and personal acquaintance – I called HRM professionals active in HR field that were interested and engaged in this topic and methodology. I looked for persons still working in HR management and who were committed to theoretical interpretation of the HRM ethics and also to practical actions. I started the search for group members in September 2011. In my dissertation I present the work of group 'B' between October 2011 and April 2011, consisting of 6 research cycles.

Some difficulties, dangers (see Table 4) formulated during the planning of research proved well-based concerning the questions of sampling. I was afraid of finding persons and even more so finding organizations willing to undertake the work. This presumption of mine in case of the HR professional research group ('B') partly proved true: although a lot of people responded to the call, got interested, the big amount of time, demanding energies, the meetings stretching into late nights after work turned down a lot, also perhaps because I emphasized all this frankly in the research invitation and the preliminary personal conversations. So then, nobody dropped out of the process of the research, only one participant didn't take part in 2 meetings, due to workplace occupations but even she re-joined. Everybody made through to the end.

Out of the organizations (to my sincere joy and surprise) a company employing 600 people from the financial field responded positively. Here right at the beginning of the research I had to make two crucial decisions. One of the questions related whether the HR director should be part of the group. I had fears that within the group the manager-employee relation can prevent from sincere, democratic atmosphere and the real power-free discourse. On the other hand the director is part of a community and inasmuch the joint development of the organization's members and the real understanding are the basic targets, it would hardly do ignoring her. After all the considerations, the director became one member of the group. I think this issue could be one of the crucial dilemmas, if one conduct co-operative inquiry within a given organization is, which can be answered only in the given situation.

In the research 'A' at the beginning of the research the other big question was how I could guarantee the real voluntariness of participation in the whole of the research or in the research cycles. Basically it was the company manager and the HR director who gave a green light to the research and it was a real question if any member of the HR management organization had a real chance to stay out. After all at the very first meeting I again asked them to consider and confirm if they really wanted to take part individually or jointly and after all we jointly accepted among the group norms that we strive to participate for all in the meetings and the actions, too, but also that anybody for another occupation may stay out without any excuse.

Both dilemmas accompanied the process of 'A' research: in order to press back the dominance of the HR director in the first two cycles, I consciously strove at playing the role of the 'devil's advocate' to counterbalance the directors's opinion. Later on, even the director herself realized her dominance and consciously withdrew herself, so for example, she bewared of expressing opinion first, determining so the direction of debates. In connection with voluntariness of participation I especially felt the situation tense in the 2-3rd cycle of the research: perhaps this was the lowest point where we wanted to coordinate the following action with the members of the research, and co-researchers got frightened of one of the proposed actions. At this point I felt in some of the participants that the wish to leave the research group rose. After all it didn't come about.

In the group 'B' starting the research was more without problems. In accordance with my expectations at the first meetings during the shaping up of group norms and actions caused some little sort of conflicts, but after the phase of so-called 'storming' they abated.

All in all the two research groups – concerning the search process and the main interpretations also – functioned very differently and the co-researchers within their 'homogenity' (HRM activity) proved to be very diverse. During the interpretation of the results it will be inevitable to keep in mind the fact that all the participants of the research projects were persons interested and open to the issues of HR management ethics. This will be – at the same time – the limitation of the research too.

4.5.2. The structure of the two groups

The two research groups equally consisted of 7 persons. The participants without an exception, were university graduates, active for several years in the field of HR management, also being experts living in Budapest. The group 'A' as for age with the exception of the 50+ HR director consisted of women between 30 and 40, in group 'B' there were two participants under 30 years (others between 30 and 40) with one male participant. This sort of homogenity can reflect on one hand on my background and acquaintance circle (university lecturer, woman, between 30 and 40, living in Budapest.) On the other hand it can refer to the feminization of the HR profession. It may influence the certain interpretations of the research results.

4.5.3. The role of the researcher

Blakie (2010) differentiates six fundamental roles: (1) independent and (2) empathic observer; (3) reliable reporter; (4) language moderator; (5) reflective partner and (6) dialogue facilitator.

My intention was, in conformity with the selected paradigm and methodology, to be present in the research as a reflective partner. In this research role, understanding is based on dialogue, where the researcher and subjects of research participate as co-researchers, and which is focusing onto (inter alia) emancipation of research partners (Habermas, 2001), and in Freire's concept (1982) onto the development of sensitivity and conscience related to social, political and economic injustice (which is connected to the theory and practice of participatory paradigm and co-operative inquiry). I had the view that reflexivity is critical in every phase of the research (planning, reflections, actions, analysis). Secondly, I during the research I deliberately paid attention to ensure active and

deliberate understanding and self-reflection related to my own pre-assumptions, role and actions. Thus learning and development of the research partners and research group were my goals throughout the research process, in addition to my own learning and development.

In my initiating researcher role I identified three important tasks (Heron and Reason, 2001): to ensure (1) cognitive and methodological, (2) political, and (3) emotional empowerment.

(1) To secure cognitive and methodological empowerment for the individuals and the group: to make the group understand the theory and practice of co-operative inquiry, and, on this basis, the group will be able to carry out independent research and learning. In case of the concrete research it was important to present and acquainting them with the basic theoretical conceptions (moral imagination (Werhane, 1999; 2005), role morality, ethical pluralisms, and the role models of Ulrich (1997) and Ulrich and Beautty (2001).

- Group 'A': The members basically were interested in the topics and methodology, but yet primarily they were committed to my person. Basically they expected of me the theoretical impulses and especially at the beginning I fell for the role of the one giving opinions and counselling.
- Group 'B': In this group several members disposed of the ethical background knowledge of HR – this meant authorization for them, but the divergent background knowledge also created tensions because they appeared in the role of one giving opinions. It was characteristic of the group 'B' that in the members there was a very strong wish for learning and developing, they were wishing to learn about the theme and also from one another. At the beginning of the theme it was raised whether we should commonly read and interpret certain articles – after all the group decided to refer to our individual experiences and based on this to create ethical definitions – rather than accept certain existing definitions of the literature.

(2) To secure political empowerment for the research group members: to evolve decision-making, power free and sincere cooperation based on participation, and thus the research can build onto actual and sincere cooperation.

- The 'A' group with the self-withdrawal of the HR manager powerfreeness actually came true. The atmosphere was sincere and friendly but they rejected the role of the 'facilitator': *'We would like to be your research field.'* They were basically uncertain concerning undertaking their own role, first of all referring to the lack of their theoretical knowledge.
- Group 'B': during the first two meetings I was the leader, but striving for independence turned up already then: the organization of the action was taken over by others and it was characteristic have a continual e-mail communication, not by all means started by me. Formal responsibilities were decided on from the fourth action on.

(3) Emotional and relationship empowerment: to create a group atmosphere, where tension and stress, and joy, happiness, success and failure generated during the operations of the group can be all shared. Management of eventual personal conflicts, stress situations, individual and collective emotional crises will be an evident task related to the above, while maintaining critical alertness. Heron and Reason (2001) emphasise the importance of openness, mutual inter-tuning, empathy and sensitivity, as the leading capability.

- Group 'A': the group roles were already present; they didn't change, but, when reflected on them made them conscious. The success was enthusing and the lowest point experienced during the action wasn't really embittering, either.
- Group 'B': within the group already at the first meeting there existed conflicts, specifically between two members. But the other members of the group eased these conflicts, and it was the participants who reflected on them. I didn't have to do so myself, and the conflicts didn't worsen. The group members in a natural way strove to integrate the interests of those not present.

During the research concerning my role I sensed two real turnpoints: whether I could organically adjust to the group or become a group member (or stay an outsider), or I could give up my leading role originating in my position of the initiating researcher.

- In the group 'A' I could just partially get integrated in the group – the basic reason for this was that I arrived from outside, with my own idea of research to the group. But the idea turned up that a possible future research could be organized around a particular organizational event (for example around an organizational reconstruction project). I stayed in this research process rather in the role of the coach, mentor (strong attachment remained after the end of the research). I couldn't manage to give up the leading role, the members didn't want to take the responsibilities connected with this. In the given case I strove not to distort the action of the group and not to dominate the common interpretations (Reason, 2002).
- In group 'B' in moments of decision or critical situations they expected me to make solutions but otherwise I became a co-researcher. I managed to render certain elements of the coordinator's role, for example the organization tasks of the meetings. At the 4th research meeting we even formalized the functions, for example memo writing.

4.5.4. Research cycles

At the first meeting in both groups all co-researchers shared their expectations, aims and motivation in relation with the targets and outcome of the research. We considered individual aims and decided on the common group target. At this meeting we also discussed the methodology of co-operative inquiry: we agreed upon the outlines of research plan, the expected number of cycles, the types of actions. As an important part of

the discussion we agreed also upon the common norms of the research groups. In case of both groups about the same norms were born – that is:

- We are equal co-researchers, we discuss the details of the research and make decisions together.
- We listen to each-other, accept the different views and keep everything private.
- We strive that as much as possible every co-researcher could take part in every cycle (both in parts of actions and reflections).
- We record the reflective meetings on a dictaphone.
- Every participant may use data born during the research (notes, diaries, transcripts, results of the research).
- Before publication the result of the research, every participant has a chance to give opinion on the analysis, and in cases asking for alterations.

In group 'B' already at the very first meeting demand for more functional and practical norms up:

- Keeping our promises: 'I would like us to follow the principle: it's nice to promise, but only if kept' (Zsóka).
- Also a basic principle is that those absent should accept the decisions of the group.
- If somebody wishes to be a facilitator at the next meeting, he or she should a few days ahead turn up on e-mail.
- That there should be an e-mail communication between two meetings.

Further norms were added to these at the 4th research meeting:

- One member always summarizes the tasks after each meeting whose summary could be commented on for another two days, proposals could be formulated to it. Then we accept the things included in it.
- It would be asked to give feedbacks to one another on e-mail.
- We should try to fulfil the settled actions, if somebody has doubts or doesn't understand a certain action, could give a feedback and we find an alternative.
- We share every document using the Dropbox application.

In both researches the research cycles were built on one another in the way shown in Chapter 4.2. In the next meetings we followed the cooperative inquiry' methodology: first we reacted to our previous actions following the experiential learning of Kolb (1976,1984). The process of experiential learning is the following: the participants formulate reflective thoughts on their concrete experiences, they make observations and make deductions and in new situations they are likely to change their attitude: that is they experiment. Following this we decided upon the following action (focus, time and location, special tasks). The details of the two researches are presented in Chapter 5 (Table 5 and 7).

4.5.5. Data collection and analysis

The target of my co-operative inquiry was on one hand exploration and understanding, on the other hand transformation and emancipation. Understanding was related to the following notions: ethical behaviour, moral imagination and moral imagination. The target of transformation was the group and individual learning built on mutual understanding and in this way transformation of behaviour.

In my preliminary analysis and interpretations I relied on the following data:

(1) Transcripts: during the reflection phases of the research cycles, the group members reflected, debated, talked. I recorded these discussions and made word-by-word transcripts of them. I tried to record also the emotional elements.

(2) I recorded also other materials of reflections, conversations and thoughts written on a flip-charts and also I considered research material.

(3) The documents, interview protocols, accounts born in the action phase of the research cycles. For example in the research 'A' I considered as action documents the materials of the ethical codex workshops, and in the case of group 'B' the interview notes and protocols.

(4) My own research diary: during the research I was writing a research diary where I put down the plans, emotions, thoughts, experiences related to the certain meetings in great detail in a chronological order. According to my preliminary plan I encouraged participants to write research diaries – unfortunately in vain. In connection with this my own technical, methodological notes (research invitations, process and time scheduling of the research and its data) are part of the research.

(5) E-mail communication during the research: especially in case of group 'B' the e-mail exchange between meetings was an important group-formative element and also a communication channel.

(6) The written and verbal reactions, opinions given about the first version of analysis: every group member received this analysis. In group 'B' several people even commented on it in writing, in both group we discussed it. Transcripts of these conversations were also made.

In analysis of my data I basically followed interpretation of Kvale (1996) on the basis of which the analysis means (1) the structuring of the data, (2) the summary of the explicit meanings, and (3) the exploration of the patterns behind.

In order to help to interpret the texts I first of all carried out a **meaning-categorization**, which means building up a category system and systematically coding the texts (Kvale, 1994, Gelei, 2002). In doing so I relied on the help of the software 'Nvivo'. Here, in the first phase I made up basically a code structure concentrating on the contents,

on the basis of which I coded through my texts. These basic codes (for example the definition of ethics, HRM ethics, ethical cases, role morality, moral imagination) turned out to be of different density but they basically helped to get familiar with my texts, to see the 'rich' fields. In the second phase I broke up basic codes into several sub-codes (e.g. the definition of ethics into value and rule-orientation) and I tried to fill in the gaps, that is to find and create the codes not covered yet (e.g. expectations, motivation, lowest point, methodological learning viewpoints). These codes characteristically were built on my own impressions. These codes appeared in the two researches with very different emphasis: there were special 'A' group codes (for example ethical institutions) and 'B'-specific codes (that is HRM identity). After all I didn't use all the codes during the interpretations presented in my dissertation.

Although, on the basis of the codes, sub-codes, their connections and contradictions some patterns were already outlined, but I didn't feel them sufficient. As another leg of my analysis I have been searching for such background patterns, interpretations spanning over several codes that beyond the existing texts include my own impressions, changes of my thoughts, too. In order to help to see, to identify these interrelationships I outlined the thoughts of the meetings that is how the particular questions, circles of thoughts were interweaving and shaping one another. This can be considered as a sort of **meaning-condensation** (Gelei, 2002). These thought-chains did not only point at the interconnection of different topics, the contrasting notions, but also at the development of the group (for example in case of research 'A' in the solution of case study how the ethical viewpoints are getting richer and richer).

Based on the original texts, on the codes and on the results of meaning condensation I carried out the **interpretation of the meaning**. I approached the texts with an understanding orientation: I strove on one hand for true interpretation of the texts, giving back content of the individual and common interpretations of the co-researchers (**naturalist, realist reading and interpretation**), but on the other hand I also strove for a **critical reading and interpretation** of a hidden meaning, too. The two interpretations were interwoven and framed by a continual critical reflection: the research group reflected on its own function and we, co-researchers, too, reflected on our own individual functions. The consideration of these reflections (including my own research diary, too) constitutes the part of the analysis.

Eventually, as an important part of my analysis I gave over the first version of my analysis to my co-researchers. I built in their observations in several ways: I accepted certain proposals, observations and corrected them (i.e. I rewrote some part of 'A' research analyses, because co-researchers felt some wording too strong and extreme, and I cut out some quotations sensed by them out of context). At the same time I built their interpretations into the methodological learning points (for example in case of both researches pointing out my own opinion – see Chapter 6) or I added some things to the actual analysis. In some cases according to the feedback of participants I put more emphasis to some issues (i.e. in the research 'A' the importance of solution of cases).

4.6. Validity of the research

Based on Maxwell, the **validity** of qualitative research means the correctness and validity of the descriptions, explanations, interpretations, conclusions and results of the research (Maxwell, 2005:86). On this basis, validity can be ensured by following basic principles implementing concrete efforts related to these principles, which attempt to prevent, or at least mitigate the effects of any distortions that may jeopardise the validity of research (and that are known to the researcher). Based on Maxwell (2005) and Gelei (2005), distortions that may jeopardise the validity of qualitative researches can be categorised into the following four major groups:

- Lack of accuracy or correctness and missing data might the most jeopardise the validity of descriptions.
- Validity of interpretation of the researcher may be endangered, if the researcher is unable to step over his/her own frame system and pre-assumptions, but adjust the research data to them.
- There is a danger jeopardising the validity of the theory, if the researcher ignores optional explanations, or fails to consider data contrary to his/her pre-assumptions.
- Distortions arising from the researcher's personality will definitely appear, as the researcher's personality is the most important research tool in qualitative research (Gelei, 2005:196). I.e. his/her subjectivity (e.g. value system, pre-assumptions, distortions in perception) will by all means have effects onto the research process or conclusions, and the researcher will have some kind of unintentional effects also onto the subjects of the research. We cannot exclude such effects, but it is important to ensure that the researcher should become aware of and discover them (this requires permanent self-reflections), and make them explicit for the results of the research.

The issue of validity is somewhat re-defined in the co-operative inquiry methodology: how can such frames be evolved, where the research partners do not mis-interpret their individual and collective experiences? In such a frame system there are three supporting pillars for securing validity: critical subjectivity, integration of theory and practice in the research cycles and the principle of participation.

- By critical subjectivity we mean sharing discoveries based onto individual or collective experiences, and their revision and conflict applying critical aspects, and their validation in practice. *'certainly people can and do fool themselves, but we found that they can also develop their attention so they can look at they beliefs and theories critically and this way improve the quality claims to knowing. ... we do not have to throw away our living knowledge in search for objectivity, but are able to build on it and develop it'* (Reason, 1999:212). Critical attention and openness mean that while commitment and detailed study of experiences are present in the research, it is also

important that research partners are able (and they also want) to look at their beliefs and experiences in a critical manner.

- There are four types of knowledge in the research based onto the integration of theory and practice, and they are closely inter-related to each other, have their roots in one another, and thus they can ensure the entirety of knowledge (holistic knowledge) and their harmony can ensure the validity of the research (Gelei, 2005). (See four type of knowledge in Chapter 4.2. and in Chapter 6.2.)

- Participation based on methodological-cognitive, political and emotional empowerment means that the research partners have a chance to be present in each phase of the research process, and thus exercising influence onto the research results with their own interpretations and decisions.

During the research in order to ensure validity I built on criteria shaped by Maxwell (2005) for qualitative researches considering as starting points, and on Heron and Reason's (2001) recommendations: (1) The intensive presence of the researcher, long term contact with the subjects of the research, (2) rich data, (3) feedback of the research 'subjects', (4) search for diverse evidence, (5) triangulation, (6) comparison. As follows pointing out the peculiarities of the two types of researches I survey the appearance of criteria, the efforts made and the eventual problems.

(1) **The intensive presence of the researcher**, his/her long-term relationship with the research participants facilitates its validity, because it helps subjects loosen up, sincerely open up and supports the researcher to step over his/her own wrong presuppositions and to understand participants.

- Both research projects meant a long, several month long common work, lots of hours spent together (in both research projects more than 25 hours) and common experience during which the group members opened up, came to know one another and to the end of the research they really loosened up. In my judgement 6 or 7 cycles proved to be the suitable duration: in this process experiential knowledge and reflection appeared parallel, strengthening each other. The participants of both researches felt the learning points and exacted to continue work.

- In order to reach deeper understanding I tried to pay attention to the proportions of research cycles, theory and practice. In case of group 'A' I had the impression that it meant a problem: there were too many reflections and chains of thoughts. In group 'B' there was more divergence (and of more Dionysian character): because of the different personal and organizational backgrounds, the debates were lengthy and far-reaching, often diverting from the original questions. On the other hand they raised exciting questions, for example the issue of HRM of NGO-s and SME-s (and that is how we excluded this issue from the research and in doing so how much we gave in to current structure rejecting to doubt the focus on the big companies).

- During every cycle I asked for a content-related and methodological feedback whether co-researchers feel that the research was going the right direction and what we should change. In group 'A' there were but few direct observations but the group hinted for example that they shouldn't like to write a research diary. I accepted it. In

group 'B' there were more observations and comments: some of which even probed the frameworks of the research but their speaking out openly helped strengthen the community (for example when in the 4th cycle several people refused to carry out the action it was useful we could roll up and clear the background). After the certain cycles I referred back to the group the main content-concerned and methodological dilemmas and asked them to reflect on them, so we gave and got feedback about interpretations shaping up in us in the period between two cycles (usually 2-3 weeks, rarely even 1 month).

(2) **Rich data**: the detailed quality, accuracy and concreteness of the research data can provide a suitable basis to shape up evident, valid interpretations. In the research projects varied situations turned up, both theory and practice appeared, the emerging researches turned out to be fairly many-coloured.

- During the research we recorded the reflective conversations on dictaphone, and made a word-by-word transcript of them. I myself wrote a research diary into which I put down my emotions, thoughts, experiences as much in detail as possible, in a chronological order. (I'll present two short details of my diary in the Appendix). Unfortunately I couldn't get the co-researchers to do so. In the wording of one of the co-workers: *'I already thought you wanted us to write a learning diary like at school. We wouldn't do that. In the business sphere writing is restricted to evaluation of the candidates' (Zita)* They sensed this as rather an administrative obligation, with little added value.
- I tried to document the process of the research in a clear, transparent and systematic way. To the richness of research details in group 'A' contributed the revision of the ethical code as an action, also the mini research of group 'B' and the collective case analyses related to this.

(3) Asking for **feedback of the co-researchers** about recorded data and about the results of the research built on which misunderstandings and mis-interpretations of the researcher could be decreased.

- We compiled the research issues, the norms and research plan together, during the research we continually reflected on them, with general consent they were shaping up in the process anyway. During the research cycles common reflections were continual concerning actions, emotion, thoughts and theories.
- The created research data were at the disposal of everyone. (In group 'B' we set up a common 'dropbox' in which we stored all the common documents and so we commented in the first circle on my own analysis.)
- Co-researchers received my interpretations and freely reflected on them. Both group required to reflect the interpretations, not only in written form, but discuss these analyses together: *'almost all of us read through the chapters of your thesis sent to us and we would not only write but tell our opinions, we had partly coordinated our views about them among ourselves.' (Zsófi, group 'A')* For the co-researchers this opportunity, the open discussion meant an exciting experience – it excited both

emotional and conceptual reactions. See from an e-mail of a co-researcher: *'I am just reading the PhD text made from our research, the interviews, transcripts…I am writing because I must tell it's a brilliant achievement that came together here, and I adore it also because it just came into being, I ask you to make it public once as it is incredibly valuable.' (Zsóka, group 'B').* These reactions, opinions later in different ways were built in my own analysis (see chapter 5).

- It was important for me that the co-researches should face critical readings too, and that they had a chance to react to the doubted points and to formulate different interpretations from mine. It was also of fundamental importance that they shouldn't feel offended or misunderstood. These occasions were interesting also because, especially in group 'A' three months after the conclusion of the research the participants gave account of such a real change which was not sensed at the close of the research (for example one of the cases we solved together became a 'success story' at the bank).

(4) **Search for different evidence**: negative cases and analysis of contrary to expectations evidence may strengthen explanations.

- During the research we strove at a critical consciousness, openness, continual questioning. At the beginning this 'questioning' role was mine, but has become a practice in both groups. In group 'B' we carried out even in a formal way 'devil's advocate' – sort of practice during analysis of hypothetical cases (Reason, 1999). In this one, one after the other every participant shared his/her conclusions based on the experiences of the research in an issue preliminarily given out, others confronted them with other explanations and experiences. Strong methodological learning point for me was how liberating a provocative oppositional opinion might be in given minutes.

- During our research the Human Mirror research often turned up which was a good referential point for the co-researhers, too and with which we confronted our own interpretations. The research confirmed my basic presumption that at least in these companies (which belonged both to Hungarian and big multinational companies) Human Mirror Research strongly dominates thoughts of HRM about itself or the Hungarian HRM world. It's evident though that this referential point was invited partly by my university commitment (as Human mirror has some connection to our department at university, too). On the other hand the research moved in the field of big company HRM – if managers working in SME-s, or NGO-s had been present, it probably wouldn't have appeared.

(5) Triangulation: with several, divergent methods casual effects and other distorting effects bound to one single method can be decreased.

- Although in both groups there were different actions, the variety (boldness) of actions got much behind from my expectations. In group 'A' it was very difficult to start an outward-oriented action (the co-researchers were very cautious to step towards organization, for fear of expectation) in group 'B' there wasn't even any collective action. I'll discuss the learning points of starting actions in Chapter 6 in more detail

(for example continuity, maturity, one cannot force it, avoiding tension, research pressure).

- I compared the specific transcripts, the codes, my own interpretations with those of my co-researchers.

(6) **Comparison:** comparison of other's statements and interpretations with my own. The two different groups themselves offered some comparison: although the two groups worked very differently, they both reflected some basic statements (such as moral muteness or basic importance of perception and communication in the field of HRM ethics). The confrontation of transcripts, interviews with my own learning diary were useful as well.

The criterion **reliability** in scientific research refers to the fact how the research process is consistent (in time and space): whether other researchers working later or simultaneously can find the same (Maxwell, 2005). In qualitative research this kind of reproducibility is not a realistic expectation, i.e. the personality of the researcher can slightly be reproduced. Here the reliability means the coherent and clear description is the research aspects (paradigm, tradition, role) and the research process (Blakie, 2009). Accordingly, in my own research I try to describe these factors in full details.

The criterion **generalisation** refers that how the research results and the acquired knowledge can go beyond the direct context of the research. In case of internal generalisation the conclusions can be generalised onto the studied area or group, whereas external validity means that they are valid even beyond that. In case of qualitative research, generality may rarely go beyond internal generality (due to the characteristics of sampling, or the research purposes). However, we can interpret and apply also the 'analytical generality' concept here, as application of generalisation of the theory developed in the research onto other cases (Maxwell, 2005). In my research I am striving for internal generalisation, but it might also happen that some of the conclusions is relevant also onto the HRM profession (i.e. experts of other HRM areas can also recognise their own mental models and ethical problem situations). To ensure this, I strove for detailed and frequent presentation of the research group's context, action situations, and the consequences.

4.7. Ethical aspects of the research

'I do not separate my scientific inquiry from my life. For me, it is really a quest for life to understand life and to create what I call a living knowledge – knowledge, which is valid for the people whom I work and for myself' (Reason, 2006:199). In agreement with Professor Peter Reason it was important for me to proceed in every aspect of the research keeping ethical viewpoints.

But what does keeping ethical viewpoints mean on the level of a concrete research? Built on the thoughts of Brewis and Wry-Bliss (2008) which were basically related to critical management and which coincided with my own value judgement I consider the criteria of ethics connected with my research: (1) ethics as running through all the compulsory circles of questions ('ethics as hurdle'), (2) ethics as identification with silences ('ethics as seeking out silences'), (3) ethics as taking responsibilities and commitment ('ethics as central warrant for research').

(1) The essence of this viewpoint is that the researcher should strive at correctness and flawlessness of the research, and he/she, neither in the process nor in the analysis, nor even with the results should inflict hurts to the participants. In order to ensure this, the researcher should 'run certain respect rounds', meet certain research-technique requirement suitably reflect on these at the end of the research process. The certain professional institutions should as well formulate these requirements in compulsory ethical codices and consider them in front of research-ethical committees. This interpretation – that is to proceed in every point of research ethically, conscientiously, honestly, transparently, according to my best knowledge, without anyway hurting those affected (mentally, emotionally), avoiding doing any harm – all this I considered as a basic minimum in all of my research.

- In all the phases of the research it was fundamental to ensure the voluntariness of participation. It meant on one hand that the participants at any phase were allowed to step out of the research but within the certain cycles they were also allowed to decide not to take part in a certain reflection or action. It 's evident that as the groups developed, there was some group pressure on the participation (that is for example, some hints at possibly better or more entertaining programs instead of participating in a research meeting,) but this never became a formal pressure or obligation in case of group 'B'. The real voluntariness of participants became questionable really in case of group 'A': it was really doubted by members of group if they had a real chance to quit and not to take part (however much I emphasized possibility to step out and asked HR managers for this, too.) All in all both research projects 'kept within' the participants – but it is a general and considerable dilemma in co-operative inquiry projects in corporation, how could initiating researchers keep up real voluntariness in a long run.
- I strove to fully and in great detail inform participants about theme, process and possible outcome of the research in the invitation to the research at the first meeting. I tried to give a total view about the time and energy consuming quality of the research, its principles, the possible outcome and asked for their permission to use the data. They got information about analyse made by me, their conclusions and they had a chance to reflect on them. It belongs to the total picture that in group 'A' they reflected only in a workshop.
- I considered total anonymity and protection of the participants important on two levels: on one hand according to our mutual consent the members of the research group didn't give out any information about happenings in the group (or only with the consent of others). On the other hand my undertaking was that with the results of my

research or in possible publications neither persons, nor organizations could be identifiable. (Neither if it raises questions of trust and credibility and cause problems in certain academic publications.)

- During the research I strove at methodological, cognitive-emotional and political empowerment and involvement, according to my hopes we created such a democratic power-free communicative space where personal and group learning came about alike. In both groups, though, it was characteristic that there were decisive people and there were some less 'devoted', that is participation was less balanced, on the verbal level and practical level alike. It is wondered whether one can balance this uneven level of contribution. As an initiating researcher I strove in both groups that everybody should speak out in this simplest way to 'give around' the word according to my proposal and at decision-making I strove at listening to everyone's opinion. But apart from this I didn't force anyone: all in all I let all this for the group norms shaped meanwhile and for the organically developed group roles, the participation deficiencies they put to word. A participant in group 'B' even commented on this saying: *'It occurred to me several times that it would be damn difficult to get out of this. And may you ever tell at all that you don't like something like this…whereas I may decide any time to be bored by this and not to come any more and so may others, except you…' (Imre)*

- The research data are open for each member for further analysis. This has significance especially in case of group 'B' – this group is considering possibility of joint publication too. I didn't make my own research diary public though, after long consideration – I felt some things written could hurt the members of the research and I considered this viewpoint to be more important. Though the members didn't write an account, this doesn't cause informational asymmetry. It yet caused a little tension for myself that I kept some of my thoughts, impressions to myself. In research diary I wrote 'about' them, not 'with' them. I tried to ease this tension of mine by often giving them a feedback like this: after the last meeting I was wondering…'

- It was important for me that being the initiating researcher I have responsibility that nobody should be hurt. Members of group 'A' knew one another well, so here I had to rather control myself that my critical subjectivity should not be felt as teasing and getting at them, or I shouldn't ignore anyone. In group 'B' especially at the beginning of the research there were hot debates (and conflicts, especially between two co-researchers: but they were resolved later (it covered the „storming' phase of group formation – and also the other members abated them).

Keeping these viewpoints in mind, running the compulsory rounds is still far from being enough: for a researcher taking criteria of being ethical seriously, it interweaves his/her research (Brewis and Wray-Bliss, 2008:1528).

(2) This is leading us to the enlarged interpretation of ethics. This interpretation – besides the previously mentioned viewpoints – is paying attention to the participants of the research. The research is considered ethical, if the participants are able to make their voice heard so that questions concerning them and their interests should not be marginalized,

and the initiating researcher shouldn't dominate and silence them either. This ethical commitment (which goes against silencing, marginalizing of research 'subjects') turns up already at the choice of theme too: it is a question too how much the academic or (as a counterpoint) exclusively business interests should be focussed on? Whose interest has the main focus: is it exclusive (e.g. only the management, whose problems, questions are researched), or there are other influencing stakeholders and the plurality of interests?

Considering these serious methodological and conceptual questions, some doubts and difficulties turned up from my part. As the two research projects are parts of my dissertation, it was I who picked the subject matter of the research, so it reflects basically my interests. Built on my curiosity I was seeking for the co-researchers, two research groups interested – if the joining in and participation was really voluntary (see Chapter 4.6) – then the interest in this subject had been imminent in them too, though the theme didn't come from them, not in an organic way. In creating research questions they had more freedom, so in both research projects it was the group themselves that decided on questions. This in case of research 'B' was a lengthy, tiring interpretation and bargaining period consisting of several phases: only in this way we could achieve that the question should be suitable for everyone. The participants in research 'A' wanted that I should directly tell them the questions: it was hard to get them to formulate their own questions. Based on those experiences it's a methodological-ethical dilemma how to make the stakeholders to share honestly what they would like to do right at the beginning of the research? If, for certain reasons they are unable to do so, how is it worth helping them in this (without using my role of leader or expert, and further strengthening my 'possessing the knowledge' role)? And if the real motivation and interest are not made explicit how can the initiating researcher ensure them not to be excluded and silenced?

By joining this interpretation during the research we continually strove at concerting interests (continual time arrangement, actions) and continually reflected on methodological and content elements, flexibly shaping them to personal feedback and according to common decisions. Especially in research 'B' it worked well where members of the research were in continual e-mail contact between meetings too.

From the point of view of 'identifying silences' the general ignoring of the topic of ethics is also an exciting question. Based on my literature review and also after my own experiences, the topic of research and HRM ethics are really exciting, such dilemmas are covered with silence in Hungary, both in academic and business discussions. Invitation of HRM experts, who are persons every day experiencing such dilemmas, often forced to act, too, is rationally defendable and an option promising results. But it's still a question whether they are the really affected (i.g. marginalized) group in this field? In group 'B' we made a step outwards and involved the voice of some representatives of other fields, too, into the research but far from every group whose interests could play a part in HR management. The real dilemmas of my future researches are how to ensure these groups to make their voice heard? It's a similarly serious dilemma – turning to a third interpretation – whether under the influence of researches something happened on a group, organizational or even society level.

(3) In the most extended sense of the ethical quality of research the researcher and research are really committed to the direction of positive changes for those participating. This interpretation is unambiguously in line with co-operative inquiry, which out of its premises is committed to pulling down asymmetry between researcher and one 'researched' and so creating knowledge both in theory and practice. Within this framework the research and the researcher cooperate democratically and in a close and positive contact and it can bring results for every participant and so generate real changes. In my research the basic target was that learning of participants come true – on many levels. All in all we identified individual and group learning points as well as changed thought patterns. If only in the scope of two little groups, but a discourse got going in the topic, which through the participants can appear in 7 organizations and can develop further, bringing changes in everyday practice as well as organizational culture.

But still a question with how much change could the initiating researcher be satisfied? Could we get behind learning and change the real 'silences'? A similar dilemma was and at the same time is a learning point – the trap of 'achievement-centeredness'. On several occasions we felt that we could be much more 'efficient', we could as well find fuller answers if somebody 'told ahead the things' (and not concerting everything in a long process, in cases waiting as long as everybody should contribute? But I wonder whether the aim (answers to questions, exploration, achieving real changes) or the means (democratic, power-free process) is that matters, is more important? We voted for the option of the latter in our two researches. But the question is still open: whether there could be a sufficient or optimal level of democracy in a co-operative inquiry?

5. Analyses of the two research projects

In the following part I am going to present two of my co-operative inquiry projects. Each of them has independent history of their own: while I was working on my thesis I was confronted with the dilemma whether I should deal with them together or separately. In the end I made a compromise: in Chapter 4 I ventured to present together the methodological background and characteristic features. As for showing the results of the research projects I opted for the application of a 'hybrid' solution: in the present chapter (Chapter 5) both research results are dealt with separately but along the same logical line. In Chapter 6, however, content-related and methodological learning points will be summed up along a chain of thought that goes through each research issue relying on results provided by both sources of research. Here, I will also point at the possible relevance of research results. A number of documents supporting the better understanding of research processes and results may be found in the Appendix.

At the presentation of the research projects I had to make two, personally important decisions. First, I had to decide how much space should be given to 'story-telling' about the researches, or instead, I ought to confine myself to concentrate on study points. Owing to size limitations, eventually, and with a bit of heartache, I had to restrict myself to analyses. Yet, I felt it necessary to give a brief explanation at the beginning of each chapter about my 'settling in' the group and to outline the process of research as well. On the other hand – not independently from the previous decision – I also had to make a choice about whether I should build analyses around focal points I thought important or I should apply a chronological order (concentrating on development aspect). Finally, I chose the first approach but at the end of both analyses I give a brief report on the development the research group made. Reflecting on my completed analyses, co-researchers themselves voiced their demand for such a report: *'For me, little comes through of the development we made....' (Nóra)*

So in this chapter I present the two research projects side by side. Relying on the interpretations of co-researchers I outline the process of research (adding some details to Chapter 4), sum up relevant expectations, motivations, the underlying research issues and the definition of the ethical framework. On the basis of all these I show a few content-related interpretations, learning points.

5.1. Corporate research group (research group 'A'): results, interpretations, reflections, conclusion

Group 'A' consisted of the members of the HR unit of a bank and me as an initiating researcher. On the basis of previous arrangements we worked together in 7 cycles, between May and December 2011. Talks on the research project were held every 2-3 weeks (once we had a 5-week pause). In most cases we met during working hours in a conference room at the company premises. Actions were carried out partly during and

partly after working hours. Table 5 shows the process of research project, the topics of the meetings and the brief description of actions.

Group 'A'	Focus and topics	Action (and the nature of action)
1	Introduction. My own approach to the topic, a brief introductory presentation, setting up the framework for research. Establishment and clarifying of individual and group commitments, sharing of expectations.	Each member forms his/her own questions on the research project (individual action).
2	Sharing and collecting the formed questions, determining the focus of research. Listing of possible actions, finalization of the research plan.	Watching movie 'Teambuilding' together (group action).
3	Discussion on the film 'Teambuilding'. What does ethics and HRM ethics mean? Setting up a common ethical framework.	Collection and analysis of cases with personal ethical relevance (individual action).
4	Analysis of cases with the help of a collective problem-solving practice (brief introduction to problem-solving methodology). Arrangements for next action.	Making an interview with a person involved in an ethically interesting case (individual action). Carrying out actions prescribed during case solving (individual and paired action).
5	Contrasting the results of interviews, reflections. Analysis of cases with the help of a collective problem-solving practice. Arrangements for next action.	Participation in and observation of ethical code workshops of the corporation (individual and paired action). Carrying out of actions prescribed during case analysis (individual and paired action).
6	Reflections upon experiences gained in ethical code workshops. Analysis of cases with the help of a collective problem-solving practice. Looking back and collective reflections on initial research questions.	Analysis of written materials produced by ethical code workshops (individual action).
7	Reflection on written materials produced by ethical code workshops. Discussion on the roles of trade unions and employee champion role. Discussion on the problem of Loyalty Regulations of the corporation.	Analysis of Loyalty Regulations on the basis of previously agreed aspects (individual action).
8	Interpretations of Loyalty Regulations. Conclusion. Reflection on the content and methodology-related parts of the research.	Reading and commenting the completed analysis of mine.
	Presentation of the completed analysis – debate and reflections.	

Table 5: Meetings and actions of Group 'A'

The results I am going to present here are clearly related to the context in which the group was formed: it was me who called on them as an initiating researcher interested in the topic and not vice versa. With the exception of the HRM leader I was a complete unknown to them. Consequently, the initial phase was marked by a touch of uncertainty, and a smaller measure of interest (towards HRM ethics and co-operative methodology as well). Later on, it had gradually turned into a definite commitment to the topic and a confidence in me – a co-researcher. The resulting personal cooperation has remained alive even after the conclusion of the project and we have asked support from each other on several issues ever since. When we talk about the development the group has made we have to mention various points. We must emphasize the advancement in the knowledge of the topic, the enhanced commitment, the actual changes of HR functioning, the formation of high quality communicative space and – last but not least – the acceptance and inclusion of my person by the group.

5.1.1. Expectations and motivation

The majority of expectations concerning the research process included thinking together in a sincere atmosphere, collective problem-solving processes, 'speak-out' situations, common understanding based on shared experiences, a deeper comprehension and the development of one-another. Some of the co-researchers have come up with specific expectations e.g. the forming of a common ethical framework (done at the third meeting) or they searched answers for specific questions on the organizational level (e.g. to what extent should HRM ethics be present at the organisational level?) or on personal level (e.g. how much should a HRM expert serve as an example for ethical conduct?) We came back to these issues at the collection of research questions.'*...Let's try to make a common framework of reference in which we'd be able to support one-another. Of course, we'd peep out of this framework sometimes knowing that we have actually peeped out of it, just to make sure the we're still going the same direction.' (Zita)*

An important aspect, which came up as early as setting up expectations was that they were quite wary of difficulties in making ethical definitions...*'It's rather difficult for me to define ethical terms so I can't really come up with expectations, maybe just on the level of personal feelings. I think if we gather some cases together, then we can find a kind of common denominator as a result. So, perhaps a bit of case analysis and through this we might get closer to one-another and to the topic as well. We might get to a common understanding of the thing. For me it'll probably remain at a self-assessment level but later on these talks may lead to some organisational outcome as well.' (Nóra).* This doubtful approach echoes Brinkmann's dilemma (2002, 2009): whose ethics is it anyway? Does it belong to the realms of academics or to the man on the street facing ethical problems day by day?

Participants felt it interesting and exciting to cooperate in accumulating new knowledge and to get acquainted with the theory and practice of research methodology.

As emblematic figures of the business world they have often been 'subjected' to earlier research projects. Obviously, they perceived the significance of this project and their role as co-researchers in it, therefore, they did not back off it. Nevertheless, uncertainty, and doubt also became clearly apparent: several members of the research group felt the topic hard to grasp. They were doubtful whether the group would be able to go beyond the self-assessment level and achieve organisational changes (i.e. generate practical knowledge and skills). *'HR ethics itself is something which has very elastic terms and definitions, so it involves quite difficult philosophical issues... in its own right...hard to define, grasp, interpret. Plus, if you combine it with this methodological thing, for me, well, it's a little bit...huh, I really can't tell which way to go…' (Nóra)*

Interestingly enough, the criteria for efficiency, productivity and the result-orientation clearly appeared – and stayed with us all through the end – as a direct expectation towards the work of the research group, and indirectly, towards HRM operations in general. *„So I think the topic is interesting but very complex. And since for me efficiency is always an important aspect, I'm deeply concerned what will come out of this. Anyway, putting our heads together has always proved very fruitful so I think, at least on a personal level, lots of thoughts will be formed which will then be put to good use both at work and in our private lives too.' (Zita)*

At the initial phase of our work my co-researchers did not include practical, 'usable' knowledge in their expectations. Consequently, it came as a 'real success' when in our last actions we dealt with real-life, current issues with organisational relevance (ethical code workshops, Loyalty Regulations). These, of course (could have) led to 'organisational changes'. Here we achieved 'palpable' results, thus, time on research work had been well-spent and justified.

Apart from this, we encountered the recurrent dilemma of whether practical knowledge is legitimate and valuable from a scientific point of view. Or rather, the real worth of the research, in the end, can only be embodied and measured by the generated theoretical, propositional knowledge. Even if we grant either option, one further question remains: can a research group like ours with non-academic background produce valid knowledge? (In other words, do they really have a legitimate authorization for this role, or, in the end, will they be no more than 'guinea pigs' and I would be the one who 'produce new knowledge'). Definitely and recurrently, the group expected the easing of this kind of insecurity from me, they wanted me (the initiating researcher) to provide emotional support and take the responsibility. *'It would be nice if you told us now which way to go so that we could head for that direction. I think we have dealt with lots of minor issues and if you could just orientate us, we'd pool our efforts behind you...' (Andrea)*

Even at the initial phase of the research the group confirmed that in practice moral muteness is a common phenomenon. Taking into account declared ethical aspects in decision-making is not customary in either the HRM profession in general or at a specific organisational level. Although HRM organisations occasionally touch upon certain ethical issues when making a specific decision (e.g. on issues of reasonability, fair treatment and protection of employees' rights) definite representation has been missing. *„I've bee working in this profession for 26 years, and for 15 years as a HRM manager but I don't*

think I've ever dealt with such ethical issues in an independent, constructively thinking way. I've always been interested, as I have a quite solid set of values which I 've always thought to be ethical. The most important challenge for me was how to put through this within the organisation, either by influencing my colleagues or motivate them to do the same with others. So I've believed it very important that at least in the organisation where I work people should behave ethically in most cases.' (Zsófi) Looking from this angle – even the starting point of the research, the forming of questions made some changes. Earlier, the dimension of 'ethical conduct' had been unvoiced, in many cases unperceived, unconscious and unidentified in organisational discourse. *„It's a good thing because if we talk about these things in groups one thought induces another thought. To give a personal example, I haven't yet thought about it like this but now that we've talked about it ...As I see it, this topic, well, it's a very-very good topic and however 'soft' it might look now it must be present in the organisation. I think since HRM has become strategic HRM we have also been thinking about it like that. It will show the way ahead…' (Andrea)*

5.1.2. The collection of research questions

Putting research questions into their final form had been proceeded by a long discussion in which individual questions were interpreted together, and finally we collected the questions in two main groups focusing on both individual and organisational levels (initial questions can be found in the Appendix).

One focal point of questions at the individual level referred to **the interaction between individual and organisational ethics**. This basically reflected the issue of 'bad apples or bad basket' – well-known from business ethics literature (Trevino and Youngblood, 1990). Several group members found themselves confronted with the following dilemma: to what extent and how can HRM experts make their individual ethics felt at organisational level? How much can they represent the conscience of the corporation – or act as its moral champion, even when they happen to be outside of HRM department (Greenwood 2002)? *„O.K., let me take it a bit further, it's just fine when we influence one-another, all right, but when you have a specific case...what can we personally do about it, could ever our own ethical approach come through? Or is it rather up to the management or the individual to decide? So, to put it bluntly, how can HRM, or my own ethical approach make a real difference?' (Zita)* As the other side of the coin the question arises: in what ways can organisational ethics (or the lack of it) influence or regulate individual or HRM ethics? Later, when we were discussing role morality, we arrived back to this point.

Another critical issue at individual level was **credibility towards employees**. Can we talk about ethical HRM conduct when employees perceive the contrary (or at least, that is what they say)? HRM professionals, in the same situation, might feel that they have really done their best. But what does it exactly mean that in a given case 'they have really done their best'? These questions clearly reflected the contradictions of the self-definition of the HRM profession (e.g. which is the most important HRM role? Who

should we represent first and foremost in a given case? What is the chief responsibility of HRM? To what extent is it obligatory or possible to care for employees?). Furthermore, they had also called attention to the considerable emotional embeddedness of HRM operations. HRM decisions seriously affect employees' lives. In a given situation HRM managers and their moral stance are seldom judged on rational or objective grounds, but rather, in an emotionally biased way that comes complete with people's own, subjective filters. *„So, how can I or how should I sustain my individual credibility when I have to face personal reactions? Well, I'm not sure if they see our occasional disagreement, when I, as a HRM professional, for example, don't agree with the management over a decision, but since they are the employers, their will must be done and what I can do here is perhaps... to make it less sore for the employee. And yet I mustn't give it away to the person involved who would obviously experience it as unethical treatment, and care little about ethics beyond. So, in the aftermath of all this, how could I still be credible to the other employees, when news are spreading, how I manage to keep up, even seemingly, credibility and ethical conduct when people have very different experiences.' (Nóra)* And what should credibility and ethical conduct mean in general and in the long run for the HRM representatives? (Credibility, as experienced by involved people in a company proved to be a basic dilemma in 'B' research, consequently, it became an important point as well.)

Even in this phase it became apparent that the interpretation and explanation of questions often induce experiences and dilemmas of past and current cases, which contributed to the importance and significance of experiential learning. On the other hand, question marks concerning the interpretation of ethics and ethical behaviour had appeared again – making it necessary to create a common framework of reference.

Among the organisational level questions two focal points can be identified. On one hand the question arises whether and in what ways ethics, in this case HRM ethics, can support business strategy, organisational efficiency and profitable operation. How does HRM ethics appear in the role of strategic partner? Frankly, is there a fundamental contradiction between the criteria for profitability and ethical behaviour? When encountering this issue the fundamentally different preconceptions of co-researchers were palpably felt. One group felt that HRM 'ethics could pay' as it may support company strategy and enhance profitability (thus reflecting the well-known concept of strategic or instrumental ethics). Another party believed that HRM's role would rather involve a balancing, counter-point, 'slowing down', brake function. In a certain situation it may even have to counteract profitability when it has to stands up for ethical conduct. *„For me it's basically company versus HRM ethics where the company represents efficiency and profitability whereas we represent human beings, fair-treatment and some other trifle things.' (Zita)*

The other focal point centered around ethical expectations of organisational parties (employees, trade unions, management, etc.) from HRM. During the research this issue had brought up a controversial situation. Due to moral muteness co-researchers had little knowledge about HRM's role as a moral champion – as expected by other organisational parties. But when opportunity came at the 2nd action to ask about ideas and expectations

directly from their colleagues – they basically backed off. Although their moral standards induced in them an inner feeling of responsibility and also the desire to fulfill the role of 'moral champion' they were still wary of 'institutionalising' this responsibility and, in an exposed situation like that, they were cautious of extreme ethical expectations on the part of employees (or those 'tricksters' who would probably abuse them).

As early as we began to form research questions, interaction and entwining between the two levels of HRM ethics (individual and organisational) became obvious: *„I'm sure this meta-level ethical behaviour in its turn will affect the individual level again, so you see, there's a continuous interaction going on between them.' (Zsófi).* It was still difficult to tackle issues concerning HRM's specific position (that fits in between individual and company levels). Group members professed that understanding was perfect within their organisation, they all had the same set of values and an identical way of thinking about ethical issues. When – in this one case – I ventured to take the stance of an outsider and challenged this 'uniformity' the t group 'closed up' and denied even (potential) differences. In forming their opinions first person singular 'I messages' had suddenly been switched to the plural form: '*„because we don't feel any conflict here ...we said that... as we don't perceive differences between individual and HRM departmental levels. In fact, we feel these values are the same for everybody.' (Andrea).* When dealing with the issue of uniformity it appeared that the HRM leader definitely prescribes and forms ethical interpretations for the other members to follow but at the same time acts as an emblematic figure to outsiders as well. An important point had been made when this internally and externally decisive role (moral reference status) had been actually declared. In retrospect, the methodological decision (detailed in Chapter 4) to keep the leader inside the group proved to be right.

5.1.3. What does ethics mean individually and in a HRM role? Discovering ethical pluralism

In the 2nd and 3rd cycles the research group dealt with the meaning of ethics, especially HRM ethics and tried to create a common interpretation. This demand was already made at the initial meeting reflecting on and justifying in practice Greenwood's proposition (2002) that the definition of an ethical framework is fundamental and indispensable in such research projects (though Greenwood says several projects have neglected it). The group did not endeavor to produce a scientifically impeccable, all-round definition but a common ground that everybody can identify with and is feasible in practice.

- The harmonization of involved interests and individual/organisational values is an important element of HRM ethics.
- HRM ethics is based on consideration for justice, fair treatment and human dignity with the acceptance of faults and weaknesses on the part of other human beings.
- HRM ethics involves representation and responsibility and – as the case may be – responsible persuasion.
- The essence of HRM ethics is to find the best possible solution in every case, which

should then produce an acceptable outcome for all involved parties.

Besides the need for a common interpretation, contradictory opinions had also surfaced: tension had been basically caused by contrasting views based on duty ethics, virtue and consequence ethics. The above notion is well illustrated by the following extract (at the end of an originally much longer discussion):

> *„Flóra: For me, ethics is about values.*
>
> *Zita: Well, I'd rather say it's something you do.*
>
> *Andrea: I think it's a set of values, which, in fact, should then prescribe what you do.*
>
> *Nóra: I don't think so. The thing is... Zita was probably right when she brought up this example...when you have a set of values all right.. which you'd like to tell them about, and no,...in the end... you don't. So your actions are not motivated by your set of values. Real ethical conduct is probably something you do. The rest is nothing but excuses, explaining and self-justification.*

It's interesting to note that from this point the research group did not move on towards the issue of moral integrity. A similar discussion emerged about compliance with rules and the ethics of making exemptions: at this point they put forward several characteristic situations (e.g. differentiating in pay rises, financing training programs, pension benefits, differentiating among dismissal packages), in which conflicting views and arguments concerning fair treatment, justice and equality both on an abstract, theoretical and on a practical, everyday level. This, again, clearly proved the entwined nature of different levels of HRM ethics and the relevance of these issues to current situations.

> *„Nóra: If there is a rule, you shouldn't make exemptions and say this person is allowed to do this but that one isn't.*
> *Zita: But sometimes you must make exemptions, because of, say, reasons of fair treatment.*
> *Flóra: Let's admit that in quite a lot of cases we don't make exemptions because reasons of fair treatment.*
> *Andrea: Well, I think both sides are right. In certain cases, because of strategy, we don't make differences.*
> *Zita: Or let's take the case of leaving with mutual agreement: conditions can be totally different... in an other case ... even better for the employee, it's not unethical at all.*
> *Nóra: No, but if you don't grant the same better conditions for the other employees, well, I believe that's unethical.*
> *Flóra: To my mind the point is that we should provide things for everybody on the same principles. And then, within that framework you may have exemptions, in the things we've just mentioned you may be ethical or unethical as the case may be.*
> *Nóra: And here is this 'equality' thing: a real 'hot potato' we don't dare to touch or*

to speak out... but let's just try. I think it's definitely part of ethical behaviour and the stuff you hear about why you should make exemptions and this whole drooling is just self-justification. Of course you try to do your best on a professional basis and you want to measure up all aspects, to find balance, but still, ...in the end...I'm not sure... '

At this point an interesting phenomenon of group dynamics emerged. When we were trying to define the concept of ethics, and I hinted at potential differences of opinion among group members, they got scared and began to deny or trivialize those differences. Suddenly they all closed up and held together: the supposition that they are not uniform in their way of thinking and may have different ethical principles made them back off or shift responsibility. To their mind a different way of thinking meant weakness and inconsequent behaviour. *„ To display unity to the outside world is a very important factor and I think we try to go along this common principle. Of course individuals' reactions may be different, according to their own personality or to how they themselves experience things. Obviously, they may react differently, but, on the whole, we try to follow these basic principles rationally and* **carry out** *HRM operations on common grounds.' (Zita)*

But what does uniformity actually mean and how can ethical diversity and ethical pluralism make sense in practice? When coming to collective case solutions and reflections we discovered that diversity within the group, different emphases and arguments proved to be a substantial driving force in finding (alternative) solutions to ethical problems. First, group members became conscious of apparent but so far undeclared roles and special point of views (employee vs. employer-centeredness, rational vs. emotional approach). Then they realised that differences in ethical definitions (e.g. rule ethics vs. consequence ethics) and the ensuing diversity may not only yield a higher level of ethical sensitivity and help in the interpretation of specific cases but it may support mutual and group-level development as well. As another significant result it must also be mentioned that group members faced and critically reflected upon their own and others' roles and points of view, and in this way they also developed a new alertness to critical reflection.

While credibility on both individual and organisational levels continued to be of paramount importance for them, they as a small community began to sense the possible power of ethical pluralism. Put in a professional and social perspective it may be supposed that the mixed educational and training structure of the HRM profession in Hungary, plus the wide diversity of background knowledge on the part of HRM-professionals (psychology, economics, education, law, engineering, science) may actually contribute to the ethical development of the discipline of HRM.

With regards to interest harmonization the group discovered its own limits as a moral champion: on the whole, they represented and supported employees who turned to them in an exemplary way, (going well over the average level of the usual unitarist employer focus). However, those who ask for direct help generally play key roles in the company or in their department: either because of their professional skills, formal or informal importance or because they are well-known, honored or liked. But what will

happen to those who are weak, out of sight, strategically unimportant and do not even dare to speak out when they are confronted with unethical conduct? It remained open how they could really use the channels of representation too? How they should be instructed and encouraged to use the channels for their own profit? *„I haven't had an appeal case at my previous organisation. Performance evaluation was done in the good old Hungarian way. And then one day these Dutch people come up to me and ask: Ok, now could you tell us about the appeal procedures you've had recently? What? Appeal procedures??? ...Yeah..., they're fine, just fine, thank you very much. Well, since then I've absolutely identified with their approach. In each and every case there must be some kind of appeal forum where people could go to if an interest has been hurt or a case has been unfairly treated. But what can you make of it? Look, in this company employees have been granted the right to file a case of appeal for about 15 years and there has never, ever been one single case. And what could I do?' (Zsófi)*

5.1.4. The power of collective problem-solving

During the seven cycles of the research we dealt with altogether 15 specific, current and past cases in varying details. (A brief summary of them can be found in the Appendix.) When tackling past and present cases it was exciting to see how the same case was now approached with a different perspective, i.e. with the application of currently legitimized ethical aspects. (Again: should we go for uniformity or diversity?) On some occasion we basically used Williams's (1997) problem-solving method. In the first step the „owner' of the problem briefly outlined the situation adding his/her thoughts, feelings, reflections and dilemmas. In the second step the group came up with 'loosely-knitted' ideas and suggestions for solution, even completely flung off from organisational limits and routines or even – from reality. At this stage these suggestions had not yet been criticized or evaluated. In the next step we evaluated them, reflected upon the situations and the possible outcomes with due emphasis on ethical aspects. Then the problem-owner chose the solutions she deemed best and carried them out (as an individual or paired action) in the period between two meetings. At the next discussion first the owner and then group members reflected on the experiences gained and the outcomes of different alternatives. In one group of these cases HRM experts directly or indirectly encountered ethically questionable company or management practice: during the problem-solving process the main focus – apart from interpretation and understanding – was on taking possible actions. In another group of cases the question was closely connected to a specific HRM operation. Sometimes a given HRM decision (or decision-making situation) served as the starting point for a dilemma. (See Chapter 6 for potential case patterns.)

The collective problem-solving process clearly gave group members a feeling of success both in the actual problem-solving phase and also in the phase of making reflections. Here I must also mention that these pre-arranged actions were relatively small-scale, yet surprisingly complex ones (i.e. they involved many participants and little could be foreseen of the way these actions would actually affect them, not to mention the emotional bias). Generally, the actions were carried out successfully. On one hand, this

experience of success gave the group energy for further operations. On the other hand, this kind of case processing method combined theory with practical experience and feasibility. Thus, the group acquired a useful, long-term device for problem-solving. The application of critical self-reflection also helped to understand ourselves and the presented situations.

Case processing also gave opportunity for the **boosting and development of moral imagination.** The applied steps in the problem-solving process (defining the situation, thoughts, feelings, dilemmas) could be definitely linked to the specific phases in the concept of moral imagination (Werhane 1999, 2005), e.g. moral alertness, critical reframing, applying universal morality, creative imagination and moral memory. To illustrate this, in Table 6 I briefly show a specific problem-solving process. In each phase I indicate the group's answers, interpretations or those suggestions, questions and astonishing revelations that go beyond the usual framework.

The following case was brought in by two participants and was processed in 4th cycle.

The case: Mária is on maternity leave working four hours a day at Department 'Z'. She applied for an internal position at the Accountancy Department. After several talks and interviews she became short-listed and was offered the job. HRM issued a wage offer for the position but she refused it saying it was lower than her current wages. Mária, who does not have a very good reputation within the organisation, got very offended at the wage offer and complained of unfair treatment.

Our own questions relating to the appropriate phase of moral imagination	Answers, interpretations and actions *(Questions going beyond the usual framework in italics)*
Moral alertness: Distancing from the given situation. Recognizing and identifying related moral expectations, aspects and conceptual patterns.	
Is there an ethical problem at all? How can I tell?	Mária is dissatisfied and accusing HRM with unfair treatment; members of HRM are disturbed and dissatisfied too. It is ethical problem (too).
What kind if ethical decision-making points could be identified?	The three identified decision-making points: 1. Issuing (lower than current) wage offer. 2. Treatment of employee dissatisfaction. 3. Can HRM suggest she should accept the offer and look for an external job at the same time? (Limits of HRM role, loyalty)
What kind of ethical principles stood behind the past/actual decisions made?	1. Internal fair treatment (considering the value of the position). 2. Favour for the applicant on maternity leave. 3. Transparency in recruitment process.
How explicit were these points made in the process?	We referred to existing internal policies and not to ethical principles. *(Comment: Why not? Is it sure the employee knows what those principles in the policies mean?*
Who were the main involved parties?	Mária, Mária's present manager, the head of the Accountancy Department, HRM *(Comment: Mária's colleagues are also involved – what do they think of the*

	case?)
What were the parties' (ethical) expectations? (How much do we know about it and how much is just supposition? Were they mentioned in the process?)	Mária expected to get the best possible offer, (*comment: is this an ethical expectation?*) but we don't know anything about the other parties. Probably they expect fair treatment and transparency.
What kind of mental models, pictures may be identified in the process (on the part of HRM and other involved parties)?	HRM (ourselves) on Mária: she is a narrow-minded, selfish employee who has caused trouble before. HRM on itself: members of HR department are caring and sensible, are committed to fair treatment, with special regards for employees on maternity leave. Mária's manager on Mária: they say Mária has had trouble before, that is to say she's a problematic employee. (*Comment: The manager might be new with no personal experiences.*)
Is there an accepted script, protocol within HRM for similar cases?	There is a protocol for internal recruitment with special regard for employees on maternity leave. We usually have a talk with unsuccessful applicants – not necessarily touching reasons for failure. (*Comment: we should pay more attention to this.*) We deal with employee dissatisfaction if we are directly faced with it (formal channels are available too). We would like to find a solution acceptable to all parties.
On what basic principles or presumptions?	Everyone is aware of the basic principles of the internal recruitment process and the channels of interest representation. (*Comment: it is important to realise that is a presumption.*)
Critical reframing: Critical approach to and reframing of the situation and expectations. Evaluation of direct alternative aspects, mental models and protocols.	
Which expectations of involved parties may be considered realistic or unrealistic? If we think they are unrealistic – on what grounds?	Her wages should not be lower – this is a realistic expectation. The perception that she got devalued because of child-bearing is unrealistic. *Comment on our own attitude: in this case we haven't considered fully her situation. Neither has she received fair treatment in all aspects from her former and present manager. This should be changed.*
What alternative aspects are available in this situation?	From the employee's point of view previous experiences are also important (*we didn't know them in detail*): in the period before maternity leave she had not been promoted (though she would have felt it justified). For years she hadn't had any feedback from TÉR (a performance

	evaluation system). On maternity leave the company had largely ignored her.
	From the head of the Accountancy Department: even if she had accepted the lower offer she would remain demotivated all the same. *(Comment: it's important that previous experience come to light – they help to form a sharper picture of Mária.)*
	Other employees: How much do they perceive of our 'young mother -friendly' attitude?
	Mária's present manager: He/she is disappointed that Mária stays with the company. *(Comment: But what's exactly wrong with Mária?)*
What alternative decisions could have been made? What are the possible options now?	1. Dissuade her from applying in the first place, reject her application or offer same-wage offer 2. Encourage her to apply for all possible posts/talk to her about future plans, encourage external job seeking/involve her in a rotation program.

Universal morality: the application of everyday (or private life role) morality to the current situation/role

What kind of everyday moral principles could be applied?	*Treat other, as you would like to be treated….*
	Maximum care.
	Must avoid hurting at all costs.
What would I recommend to a friend in her shoes outside the workplace? What would I expect and do in her place? Why?	Accept the offer, make the most of it and prove your ability.
	Accept the offer and look for something outside the company.
	Accept the offer, make inquiries within the company, ask for help from HRM.
	Sit down for a talk with the present manager and try to find out what the problem is (perhaps in the presence of HRM).

Creative imagination: developing fresh interpretations, projecting new solutions with the inclusion of several new aspects, defining alternative expectations.

What possible solutions may arise in the light of new interpretations?	How about modifying the wage offer afterwards?
	HRM leader should talk to Maria and they could deal with the situation together. HRM leader should talk to other involved leaders.
	HRM expert in charge should talk the whole process over with Maria clarifying what has happened and explain basic principles.

	Talk to present manager – try to clear away prejudices.
Taking into account the aspects of all involved parties – which one could be the most ethical? To what extent would it be acceptable for each party?	Wage offer modification afterwards is not an acceptable option but (1) the situation should be clarified with all involved parties. (2) Open a new blank page for the employee. This, perhaps, is acceptable to each party. Transparency ought to be interpreted in a wider sense – including solutions.
Moral memory and development, discovering potential links with similar cases. Rethinking and changing traditional solutions and rules.	
What kind of learning points can the case offer on an individual and organisational level? What changes might be worth considering in the operation of the organisation (internal recruitment, performance evaluation)?	Transparent and clear wording in internal recruitment process. Detailed reference from previous manager in the internal application process. Coaching, tracking and support for 'losers'. Reconsidering 'Young Mother Policy'. Revision of performance evaluation system, strengthening feedback from managers.

Table 6: The development of moral imagination in the problem-solving process

Problem-solving of specific cases in relation to **moral imagination** proved to be important for several reasons:

(1) The fact that we solved problems in a group allowed members to share their own personal bits of information. The differing interpretations of individuals were surfaced and confronted. Questioning and critical alertness became an inherent part of this collective problem-solving process.

(2) A difference could be felt between the quality of newly achieved solution(s) and the usual routine-actions suggested before case analysis. According to later feedback by group members, more parties were considered, new, fresh starting points and aspects appeared. Compared to previous practice other time stretches had also been considered, in a more holistic way. Going beyond specific cases they also prepared suggestions for changes general organisational operations. As one of them put it: *„A rotation case we solved together has become a real success story in the organization...' (Nóra)*

(3) The phase concerning **moral memory** was especially exciting. The solving of the previously mentioned case led to specific actions which – on the basis of the group's perception – provided a more ethical solution for the employee and brought relief for the HRM group as well. In addition, they made decisions about introducing more general changes, which may raise ethical standards for procedures and decision-making in the future. **In conclusion, we may say that collective decision-making based on theoretical discussion can result in specific changes not just in a given case but also in a longer**

term even at company level, going well beyond the borders of HRM's department.

5.1.5. The (unavoidable) role morality of HRM roles

The research group drew a sad picture of modern workplaces including the ethical nature of HRM operations. Members agreed that companies in Hungary today are mostly amoral and alienating organisations where the individuals' conscience and ethics are suppressed or deformed. *„Ethics, as an inherent part of human behaviour, has no price in the workplace, because in many cases people's own existence is in danger. If, for example, I pop up my head on one side, then I'm bound to be 'hammered' on the other side so there's not much space for ethics. So, basically, HRM is quite at a loss in an environment where these ethical things are stifled.' (Zsófi)*

Usually, employees have to behave in a way the organisation expects them to do. Their own ethical views must be suppressed and adapted to the – declared or hidden – expectations of the organisation. As a natural condition of existence at the workplace people are confined to their specific roles. Similarly, HRM professionals have to work under compulsion. *„You see, company operation is strongly affected by profitability and economic growth. And here let's just go back to Andrea's question about the interaction between business strategy and ethics. It's coming up, really, more and more. And where does HRM managers fit in all this? How much are they able to adapt? And how much can they split up their own personality? When I go in – I tell lies but when come out I give my true self.' (Nóra)*

When talking about HRM's role in the larger organisation context, strong words were used even by those members who thought role-playing was unavoidable. I am still unsure whether this reflected real or imaginary group pressure (after all, we were doing a research on ethical issues) or constituted a real dilemma for them? *„The other thing is how much sacrifice are you yourself willing to make? ... What comes next? Will you sell yourself, will you give your name to something you know might not be OK?' (Hédi)* Could this be regarded as a 'transaction' or – using Ackers's words (2009) – can we say that HRM sells its conscience for money? *„So we're faced with this dilemma...at least that's how I see it... how much can you exonerate yourself for those 8 hours when you're actually making money? And that money can only be earned like this, if you adapt yourself to an existing ethical environment.' (Zita)*

To a certain extent society itself is skeptical about HRM ethics. This kind of perception was confirmed by the viewing and the subsequent reflections on a Hungarian-German film called „Teambuilding'. In the film a multinational company organises a training session. The aim is not quite clear. By using manipulative means participants are subjected to pointless and humiliating tasks. *„I was kind of thinking...that you see more and more films like this these days. Society has realized that this profession ought to be a bit restrained. They should look into the mirror because...they go a bit too far.' (Zsófi)* Although they do not have a similar kind of training in their company's training and development system, group members expressed the need for setting clear objectives for

responsible training and development programs as fundamental criteria for ethics. This was then linked to the issue of individual ethics as well: *„How far do I go in less risky situations, how much do I stand up for my own opinion, represent ethics, moral values, my own opinion? I began to watch myself and found myself in an interesting situation...Once we had a training, which, to my mind, didn't really hit the mark or met our expectations. When we were talking privately, basically everybody agreed on this but when it came to giving feedback to the advisors everybody kept quiet including me... There's obviously not so much at stake here like in this story but it was quite interesting for me, personally, to experience it like that and ask myself how I behave in similar situations.' (Nóra)*

Nevertheless, the perception and interpretation of role morality in HRM roles showed basic differences among group members. It counted as an important turning point when we began to discuss taboo questions, e.g.: how much do you have to actually 'play' a role? What does it mean? To what extent? Several participants naturalized HRM role morality for themselves and then, after a while, they tend to ignore it. For others it means continuous task to cope with, angst and tension in everyday life. Let us take the following dialogue as an illustration:

Flóra: Well, it's another thing that I do certain things in a certain role because my organisation, work environment or whatever requires me to do so. All the same, I then tell them my own ethically grounded opinion on the matter. And now you may have an idea about what really bugs me only because I tell you. I tell you that it's kind of killing me when I see others do it otherwise. And I don't think I'm an other person privately. See? That's all there is to it.

Zsófi: Flóra is interpreting and actually explaining her moral views but acts differently.

Flóra: Right, and that's obviously tied up to a role. Or not absolutely differently, but yes, it does happen sometimes that I act differently. To me, it's tied up to a role...but I won't be at odds with myself, I don't give up my ethical principles. I think to myself: sure it's a heap of bullshit but it must be done all the same.

Nóra: So your acts are not motivated by your set of values. Real ethics, in the end, is probably about what you do. The rest is just finding excuses, explanation and self-justification.

The group concluded that to a certain extent they are able to shape and influence their environment as individuals or – even better – as a group. There is no need to adapt to real or imaginary organisational expectations or to certain managers' unethical behaviour. But what exactly is their responsibility in shaping organisational culture and work environment? They were rather unsure about what kind of 'ethical' means and tactics might be used to achieve ethical behaviour. Andrea summed up the actual solution of one of the case discussed in the following way: *„This is a success story – you just needed to manipulate a bit, behind the scenes.'* But how far can HRM go and what means can it use when it influences or perhaps manipulates managers and employees to achieve a more ethical organisational culture and atmosphere? Both responsibility and the levels of 'influencing ability' remained recurrent and unfinished issues. *„For me HRM means*

influencing and convincing people. I mean we shouldn't just ignore cases that we know are unethical. Since HRM has a role in shaping company operation we shouldn't just ignore cases with ethical dilemmas.' (Zita)

5.1.6. Easing moral muteness

Although at the beginning of the project group members affirmed that moral muteness was an existing phenomenon, they felt that they had always applied ethical aspects within their organisation – only they had not labeled them as such. At the second meeting I, as an initiating researcher, suggested that – as an outward action – they could make interviews on HRM ethics with other parties in the organisation. This led to a heated rejection by the group: they felt this action would be taken as interfering in confidential matters of the organisation and backed off. In this phase the group preferred to adopt an introverted stance, so, instead, we went on to watch the film called „Teambuilding' (which, in the end, proved to be a relieving, harmless, 'no risk' way-out for everybody). Perhaps this small community was not mature enough or rather, as one of them put it, they still lacked the necessary 'confidence in ethics' (moral courage?) to dare to move outside. At this phase HRM's dependent position and political embeddedness became obvious too: they felt they would give potential grounds for counter-attack if they formed a definite opinion on ethics to the outside world:

> *„Zita: Well, to tell the truth, I actually prefer to see the film because I don't feel it so risky.*
> *Ráhel: So you'd feel the other thing risky?*
> *Zita: Well, yes, because I'd feel it an intrusion when you in a 'l'art pour l'art ' way just walk up to someone and say: Hey, listen, let's sit down for a minute and talk about ethics in HRM practices.*
> *Nóra: OK. Now, let me tell you about my perception too. I walk up to him/her and challenge him/her on this or that decision he/she made as a manager. At the same time he keeps whimpering that yes, personally speaking he knows how terrible it is...And now I come up to him/her with this topic to make him/her feel ashamed. Huh,... can you feel the burden of all this now?*
> *Zita: ... and he will ask you why are you so interested, thinking I must have been sent on a special mission... to try to do something... So I think it's a bit...anyway, I don't feel much confident, either.'*

One cycle later one of the participants brought up the idea of making action again. By this time the group had overcome their initial fear and was ready to open up and move out to talk to involved stakeholders. This way they themselves did something to ease moral muteness, although, reflections after these actions revealed they had carefully selected interviewees to talk about moral expectations from HRM. Generally, they chose people with whom they have a close and direct relationship. At any rate, as an initiating researcher I also had to learn my lesson about the importance of keeping pace with

carrying out actions and honoring participants' sensitivity (see Chapter 6).

But what can we make of the phenomenon of moral muteness? This issue came up when they made reflections upon the first version of the analysis. If we regard moral muteness as a negative concept, what should we do about it in a company environment? As Zita put it: *„To my mind the difference between moral muteness at work and at home is that at work you must accept moral muteness, to safeguard your existence, to keep your position. In private life there is not much at stake. For me moral muteness means adapting to a company culture. In private life you don't necessarily live up to your own expectations. So I see such differences, because at home there's not much risk. But if you begin to turn up the heat at work... for example you say that this or that decision is unethical and you, as an employee, bring it up in ethics committee, there is a danger that your manager will retaliate – as it happens to be his/her decision. It's a rather risky business, I'm afraid.'*

5.1.7. Does the role of moral champion exist? (And what could it mean?)

Related to the previous topic we dealt with involved stakeholders' – especially managers' – ethical expectations from HRM. According to the findings in the last issue of 'Human Mirror': *'Management regards HRM most markedly as a strategic partner with some of the role of employee champions. Well ... it's not so much an expectation they make but the way things are actually experienced already.' (Nóra)*

But with what kind of ethical expectations may management turn to HRM? In the interpretation of co-researchers such expectations – even if they exist – are not, or scarcely declared openly or they probably remain confidential between the HR leader and the general manager.

The majority of management reacts in a passive way: they listen, and in certain cases accept the aspects and arguments HRM says. Then they reflect (or do not reflect) on these proposals. *„The financial manager only wants me to reinforce his/her position, then I'm just a spanner in the works. Or – he/she tells me what he's/she going to do but he/she doesn't expect me to speak, but still, I do. Then he/she listens. Nobody tells me to speak, it's always a kind of game you play when I tell them what I think about ethics and fair treatment, they always listen to what I say and they always expect me to make my comments...' (Zita)*

Even as a justification of conscience-related difficulties (Ulrich and Beatty, 2001) co-researchers confirmed that playing these games and roles make them feel rather uncomfortable. In the eyes of management this kind of HRM activity is far from positive, in most cases it's a nuisance, a spanner in the works. *'… Positive role? No way! I just annoyed him/her when I brought up aspects and pointed at policies he/she didn't want because these things meant a hindrance to his/her larger-scale ideas about higher performance or whatever. A nuisance... If you cannot fire somebody in one day but have to go through a proper procedure with perhaps putting in some negotiations, well, this is definitely a real hindrance.' (Zsófi).*

Another delicate question for group members was how to strike the right balance, i.e. how far can they go in ethical negotiations? What are other stakeholders' perceptions of such practices? *'So, you know when I … let's suppose... when I act ethically, they say I'm putting them wise and what on earth do I want with these trade unionist ideas. So it's not that easy. In some cases they say I want to scrutinize the leaders' way of thinking when I tell him/her listen, you haven't thought of this or that. If you're thinking of doing this or that, it will lead to the following consequences. Of course a lot depends on style and vehemence. All in all, if you deal with a more sensitive leader it might be a wrong step. But if you get through, next time it'll be easier.' (Zita)* It is important to note here that the term 'trade unionist' has a definitely negative connotation both in the current organisational context and in a broader sense, in Hungarian society. It is associated mostly with a problematic, fussy, selfish figure with no real support to rely on. The question is how long, with whom and in what ways do HRM professionals accept this label.

Yet there are also exemplary cases when point of views of the HR department may become accepted and adopted in company practice. One might wonder how often does the term 'ethics' actually appear? How much effort should be made to 'sell' or make more 'consumable' those ethical aspects? *'... If I asked people if they wanted ethical aspects, they'd probably say no thank you because they think they act ethically in the first place. But if I say look, these aspects make it easier for you to dismiss somebody or deal better with a difficult situation of a human being, then they say yes. So I believe it doesn't become articulate that in a given situation you're being ethical or no. Rather, you'd just say: look, I have to deal with difficult human situations but if you help me I can solve them better, it'll be easier to reach my objectives.' (Zita)* This again brings up the question of manipulation. On the other hand, it is still questionable whether this kind of indirect presence can in the long run contribute to ethics in the organisation? Although HRM represents ethical aspects in its practice, but keeps silence, so in essence, it legitimizes moral muteness (i.e. ethical aspects fail to appear in a direct, openly declared manner).

5.1.8. HRM and employees: what does interest representation mean and how far can it go?

During the research several stories had been told about how employees 'abused' the goodwill of HRM-people, how they didn't appreciate efforts made on their behalf and, in a given case, how they even tried to deceive co-researchers. *'I think employees are able to put on a very good show and can fake distress damn' well. As soon as they leave your room they say goodbye to distress. They are perfect role-players knowing pretty well they must influence you, to make you do what they want. I don't believe in such distressing situations myself but I cannot really tell or detect if this chap is really miserable or just faking it for me.' (Zsófi)*

And what should HRM professionals do in situations when they feel employees' reactions and behaviour are unfair? Commenting on an internal job application of a young mother one HRM manager put it like this: *„Due to HRM initiatives management had*

accepted that being a young mother is to be considered a value. And that it must be protected and we should try at least to give her some kind of support. She acknowledges it but doesn't regard it a value in any way. Value, for her, is granting the best conditions, best wages, the most favorable...and here, of course, you have a conflict of interests, I mean, how much can we serve an attitude like that? Then she went to extremes saying harsh words about becoming devalued just because of giving birth to a baby. She didn't want to understand anything.'

The picture they drew of the 'selfish trickster employee' had been definitely sharpened in the second phase of the project. It was suggested that perhaps HRM itself might have failed to make a realistic assessment of some situation, did not (fully) understand the employee side, proper communication might have been lacking and, in the first place, why should an employee feel it necessary to 'play tricks' at all? Existing presumptions became definitely questioned at this point. We managed to consider several aspects on each side, which again may contribute to the challenging of existing mental models and the development of moral imagination.

The perception of trade unions' activities had also changed. Initially, they drew a rather negative picture of them (projecting it to the whole trade unionist world in Hungary). *„Petty deals at all levels, I say, petty deals. It's all about who to give a little money....' (Nóra)* Trade unions do not represent employees, they much rather deal with fictional problems and fragmented interests *„...Let me add just this one: currently, the most important issue for the trade union leader in collective bargaining is the uniform of the armed security guards! It's about the right socks, anoraks and boots which are – at last – 'in' again but why on earth had they been 'out' when he told them clearly boots must be 'in'? So you see, mostly it's about his/her personal background, network of contacts, whatever. And when it comes to very conceptual issues and discussing large-scale things, ah, forget it.' (Nóra)* A new option for employee champion role in this situation might be the doing without trade unions and the introduction of genuine and regular dialogue with employees (the organisation has had several road-shows, social consultations of this kind in the past few years). But can we really say trade unions are hopeless? Commenting on this, co-researchers managed to identify a 'new generation' within trade union-movement which may perhaps reframe their operations and might be built upon in the future. *„Two years ago X and Z got in, but seriously, you should start thinking of proper names. These guys are the real 'opinion bosses', but they're still new. Now the one who really dares to speak out is X. After all, I'm not so dissatisfied with them...' (Zsófi)*

5.1.9. The responsibility of business education and HRM training

The decisive role of business higher education had surfaced directly or indirectly during the research. It was interesting to note that employers' aspects were most markedly represented by the two economist members of the group and they were also the ones who brought in efficiency and profitability rhetoric in the discourse. Supposedly, present day Hungarian business higher education is characterized by this way of thinking. The 'ars poetica' of a co-researcher: *„Well, I'm an economist myself and maybe I can identify with the things Zsófi has said. I also have or first I had this approach to HRM based on*

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profitability and efficiency, frameworks and structures. And I can say it was a rather strong approach...' (Zita)

Yet, as the project evolved, they managed to adopt a critical approach to their own deep-rooted views and mental models too. In a sense, the critical approach to business education targeted macro-level HRM as well and the organisation as an individualistic, strictly self-centered and profit-oriented body. According to participants, Hungarian university courses – largely based on American business school curriculum – do not by all means endorse ethical behaviour. *„There's a perception about Business and Economic Science Departments that the former serves doing business and has a lower esteem in society because doing business obviously involves business considerations while economic sciences tend to give more focus on the country as a whole and are less interested in business considerations since it concentrates rather on the development of the whole country and nation... Talking about universities... I just wanted to add this because now I see this difference and I can feel it on my own skin too.' (Zsófi)*

5.1.10. Conclusion – the progress and future of the research group

According to their own evaluation the HRM organisational research group had gone a long way in the seven cycles. After the initial phase of showing cautious personal interest they eventually realised ethical aspects are important and legitimate and wanted to integrate them in their daily and strategic operations as well. *„ These talks we've had sends – in essence – the great, big, all-important message that we should make this aspect real in our everyday operations. And you should take up responsibility and representation of these things and yes, these issues are rather complex.' (Zsófi).* Of course they had only made the first steps on this 'Marathon' distance. Change may be perceived in the individuals' way of thinking and also at the organisational level but it remains to be seen whether these practices and acquired empirical knowledge have permanent or quickly fading effects in everyday life, in medium or longer time stretches. How much are they willing or able to support and develop one-another and the organisation?

Three months after the project ended we met again to discuss and reflect upon the first version of the analysis I had made. On this occasion the group definitely stated that they regard learning and development as the most important results which fundamentally changed their HRM operations. *„Since we talked together about these things I've always had this kind of self-reflection: is it all right ethically or no? So this is something that's come about for good, it has become conscious... Now ethical aspects appear in every decision, they are present both in our individual and shared way of thinking.' (Andrea)*

Interpretations led to several new questions that have to be answered in further cycles or in other research projects. Considering group dynamics in the seven cycles, it may be supposed that perhaps in another project they will give up their position of a closely-knitted and self-protective entity and venture to share their thoughts at company or professional level as well.

On the basis of interpretations it became obvious that ethical aspects have not yet

been directly present in their HRM operations. The views and set of values of individuals – and most markedly those of the HRM leader – had been reflected indirectly in certain company policies (e.g. in that young mothers must by all means be taken back to the company) or in solving a specific problem. Yet, the rest of the HRM group felt defenseless, mostly powerless and at times clueless when they personally had to make sense of ethical behaviour i.e. how to act ethically and also how could they – in a HRM role – make others to do so.

> *„Sára: So, can we say that Zsófi is the flagship because she makes the decisions?*
> *Zita: I have other means at my disposal.*
> *Nóra: I influence people and she makes the decisions.*
> *Zsófi: I think everyone is an (ethical) flagship in their own right but with a different composition.*
> *Zita: We mustn't forget about the company context either because it influences and limits the outcome of our operations. I, as a HRM partner, cannot be as efficient...a flagship... like the HRM leader. So if you want to influence a specific manager successfully... in a long term.., you need to use different tactics.*
> *Zsófi: What I also like in Sára's approach that, in a way, you play a role in this HRM partnership thing. You then either bring in ethics openly when playing your role or you don't. It's up to you.'*

The perception of cluelessness may partly be due to unclear expectations. Neither involved parties (employees, trade unions, management, society) nor the HRM profession has definite ethical expectations; there is no lively, meaningful dialogue going on about this issue. This kind of muteness may be contrary to the managerial focus definitely endorsed by business higher education, as well as mainstream HRM and the rhetoric of efficiency and strategic partnership.

5.2. Professional research group (research group 'B'): results, interpretations, reflections and conclusion

Research Group 'B' consisted of active HRM professionals and me as initiating researcher. On the basis of previous arrangements we worked together in altogether 6 cycles, between October 2011 and April 2012. Meetings were usually held every two weeks (once with a 4-week pause) after working hours, late at night, at the university building. Actions were carried out partly in working hours partly afterwards. Table 7 shows the process of the research project, the focus of each meeting and the brief description of actions.

Meetings of Group 'B'	Focus and topic	Action (and the nature of the action)
1	Introduction. My own approach to the topic, a brief introductory presentation, setting up the framework for research. Clarification of individual and group commitments, sharing of expectations.	Everybody formulates his/her own questions (individual action).
2	Sharing and grouping of formed questions, defining focus of research. Sharing of individual preferences.	Describing 2 or 3 ethical cases from own practice (individual action).
3	Defining a common ethical framework. Finalization of research focus and plan of research. Decision-making on doing a common mini-research. Describing a research case together, forming questions, setting down minutes for interview.	Mini research: on the basis of two hypothetical cases everybody makes an interview with 3 people within the same organisation – possibly with a HRM expert, a manager and an employee (individual action).
4	Looking back and reflections on research questions, on group norms and frameworks. Sharing of research results, reflection. Collection and distribution of analysis aspects.	Analysis of mini research interviews based on definite aspects (e.g. contradictions, definition of ethics).
5	Discussion and interpretation of mini research. Reflection on our own expectations and the research process.	Further analysis of mini research. Analysis of the New Code of Labour based on previously agreed aspects (individual action).
6	Discussion and interpretation of mini research. Detailed talks on aspects concerning the New Code of Labour. Conclusion. Arrangements for further research	
	Presentation of the completed analysis – debate and reflections.	

Table 7: Meetings and actions of Group 'B'

5.2.1. Expectations and motivations

Motivations suggested by co-researchers can be put in three, organically related groups. Some of them felt a certain attraction to relate back again to an academic environment and to the opportunity to take part in a research project: *„Since I left university I've always missed this kind of academic atmosphere. These days I seem to be working in a tread-mill, as you said, I'm in the thick of it from morning till night doing current things. Otherwise, it's very interesting, there's a new challenge every day but still I would have liked to take part in something different.' (Andi).* Being in the position of a researcher and taking part actively in a research project appealed definitely to participants. A desire for getting out of the daily routine was complemented with a demand for new impulses and individual learning opportunities. They did not feel alienated from the challenge to 'accumulate knowledge'. Rather, they welcomed it as a new opportunity for learning. Apart from a personal, individual development the demand for practical use in the organisational environment had also emerged.

Another group of motivations is directly related to methodology: two participants had personal experiences about action research: *'Action research, I think, is definitely a good methodology. I'd like to get involved, I'd like to see that this kind of cooperative thinking will lead to creating something together. In my job there's also lots of thinking together but that's one thing when you're doing it as a profit-oriented activity and another thing when we're working on everybody's betterment and basically, we're trying to bring about something new.' (Kitty).* Creating something new in a democratic atmosphere meant probably the greatest attraction for them (interestingly enough, the integration of theory and practice seemed less appealing). The group had demanded to clear controversial points of methodology and to produce a practical interpretation of given principles. This proved that they had accepted the status of an equal researcher with equal responsibility. Even at an early stage of the project we had arguments about potential results and about what we exactly mean by the confidential handling of data and results. In which issues should we lay down norms and which should be left to evolve freely? **'To learn how to do research'** was an important objective for all of us, but with the exception of two participants we did not know one another. Therefore, we had to set down the methodological and content-related framework for research without knowing what we may or may not expect from the other person. I, as the initiating researcher had to face the dilemma whether I would be left to my own resources to 'keep the project together' or how much (and when) would the group itself be able to form a common set of norms and a culture for themselves.

The third group of motivations concerned the issue of HRM ethics: on the basis of personal experiences and dilemmas they felt this topic closely relevant to them. Two participants mentioned that during their postgradual studies they had met the discipline of business ethics (which underlines the significance of ethics instruction at university and the personal commitment of lecturers). *'...and it really got a hold on me when this lecturer ...the way she was thinking about ethics in general, business ethics in particular, social*

issues...the way of sharing the theories she'd met before. She was an excellent lecturer and I don't mean to say it was absolutely rare in the course but these people, kind of, stood out... ' (Zsóka)

Apart from all the above considerations, motivations and expectations concerning the content of the research were quite different. Ethical dilemmas of HRM operations are manifest in the everyday life of co-researchers. Typical dilemmas concerning recruitment, training/development, interest representation surfaced early and came back recurrently throughout. (see the cases in Appendix). The fact, however, that some of the co-researchers felt they were still novices in their career was reflected in the 'nature' of related motivations and expectations *('I still feel rather green at my job.' Kitty*). Others, on the other hand, had spent longer periods at several firms doing HRM and for them these problems are no longer merely potential but recurrent issues; they are present not only on an operative but on a 'meta' level as well: *'I had been working for big multinationals for eleven years or so ... and as a matter of fact, I quitted each time because of ethical reasons.' (Imre).* The difference in experiences and in the framing of problems generated further arguments but at the same time it contributed to learning from one another and resulted in the release of considerable energy in the group.

It became quite clear that apart from the daily strains to make ethical decisions, in the long run, unsolved ethical problems affects the individual's life and perhaps has or may have a relevance to the future of the profession itself. This aspect also had a palpable presence among motivating factors: *'What really bugs me most is that these dilemmas just keep coming and you're bound to bump into them. Unfortunately, I meet quite a lot of people who – one way or another – just quit, leave the profession saying: „Well, from now on I just can't do anything about it'. And this is not right. I'd still want to do something about it...Practically speaking HRM people have got to face these dilemmas. Once we were able to ease them, we could perhaps do a little bit to help colleagues not to give up their career. So, for me, this is the most interesting aspect in HRM ethics. You know, when you get to the point of wanting to bang your things down on the table and say: 'Look, no kidding, that's enough, tomorrow I'll hop on a plane and fly to Bali...to pick grass... or whatever!' So it happens, it can really get so bloody tough. But this, I must say, was everyday routine at nearly all of my previous workplaces and I believe this kind of thing is very very sad.' (Zsóka.)* At this point, personal involvement (as a fear from potential moral and professional burn-out or having to bear emotional burdens permanently) and professional responsibility were complemented with general ethical issues and the need to find solutions for them.

Even at an early stage the productivity, efficiency of our methodology became doubtful: *'So, it seems, we regard ethics as a philosophy. Therefore, we can talk about it... it's all very nice and we feel just fine but I wonder if we can, in the end, really get to somewhere real…' (Imre*). How shall we be able to produce results (and what do we exactly mean by 'results'? The fifth meeting had brought about one of the most important turning points of the research when – talking about our initial expectations – we also revealed our 'hidden and indirect' expectations with all the anguish that went along with them. I, as the initiating researcher felt it my personal responsibility or I 'expected' it from

myself and the group to produce 'valuable' results (e.g. 'aha' experiences, practically useful knowledge, permanent change in behaviour). But who should take responsibility for all this in a cooperative inquiry like ours? Others, at the same time, felt distress about my own result-orientation and expectations. *'I was just wondering the other day how you'd be able to get any results you can use in your PhD...' (Andi).* It came as quite a relief to have a heart-to-heart about these tensions; to face and get rid of them and to reflect on our own compulsive drive (and its reasons) to produce palpable results. This feeling of pressure had been unconscious, undeclared but always present in our talks. My own tension was solved by one of the co-researchers: *'You know, if this project wasn't important for us, we wouldn't come here to burn the midnight oil with you...' (Andi)*

5.2.2. Collecting research questions

Research questions were set down in two steps. First, we collected and interpreted individual questions (1st meeting) then in the second step we pooled them in separate groups. Finally, on the basis of consensus we picked one group (2nd meeting). The questions mostly centered around **micro level** HRM ethics (individual inner experiences of HRM professionals) and the **'mezo' leve**l (interaction between HRM ethics and organisational ethics) – although HRM's future had also emerged (See the formulation of questions in Appendix). A recurrent dilemma all through the project was how far we should go into intra-individual observations (concerning their own and other HRM people's identity, its changes in time and 'in their souls'. Or how much should we focus on HRM's external relations and interactions (and regard HRM professionals as organic parts of one or more larger entities, organisations or profession)?

One group of questions referred to **HRM activities and (internal and external) role-related expectations.** For some of the co-researchers it was a fundamental question whether the above expectations are of a solid, general nature or how much can they be taken as special or different ones – accorded with a given organisational context? Does HRM really meet the expectations of other involved stakeholders, or rather, it only responds to self-construed challenges that exist only in its own mind? *„So, what I'd really like to tackle is the pressure to adapt side of the thing. Where does it come from? Do those expectations I want to meet really exist? And what shall I do about these expectations and pressures?' (Imre)* The perpetual need to meet different demands may, in itself, generate ethical tensions and misconceptions about the role: conflicts arise between the individual's inner demands and those of external involved parties.

The issues of real or imaginary 'pressure to adapt' and the questioning of the authenticity of expectations were closely related to the individual's own self-evaluation and identity. One question referred to how can HRM professionals' self-definition, identity and ethics be influenced by the picture and demands other organisational stakeholders make of them? At this point the group members' own role-interpretations also appeared (and got into conflict): what do we think about HRM? (One of us, for example, adopted a somewhat provocative approach saying: HRM is a 'necessary evil'.) What does a HRM

role mean to us? How can it affect our self-image and the relationship to our organisations? As one of us put it: '*For me the private aspect is by far the top priority, I mean I do a HRM job because it's the best way for me to express myself. And not because I want to adapt to the 'mode of existence' of a HRM professional…' (Imre).*

The issue of HRM roles were organically linked to perceived organisational expectations: what kinds of HRM roles exist in organisational practice and what dilemmas may result from (the conflicts) of these roles? The most common themes in our talks included the questions and related dilemmas on the 'buffer' or employee champion role and on the role-pair of ruler, leader vs. executor and cooperative vs. supportive (serving, adaptive, 'serving maid') respectively. *'Do we ever act independently, can we function as partners or are we in the role of the serving maid? Or do we prefer adapting or can we get the upper hand sometimes or be treated as equals?… Or rather, we'd like to cooperate... to adapt? And when it comes to undertaking leadership and partnership – can you find already existing ethics there or are you just left to your own ethics?' (Ada)* Here, it was interesting and illuminating to note how the terms used in literature (e.g. 'strategic HRM' or the role of a 'strategic partner') could have different or modified meanings in the practice of a given organisation, although all the participants worked for multinational companies (i.e. in more or less homogenous circles). In agreement with 'Human Mirror' research, the 'buffer' role was definitely questionable from an ethical point of view but, in a similar way, the role of the 'serving maid' became also challenged (e.g. with its submission to unethical orders).

Involved stakeholders in the organisation may have various ethical expectations from HRM (due to, for example, their respective roles or organisational culture). The conflict between these demands and the HRM professional's own role-concept, self-image and expectations were of paramount importance to all co-researchers. *„You may think you are supportive but if you fail in the end ...what's the point? Personally, I very often see in it... problems of assertiveness...that loads of HRM people become servile only because HRM is a necessary evil. Now, in this time of recession anyone can see downsizing begins with HRM. Thus, you end up making compromises... just to survive, to sustain HRM but... anyway... I still think I'm in a supportive role.' (Imre)* The question is what kind of sacrifices does HRM make to fulfill its desired role? How submissive can it get and what excuses does it make to itself? Thus echoed the group Pasmora's (1999) doubts.

Another group of questions dealt with the professional aspects of HRM and the future of the HRM profession itself. Has it really evolved to be called a profession? (Can this evolution be regarded as a development or a maturing process?) What does it mean from an ethical point of view? Is there a need or demand for the compilation of a HRM Ethical Code? On the whole, the group was somewhat skeptical about the HRM profession in Hungary: *„All I can add to this is my own 'statement of mission'... that yes, it is a proper profession. Yes, HRM is a real profession in its own right, only the poor thing is still laden with blunders, trying to make the first steps. Besides, apart from the professional thing, it crossed my mind that perhaps the word 'profession' might have been replaced with 'fashion', but no, it would have hurt myself too.' (Zsóka)* But does professionalism make any positive contribution to ethics? At this point they struck up an

argument about the potential conflict between membership in an organisation and the professional role of HRM: *„I don't think I do a profession... I can give it only my personal reactions… I feel I'm a member of an organization, which knows it all, top to bottom, inside out, the balance of powers.... Of course I know a lot of HRM rules too, which the other members of the organisation don't, so in a way, yes I must say, in fact, I still I belong to HRM.' (Ada)*

HRM's self-definition and its 'professional nature' were closely related to propositions targeting its present day right to existence and to questions about its future role. *'Well, for me this cooperation or adaptation thing is also linked to its right to exist, I mean if after a while an organisation or an entity has no other job than to adapt, so after a while I think... if there is no assertiveness at all, then HRM is bound to sink down to the level of merely doing service or administration… So the real question is: cooperation or adaptation? And as a direct consequence – at least in my mind: will HRM have the right to exist? Or will it really sink down to the level of this service maid role?' (Kitty)* A further question might be: how much the ability to cooperate may affect its role of 'ethical compass'?

Professional self-definition may have importance for the future of the whole HRM profession as well: *„If I don't know who I am, what I am, what I am doing and why I am doing what I'm doing, then they'll sweep me off in a minute. Therefore, practically, that profession doesn't exist. So, if you can't define why you are there... what for... So, from then on, I really think from then on you'll hear things like: 'Look, I'll tell you what... I'll tell you who you are: you are just a chap from administration, or you must be some kind of trade union figure, right? Thanks a lot. Good bye!' So they'll tear you to pieces in a minute. At least that's how I see it. But here we are back to basics and well beyond philosophical speculations...' (Zsóka).* In the context of European and Hungarian recession that began in 2008 future dimensions were given a special emphasis. It was suggested that critical reinterpretation and a more organic integration of responsibility and ethical dimensions could indeed serve as the token for HRM's survival.

On the basis of personal priorities we finally made a common decision to choose the group of questions that focused on perception: **how does HRM see itself? How does the organisation perceive HRM? What ethical dilemmas may result? What expectations do HRM professionals perceive from other involved stakeholders when they deal with ethical dilemmas?**

5.2.3. Interpretations of ethics. Meaningful and meaningless ethical concepts

The research group had created its own definition of ethics during the 2nd and 3rd meetings. *'I think we must create a definition for ourselves by all means' (Imre)*. One possible interpretation of ethics for the group was **a preference for certain values and the submission of interests to these values.**

- A process is ethical if adherent interests are openly declared and *„interests have no priority over other aspects, say, over ethical aspects but must be subjected to*

consideration...' (Ada).

- To secure the ethical quality of a process it is absolutely necessary that each stakeholders considers all possible aspects and views (including those that go beyond negotiating parties'!)
- A decision is ethical if the consideration process, the decision-making process and the actual realisation in practice are ethical as well. Neither the end justifies the means nor the means justify the end.

This common definition of ethics emphasized that **ethics is based on the pluralism of values and interests, on the basic principles of the stakeholder theory – as opposed to the exclusive interests of shareholders and management.**

The discussions and the whole research itself had been characterized by issues of individual ethical decision-making, moral sensitivity, relationship between decision-making and the actual realization of decisions, and moral integrity (Goodpaster, 2007). The groups' discussions centered around what could HRM's responsibility be in each phase of a decision-making process? Are HRM professionals responsible for not being alert, for not taking notice of the ethical aspects of a given situation (either because of their inexperience or naivety)? How do individual, organisational and professional sets of values struggle with one another in the decision-making process? Which one has a priority and when? What happens if – owing to their lower position in organisational hierarchy – they have little influence on eventual actions? How can they still support ethics in HRM operations? „*I think HRM must take a minimum level of responsibility in the organisation so that it can get into a position where it can make decisions that do involve certain ethical aspects.' (Andi)* It was another important learning point that although the 'nature' and level of ethical problems may be different in a given organisation, industry or an organisational hierarchy – they do appear in every situation and level as an inherent part of HRM operations and require short- or long-term solutions. (Differences in industries was no new thing for the group as we already had experiences in various areas e.g. FMCG, media, energetics, transport and information technology.) The attempt to sustain moral integrity always involves making a difficult personal choice as well and this again entails the issues of inner, moral conflict, moral burn-out and the long-term survival of the profession. Zsóka's explanation about her interviewee: *'All through the interview I had this awful, funny feeling, and then, suddenly, I realized. I mean what you see on the outside of what she's doing is one thing, and what's going on in the background, that is another thing. Her inner ideas, thoughts and feelings... I've heard and seen quite a bit of her feelings, so, very often, it all goes against what her actual position or whatever requires from her. Her biggest, cosmic problem is that she's so awfully rule abiding... And when you sit down for a talk and ...although she has outbursts and says things like 'I've had enough of this firm! They're going the wrong way again!' But still, it all confirmed to me that in fact she was still so damn' rule-driven. I can imagine, she's been swallowing all there is to swallow for 5 years now, even up till now, that she always has to represent the firm's interests... So when she's giving her real self because she's just been hurt and dishes it all out – then I could see her real self, but otherwise I saw her position only and she in this position. And her, let's say, inner-conflict is that she's troubled most by her own*

obedience. I know she doesn't agree with certain things and isn't happy about what she's doing but when it comes to employing a pregnant woman or no she has to represent the firm's interests and she says no. So, what I feel in her most strongly is this kind of dual identity.' According to the interpretation of co- researchers this level of role morality is unviable and unsustainable. Yet, it should be considered: what means are still available for change – apart from quitting the organisation?

Another discussion point was whether **universal, basic principles for HRM ethics** may exist, e.g. honesty, transparency, justice, consistency, fair treatment? However, it seemed problematic whether it made any sense to lay down such general values: '*The problem here is that there is no point in talking about values without their interpretations. I mean, what is justice or fair treatment for one person might be something else for another person…' (Imre)* And what should be done if these values contradict each other in specific cases? On what grounds can we set up priorities?

Another controversial issue was the relationship between hypothetical ethical principles set forth by the HRM profession and the given organisational values. '*Organisational ethics is one thing. And if HRM ethics comply with it – that's a good thing. If happen to have you have some common points – that's still a good thing. But in most cases probably you have common points and different points. If there are fundamental differences – that's a very bad thing. If basic values are the same – you call it an 'insect bug', which means that all bugs are insects but not all insects are bugs. HRM ethics is contained in organisational ethics, their elements integrate, but organisational ethics involve many other things – not just HRM ethics…' (Zsóka)* How much can HRM represent different ethics within the same organisation? Does its role of 'ethical compass' or 'brake' exist at all?

It counted as an important revelation to see **how differently basic ethical concepts had been interpreted by organisational stakeholders.** It came out rather conspicuously in the mini research project we carried out as the 3rd action. We chose three interviewees within one organisation, possibly a HRM professional, a manager and an employee. The questions dealt with two hypothetical cases (with HRM ethical aspects). We asked them what they would do, why, what kind of ethical principles would they take into account and also, what would they expect from other involved corporate stakeholders? (See the cases and the questions in Appendix). Our basic objective was to reveal exposed ethical principles and values, to indicate the difference between exposed and followed values and to find out about the expectations of other involved parties. Most of the interviewees mentioned **honesty, equal treatment and securing equal opportunities** as the most relevant HRM principles and values. On one hand it reflected the values we too held important and declared in our own group. On the other hand it raised doubts because we felt that these were not necessarily their own answers. Rather, they may have been determined by a pressure to adapt or by the intention to say what we perhaps wanted to hear or they showed the influence of a strong organisational rhetoric. This latter critical interpretation was only confirmed by apparent contradictions and in certain cases the lack of a minimum level of moral integrity. When interviewees were asked to give answers to hypothetical cases they did not apply the ethical principles they

had indicated earlier in the same interview. Or they mentioned some of their own real cases, which did not reflect the answers they had given to our hypothetical cases. It is highly probable they do the same in real life or company practice. Let us take '**honesty**' for example: *„In these situations, for example, that we've had, the classic, open-minded and sincere communication was lacking. None of them gave the impression that they would say to a candidate: 'Look, at present we have this kind of compensation package but that'll probably change negatively. It hasn't been communicated yet internally, so I can't tell you about it just now.' None of them indicated they'd speak openly about it to a candidate…'* (Ada)

Apart from these contradictions, several interviewees were astonished at the questions asked, became insecure or apologized for their answers: *„I'm not much of a talker but I'll try to give the right answers...' (Employee No.1).* To speak openly about ethical issues meant an embarrassing experience for them: *'(the employee) left the room as if she'd been shattered. Poor thing, she got absolutely...I tried to comfort her soul by saying there were no right or wrong answers… so you see, for her, it was, kind of, devastating. Those situations... she'd never been in one.' (Ada)* These impressions confirmed in group members that there should be workshops or 'semi-official' internal training sessions where it would be possible to discuss openly such situations, the principles (or the lack of principles) behind them, giving interpretations, etc. The picture may be further sharpened by the fact that our interviewees were all white-collar people working in a multi-national environment, organisations with complete with Ethical Codes. Therefore, in all probability, they had more often been faced with ethical impulses than the average Hungarian employee.

Another notion in relation to mini research is that even the most general principles may have different meanings in the practice of the same organisation. Let us take for example the principle and interpretations of **equal treatment** in connection with the second hypothetical case involving the employment of a young mother. For one interviewee equal treatment meant providing equal opportunities, the importance of providing equal opportunities for young mothers and emphasizing her values regardless of her present condition: '*Being a young mother doesn't mean she is less valuable.' (Employee No.2).* An other employee stressed that now she is 'less useful' and may not expect special treatment because of her condition: '*If this candidate considered the for and against arguments of her employment she would herself realize the situation. A pregnant woman doesn't make profit in the long run but her long term employment involves high costs so it's not worth employing her.' (Employee No.3)* Even if interpretations of ethical principles are not necessarily different, in a specific case they may lead to different results. Still talking about the first hypothetical case concerning equal treatment and varying compensation systems the following comment was made: *'(The employee I asked) had a totally different view – from HRM colleagues' – on equal treatment. I mean, in the first situation, this employee was of the opinion that as long as there is no information available for inside people then you shouldn't say anything to outside people either and that's what he/she meant by equal treatment. HRM colleagues on the other hand...somehow they had a different take on it saying things like: chances shouldn't be*

lessened...looking at it from this 'employer branding' point of view. In other words candidates mustn't be disappointed with the company so they used the same phrases, held up the same principles but with a totally different way of thinking behind it.' (Andi)

The varying and pluralistic interpretation of values is not necessarily problematic in itself. Rather, it suggests the importance of filling up principles with the same, commonly agreed content. It may also be necessary to give them new interpretations from time to time, perhaps on the basis of a specific case. Otherwise, we shall be left with nothing but high-flowing, but empty (or at least emptying) words. This may have an important relevance to company culture which is based on company values – as illustrated by the personal experience of a co-researcher: '*When I was doing an interview for the competence glossary, one question went like this: Do you know your company values? And there was this chap from the Board who produced a little card from his wallet and began to list them to me and then I asked: 'Hey, why do you keep it on you, is it that important to you?' (We were on friendly terms.) He said: 'No, but I know there might be 2 or 3 guys like you every year who come up to me and ask about these values.' Well, so much about the importance of company values – from the other side.' (Imre)*

5.2.4. Moral muteness – make it or break it?

The group shared the precondition that the phenomenon of moral muteness in HRM-related ethical dilemmas do exist: '*Basically, I suppose quite firmly, as we've already mentioned, that in an organisational environment or even within HRM, in a given case, you just don't ask if this or that is ethical or no. We don't do that. Even if deep in your heart you might want to bring up such dimensions – but no, we just don't do that. ...' (Imre)*

But is it enough if ethical considerations appear only in your head, in the background of decision-making, merely as indirect, unvoiced dimension or aspect? Is it important to call these aspects by their proper names? Does it help to find a solution if we clarify the ethical side of the dilemma? Opinions differed on this issue – even on a theoretical level. '*I think it's a secondary thing... and nor does it matter much if she looks at it as an ethical issue or if she says to herself: Well, does this affect me ethically, morally or no? Or she might just say: 'Oh, it seems I'm forced to tell a lie.' – but she doesn't speak out about it as if it were really an ethical issue or something like that...and then...Anyway, I believe we shouldn't overemphasize this ethics thing in our research ...Really, we don't use that word much in HRM I'm afraid.'(Adri)*

It was especially interesting to reflect on ourselves on this issue: before starting the 3rd action we had not previously dealt with this question together (i.e. how much we should declare ethical aspects of the research outwardly?) and it was treated rather differently. One of the co-researcher – while she was making arrangements for the interview – made it clear she would like to talk about HRM ethical issues, while an other one did not for a minute specify the ethical focus because she was afraid her interviewees would get scared. As researchers some of us automatically adapted ourselves to moral

muteness that existed in our own respective organisations and did not by all means dare to call ethical aspects by their proper names.

In this area the group had followed two directions: on one hand we had to face the fact that managers did mention ethical aspects and arguments (e.g. humanity, fairness, 'people-centeredness' solidarity) when they were talking about the background of their decision-making. That is another question whether they actually place them before profitability when they make those decisions. (I.e. how much priority is given to ethical aspects in their 'set'?) The group, however, was somewhat puzzled at this managerial response. Neither did the employees in the mini research expect such reactions from them. One explanation might be that in reality, in the everyday life of the company these principles are not manifest (or rather, they are professed, exposed at best – but not followed). Or we, as HRM professionals (or simply employees) might be prisoners of our own mental models of a morality-free company practice and even when ethical principles *do* appear and *are f*ollowed we tend to be skeptical and take no notice of them.

Taking the other direction we also dealt with the relationship between ethics and rule-keeping. In a number of cases persuasion is much easier if one can refer to compliance with laws and regulations (and possibly hide ethical arguments behind it): *„There might be a manager who ... who can be convinced more easily if you point at certain regulations and say look, you'd go against it. The other thing is much softer, I mean if you just look at it ethics-wise, that is a much softer thing. You, as a HRM person can hardly influence a manager with that kind of thing...so that he'd actually accept it and really do something about it.' (Adri) Regulations, of course, can also be used to pass on responsibility: 'You usually have loads of regulations at a company like that and HRM people respond to ethical problems by pointing at one of those regulations...' (Imre)*

Of course it is questionable again whether one must argue by using the letter of the law or the spirit of it may suffice: what will other organisational parties accept as legitimate arguments? In a significant part of the cases legal matters had also surfaced in the background (or foreground) of ethical dilemmas. In other words, in the current Hungarian practice lawfulness does not necessarily count as a legitimate argument in all conditions. (See next point.) The Ethical Code of the organisation – as a set of rules or a potential point of reference – may support HRM arguments. Yet group members believe that if HRM wants to make long-term change and development in the organisation, it cannot keep hiding behind rules and regulations: *„So if you just want a certain short-cut solution, just to make it ethical, you can of course refer to the law and that's that but it won't show you what's going on in the manager's head – although he'll/she'll nod to it. So, if you want ethics to be reflected in company processes and people's attitude – citing laws just won't suffice. ' (Adri)*

The notions of an ethical code and moral muteness were linked together at other points as well. Moral muteness could also be eased if existing ethical institutions (e.g. an ethical code) or terms currently used in organisational culture were filled with new content. *'As a starting point of change, the positive side is that you can take the term 'equal opportunities': at least this one, they are familiar with it, they're bound to face it, partly because they have to... I'm quite sure HRM people have met this term before...but at*

least, this is something with a real meaning for everyone.' (Imre)

The group's responsibility had surfaced in another context as well. Our research work too had largely focused on the operations of big, multinational companies that in most cases also happen to be the objects of mainstream HRM research. This way, although indirectly, we contributed to the professional negligence of exiting sectors with a significant number of employees (e.g. state-owned firms, NGO-s, SME-s companies). Applying a critical approach to this aspect we might ask ourselves: are we too responsible for the asymmetric proportions on HRM and HRM ethics research? Did we too exclude those who had already been so unfairly excluded? These challenges on one hand questioned the validity of our mental models (for most of the co-researchers HRM equaled big company HRM). On the other hand it paved the way for talks on the future of HRM. One of us attached a special importance to this issue: *'I believe that in 15 years' time company size as such will change. The big HRM departments you could see building up in the past years will disappear. So, as far as I'm concerned, I prefer these dynamic, small and medium size companies... what I can get back from them – that's more important for me.' (Imre)*

5.2.5. Cases: ethics vs. unlawful practices

In the second cycle of the project we collected ethically problematic cases from our own HRM experiences. Altogether we dealt with nearly 40 cases during the whole research, which – according to the co-researchers' perception – involved ethical dilemmas. Their attachment to different HRM systems reflected the groupings of literature (Wooten).

In several of these cases one of the organisational parties tried to make the HRM expert break or evade a certain law (typical areas included taxation and job security). Although this picture is far from being representative, this phenomenon gives a rather sad picture of big company practices in Hungary mainly because generally the cases had no positive outcome: the HRM expert either gave in or quitted the company (or in a short or medium length of time he/she was dismissed). Some characteristic examples:

„From January 1ˢᵗ this year training benefit was suspended. At the end of last year they discovered there had been quite a lot of money left for this purpose but it had to be spent before the end of the year. The HRM leader had a great idea: 'Let's make a contract quickly with a training company, pay them, the job is done 'on paper' and they'll do the training later. All we need to do is to make the false training contracts with some 'participants' make them sign the false 'attendance' sheet so all there is to do is a little paper-work backing.' The HRM leader made all the other arrangements with the training company. Then he/she instructed a subordinate HRM colleague to name some employees who would be willing to make a false training contract and sign a fictious attendance sheet. And also, the colleague would have been required to do the talking with them and collect their signatures as well. The HRM colleague said no, saying he/she wouldn't like to make people forge official documents or to canvass for such practices within the company. ' (Zsóka)

„The second man of a big company wanted me to employ a foreigner with the evasion of tax regulations. I said no...' (Imre)

„Pay sheets in the company do not precisely show the number of working hours and overtime hours. It would be necessary – if only because of job security reasons – to reduce working hours and/or employ new people but management don't accept this suggestions referring to business considerations.' (Adri)

Obviously, HRM experts find it difficult to face such situations: the professional community could play a significant role in supporting the rejection of unlawful practices. If HRM experts realized their problems are by no means unique and that they do not have to walk alone, they would perhaps committed themselves to lawful practices more firmly.

5.2.6. Is there a future for HRM? And what has ethics got to do with it?

The group had a lively discussion about professional aspects and the future of HRM. This led to macro-level questions: in which direction will the world develop? Where do current social and economic trends go and what will it mean to HRM as a stakeholder in an organisation and a profession in its own right?

According to a rather critical interpretation HRM **must give up its current system-sustaining status,** get rid of applied system logic with related roles and begin to create brand new adaptive operations for itself. But this new adaptiveness must entail different kind of survival skills and compromises than the present-day focus and practice: *'One key to survival is when you really want to get on well with the management – to keep your job. The other is when you want to keep your ruling position just because you want nobody to dare to question your existence. I'd forget about these roles. Neither of them is acceptable and – to me – they have never been acceptable but they worked quite well as long as there was money for everything...Because of its (*HRM's*) ability to survive...this career may still be attractive to many. ' (Imre)* According to this interpretation HRM's future should be grounded in a kind of **purification process** from an ethical aspect as well. Instead of a 'submissive', management-oriented HRM – a creative and constructive HRM; instead of big company systems – perhaps small company solutions; instead of routine and regulations – perhaps value-based operation...

Yet it remains questionable whether the present-day Hungarian HRM profession is willing or able to change. Admittedly, the gradually deepening recession of 2008 (with its economic effects) and a modified legal environment (extra taxes on certain industries, the suspension of training and innovation benefit) definitely narrows the spectrum for HRM operations – at least currently. But what will the profession's response be to this challenge? *'How can we secure our own survival? It's an ethical issue in itself. The majority of us will think we must keep up 'status quo'. To support this they will bring in all kinds of newly-hatched theories and models. Or we'll say: OK guys, let's forget about all we've been doing so far. For me, this issue again is distantly related to ethics. So is this one and another thing too, like one of my acquaintances said the other day that those guys who have no real HRM knowledge or affinity and who have been doing things according*

to age-old routine...well, they'll be in great big trouble. For them, mainly, it'll all be an ethical problem really. Ethically speaking, we must also ask ourselves: what can we do and what should we do to keep HRM alive even after 15 years?' (Imre)

5.2.7. Tension between words and actions

At the beginning of the research project the group was bursting with energy. We would have liked to produce impressive, large-scale results – quickly. (In an early phase we encountered issues like using specific methodologies, ideas for research, how to avoid subjectivity and misrepresentation.) Regarding all this, we were making only a slow progress, as we had to tackle lengthy arrangements and arguments to get over basics, i.e. to set down an overall framework, to work out research focus and a research plan, which, in its turn, undoubtedly cooled down initial enthusiasm. These difficulties of starting-out may be explained by various motivations, different organisational backgrounds but the methodology itself with its unusual characteristics could have played a role as well. *('It gives me a thrill...that we're going so slowly.' Ada)*. There was a certain tension between the drive to reach consensus, the demand for a thorough and detailed theoretical grounding and the wish to experience action that would bring practical results and success. At our 4th meeting one co-researcher reflecting on a completed action (and on the possible lack of preparation) put it like this: '*… So, just look at all the things we've gathered on this table! From now on we'll be able to work much more efficiently and stop talking about so awfully abstract things – which, by the way, has its own legitimacy – so now we can really get going...Which way? Well, first I guess we should make a kind of span for it...but it's just 'female logic'...OK, first you make a plan...but no, let's just get started. Anyway, as for me, all I ever wanted is to get started at last.' (Ada)*

The fact that we had lengthy arguments on nearly each word and related concepts of research questions lead us to a significant discovery: the content of a specific term or a personal experience often induced new ideas. Interestingly enough, the group had little interest in finding a common solution to current problems at their workplaces (although occasionally we had a few of such cases as well). Instead, they much rather brought up various cases from their own past experiences which then were discussed together with the reinterpretation of possible ethical considerations. Keeping the focus in one direction was especially hard: '*As I said before this topic really appeals to me, I want to know practically everything about it.' (Imre)*.

Besides, when in the 3rd cycle we had to move out of the group structure and make interviews with other organisational stakeholders it caused serious problems at many levels: making an interview on a sensitive issue like ethics seemed a 'hot potato' for them with little hope for success: *„OK, I'm not telling you that it's downright dangerous but probably doomed to failure. Maybe it's alright if we just ask some questions and they say a few things. What I'm afraid of is that they'll just beat about the bush...' (Zsóka).* It may have been due to these circumstances that only half of the group managed to make the interviews on the agreed deadline. Also, there may have been content-related or

methodological reasons. One of them might have been that at the end of a previous meeting three of us had finalized the exact plan of action (with the selection of applied cases, logic of questions, forming of the questionnaire, etc.). *'As it happened the three of us put our little heads together and then we just weren't able to discuss it properly with others...I mean via internet... So I still wonder if we should plan actions that way, I mean if we if we just come up with an idea...Probably it should be much more embedded, we ought to see more how it would actually fit in a process...I don't know... Anyway, I had this feeling of remorse at the end because it seemed only the three of us had just struck up something that's fine for us, but somehow it didn't really get through to other people.'* (Ada) This situation had brought about tension both in involved and uninvolved people (*'OK, I am to blame –* 'Imre), which we then managed to resolve by the common interpretation of the happenings and by the redefinition of norms.

At the commencement of the project the group accepted and understood my role as an initiating researcher (and a simple co-researcher with equal status). *'That's quite all right ...because you see, if you always have one and the same person as a moderator – that means going one way only. Whether it's right or wrong – is irrelevant now. But it's always wrong if you go one way only. If you open up something and keep going one way only – that, I think, cannot be a right way. Besides, there's the aspect of responsibility. If you have your own task to do in it, you look at it differently.'* (Imre) Although more and more organisational and communication tasks became done by group members – demands for specific instructions and orientation became a recurrent phenomenon throughout the project: *'As far as I'm concerned It would be nice if you talked a bit more about it...What is important for you within HRM ethics?'* (Imre) Our own slow progress and 'inefficiency ' in contrast to business operations' became a recurrent theme in nearly every meeting. Consequently, we discussed how a co-operative methodology might be used in an efficiency-centered organisational environment. Or rather: does efficient co-operative inquiry make sense at all?

5.2.8. Conclusion – the development and future of the research group

The group decided to continue the research after the 6th cycle. The feeling of success in the aftermath of completed actions gave them new energy; several new proposals for further action and ideas for research are waiting to be realized. As the learning point of 6th Cycle the group set a framework for itself (in a lengthy but edifying process). After that it became prepared to open outwardly and beside its own learning points it managed to identify potential social and organisational effects. *'It's very interesting... This kind of research may really come to good. I mean, at the end of the day some interviewees might start thinking about these issues – it may get into their head...'* (Imre)

At the end of the 6th cycle we shared our thoughts on our own research. The methodology received a definitely positive feedback: *'This kind of methodology meant quite a lot to me ...The way we were able to work together with no direct leadership, no fixed objectives, which, by the way, could have been done in a democratic atmosphere it*

but no, not even that. It was really unusual. You're making a slower progress this way but several other things may turn up too... For me, it's been definitely instructive ...to see how I personally behave and act in a group like this.' (Ada)

It was also interesting to see and reflect to our differences: *'If someone has a more practical attitude and another one might be more attracted to theory, background, ideas, then the process may be or will be blocked. Sometimes I felt this kind of thing when we were trying to formulate something for a long time or with the difficulties of putting actions in practice. A theoretical-minded person may get tired of 'doing homework' drawing up practical action plans, etc. A practical person on the other hand may be puzzled at a 3-hour long brainstorming on a single definition. In a long-term research like this you may arrive at the point when it has to go one way or another. People, too, get selected and a new, more homogenous bunch gets together. If you take cooperative research, this thing might be called 'natural selection'....' (Zsóka)*

Imre and Kitty pointed at the lack of performance focus and tried to get the essence of our cooperation from this angle *'...On the other hand I thoroughly enjoy how it works. I mean I'd rather say I enjoy it not because of its usefulness. Not because it's useless but because I enjoy those rare situations in life, especially if they involve some kind of activity when you don't have to adapt to anybody or anything, no rules, no regulations. In the beginning I was scared by such 'nonsense' but one thing is sure: for example if I had been 'forced' to do those interviews, I wouldn't have done them, no way... I think we're creating value on the way even if we don't concentrate on one specific value. We're just doing it and by this process alone we are creating values... Goal-oriented, performance-focused operations can no longer make sense at all. . You can only create values if you're doing something for its own sake.' (Imre)*

On the content of the research: *'As a challenge for ethics – it meant an awful lot to me. Just like new lenses in your glasses ...we can see much sharper now. I mean we all did a lot of talking about it, we looked at dozens of cases from an ethical point of view, so it has probably come up better in our everyday life too. Or when we were analyzing some written materials...it all gave us firm stepping stones as to see how we operate as HRM people or when we are in the role of a HRM manager – what kind of hiding strategies might we use or what is it that we really take on?' (Ada).*

The group also feels responsibility for 'waking up' the professional community: in order to do this, we had gathered a number of ideas. As one next (potential) action it was suggested that at a HRM conference in the near future we should set up a HRM ethics section where theoretical and practical issues could be discussed. Another idea was going to various conferences in a mission-like manner and talk to the highest possible number of people about ethical issues either in relation to specific cases or theoretically. The idea of launching a HRM ethics blog had surfaced again. The real question, however, is whether we will be able to keep up our current impetus, persistence and engagement (along with their daily duties)? Will the co-researchers be able to become true 'ambassadors' of HRM ethics?

6. Results and conclusions

It is rather hard to summarize years of theoretical and nearly one year of intensive research work. In the following chapter I first sum up my answers to the questions I raised at the beginning of the research. These interpretations are linked to those that have been formulated in relation to the two research projects in Chapter 5. Then I share some personal methodological learning points, which complement issues dealt with in the methodology chapter (Chapter 4). Finally, I sum up how my research has contributed to already accumulated knowledge.

6.1. What does ethical HR mean? How does one make sense of ethical HRM?

When I was planning the research I relied on literature and my own previous experience: eventually created four question groups via which to try to find answers within my two research projects. Apart from exploring phenomena it was also my objective to take steps towards 'transformation' i.e. to change participants' ways of thinking, possibly the HRM operations of the involved organisations and also the organisations themselves. This emanates from the fundamental nature of participatory research and from the integration of theory and practice. When dealing with research results, I first depict the theoretical knowledge (basic concepts in Figure 6); then I go on to share practical results.
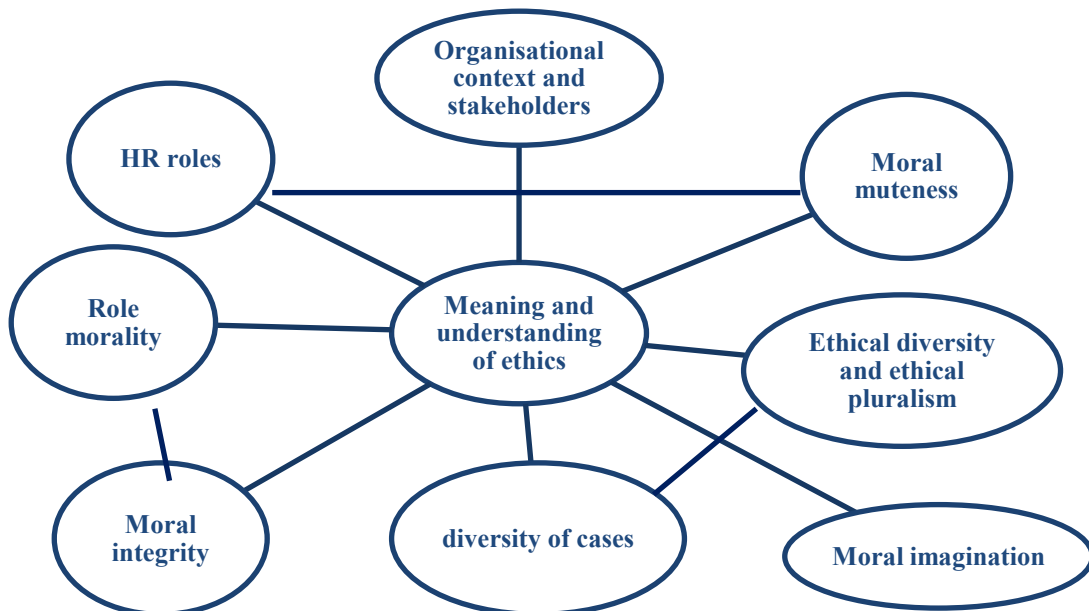
Figure 6: Mapping of main concepts

Difficulties with the formulation of an ethical framework

The formulation of the concept of ethics – or, more specifically, **HRM ethics – involved a taxing and lengthy process with both groups**; yet the participants themselves were aware of and emphasized its fundamental **importance and indispensability**. The incomprehensibility of ethical or unethical behaviour, repeated efforts to produce definitions together and the research's creative process all reflected the (analogous) story in 'The Little Prince' (Saint-Exupéry, 2011) as cited by Levinas (1999). Levinas refers to the scene where the pilot draws a lamb enclosed in a box to the Little Prince. The participants came from various backgrounds and represented different set of values. Therefore, it was rather difficult to precisely define ethical terms either individually or as group members – or to see what would we like to discover exactly (i.e. one doesn't know for sure what is inside the box one is leaning over). Nevertheless, we were confident that during this process of thinking in concert and carrying out actions together in this 'leaning over' we might eventually forge a community and make advances in unison; we could get to comprehend and experience things that individuals or outsiders simply couldn't do. The trust we had in one another, and the research project as a cooperative achievement and learning process had all become the essential element in the process. This kind of experience also became apparent in Imre's reflection on the research: *'I think we're creating value as we go along, even if we don't concentrate on one specific value. We're just doing it, and by this process alone we are creating values... Goal-oriented, performance-focused operations can no longer make sense at all.' (Imre)* The process itself and the road we were taking with all its burdens and difficulties had become as important as the goal we were heading towards – which echoes findings made by other authors (e.g. Reason and Marshall (2001), dealing with co-operative inquiry.

The challenge of **tackling ethical diversity** was a dilemma for both groups. As one learning point, Group 'A' saw that diversity in our own way of thinking is not necessarily a symptom of weakness or unethical behaviour (so there is no need to deny it or hide it behind a seemingly homogenous stance); rather, it might bring about a new opportunity to produce real ethical solutions (after giving them thorough consideration in several respects). Group 'A' co-researchers realized that if they consciously accept undeclared but existing roles, special views (employer vs. employee centeredness or rational vs. emotional attitude), differences in ethical definition (e.g. rule ethics vs. consequence ethics) and various moral arguments (e.g. relying on rules or cases) – they might attain a higher level of ethical sensitivity, which could then help in interpretations of specific cases too. This way, persons could also cultivate one another and contribute to the advancement of the group as a whole. Another significant factor is that co-researchers faced and critically reacted to other people's roles and views – so their aptitude for critical reflection was also improved. It would seem that putting critical reflection into practice may in itself get people closer to more ethical ways of operating both on individual and organisational levels.

The creation of a universally accepted definition of ethics, both at group or organisational levels, represented an important learning point for both groups. **Resulting shared interpretations along with efforts made in common in processes, common**

construction, participation and involvement all became of equal importance. In the light of this, conscious organisational development and value-centered (or commonly accepted ethics-based) organisational culture development processes may have a major significance (Orlitzky and Swanson, 2006). It remains to be seen how HRM conceives its own role, how much they are willing to take corporate conscience (Wiley, 1998, Ulrich and Beatty, 2001) or moral champion roles (Greenwood, 2007).

Problems were mostly dealt with at the **micro and mezo levels.** In the 'A' research, according to the expectations of co-researchers we focused on a given organization, on problems that might be encountered there, and on relevant individual perceptions and concerns. Here, macro level thinking appeared in 'flashes' – only making hints at the role played by business higher education and reflections on people's responsibility in the reproduction of moral-free organisational operations. In the 'B' research, the main focus was also at the level of individual perceptions and decision-making, and interactions between the individual and the organization – though the issue of the present and future sustainability of HRM (with direct reference to the current economic set-up) had appeared at the level of research questions. Such a difference may (also) be due to the composition of groups (individuals vs. members of a given organisation). A surpassing of individual micro level observations was important for two reasons. In accordance with the opinion of Wray-Bliss (2007), co-researchers declared that ethical factors had their relevance in economic organisations at micro, mezo and macro levels – and with this we took a big step towards genuine integration of ethical concerns. On the other hand, in both groups we experienced an interlocking of different levels, and it became clear that (though to different extents) everybody is in a decision-making position at his/her own level.

Breaking moral muteness

On the basis of co-researchers' personal experiences and perceptions, moral muteness is a characteristic feature of both their own organisations and the HRM profession as a whole – and its being broken will not be easy (as our own later experiences confirm). In both projects we gradually got to the stage where participants ventured to do actions (e.g. made interviews) outside the group. This meant that – openly or less openly – they made interviews on ethical issues with other involved parties in the company or they launched programs that had ethical overtones. This 'moving out' was not easy: even interested and committed co-researchers saw it as dangerous and risky to expose ethical concerns in an organisational environment and to ask direct questions about ethics. In order to act confidently they needed some previous absorption in the topic, a common interpretation of concepts, a secure background and a shared commitment, and mutual support; and they needed to build up a daring attitude so as to break down moral muteness (which occurred to differing extents and with different forcefulness.) **Moral courage** (Trevino and Weaver, 2003) leading to a breaking of moral muteness has clearly-drawn steps: (1) start talks and discussions in **a high-quality communicative space** within the group (Pataki et al., 2001), (2) take action with group members, with immediate/off-line reflections, (3) start talks outside the group, either in the organisation or at professional forums, (4) initiate action

outside the group. It should be possible to create a secure communication background within an organisation's HRM department – and using this as a starting point it may be possible to formulate and develop ethical discourse and to integrate results, in practice, on an organisational level.

An individual's ethical behaviour is basically influenced by the **moral reference group**, in which the individual seeks moral reassurance. The opinion of Jones and Ryan (1998) is that the individual forms his/her own responsibility level in the light of expectations via the reference group. Although both groups had critical comments relating to Hungarian HRM communities, they were identified as potential reference points or reference groups. In the aftermath of our research projects, one might see the viability of a professional community – a communicative environment where HRM professionals would be able to critically react to situations and get a deeper understanding of ethical problems and their roots. Consequently, they would also be able to put into question current conditions. Building on understanding and a willingness to change, they could shape their closer and wider environment in a learning process that integrates theory and practice and makes use of their own ethical framework. This reform process must start within the HRM profession and can only be successful with the voluntary and committed participation of the involved parties. It remains to be seen whether the representatives of HRM in today's Hungary have this kind of interest and commitment, though. Another intriguing question would concern the role and responsibility of the academic sphere, of HRM teachers dealing with reform procedures. Ghoshal (2005) says that today's higher education reproduces moral-free and opportunistic behavior, and it frees students from moral ties. The question arises: how can this situation be changed in the medium and long term? How might professionals obtain theoretical and practical help? A starting point for responsible HRM education would be the launching of graduate and post-graduate programs with a more thorough integration of ethical aspects and ethically questionable case studies. One practical way of using the outputs of research could be the application of more than 40 specific cases for educational purposes (with the permission of participants). Education could also have an important role to play in establishing a 'lingua franca' which would link allegedly abstract ethical concepts and terms with specific company practices (Wray-Bliss, 2007).

Some of the organisations involved in the research had ethics-related concepts for use in everyday practice and ethics-related values in their organisational culture. These concepts might be used as a starting point for ethical discourse within an organisation. As experience proved in both research projects, **even these currently used and accepted concepts may become empty and lose their meaning** (e.g. see the concepts of sincerity and equal opportunity in mini research 'B'). **In extreme cases these ethical concepts even legitimatize unethical ways of operating on the individual or organisational level.** This, again, calls attention to the ethical role of HRM – i.e. it has a far greater significance than just being a factor in shaping systems and sets of values. Major importance should be given to continual reflection, common interpretations, redefinitions and development.

Yet how can we involve organisational members in reinterpretation processes

pertaining to ethical concepts? One potential obstacle might be this moral muteness; another problem might be that the created common ethical framework – one arrived at with difficulty – might go against the 'performance-centered approach' of an organisation. There is a great risk that, instead of genuine involvement, a handful of appointed representatives (say, management and a few opinion-leader employees), with a need for quick results and efficiency, will come up with ethical definitions and pass them on to others as ready-made products. **This, however, may contribute to a 'culture of silence'** (Reason, 1994) in both the medium and long terms, while alienating people from the accumulation of knowledge (in this case from a critical interpretation of the concept of ethical behaviour) and, in a wider sense, from autonomy. Such a finding was further confirmed by thought-provoking experiences in our 'A' research, concerned with revision of the ethical code of an organisation (5th and 6th Cycles). A significant number of employees of the given company did not really want to have a say in reinterpretation of the code, had no serious comments to make and did not take part in procedures. Few of them felt it was a responsibility to make use of a genuine opportunity to participate, did not want to sacrifice time and energy to it; few saw it as their own business, that this code would be a creation coming from their cooperation. How does one address and really involve silenced and alienated groups? A so-called 'alienation from knowledge' was also conspicuous in our 'A' research, we experience it on ourselves: for at the start the co-researchers backed off from the researcher's role; it was difficult to convince them that they had 'valuable' inputs that would be of use in each phase of the process.

Genuine participation is important for another reason: with a lack of open discourse, stakeholders will be able to get little information regarding mutual expectations. A recurrent theme in the 'B' research was that involved stakeholders (including HRM) may only have a vague picture of others' ethical expectations in any specific or more general situation; then they either want to – or don't want to – respond to these imaginary or construed expectations.

A 'paradox of credibility and incredibility' was also identified in the research. From the beginning of the projects, co-researchers had great confidence in one another, in both groups. (In the 'A' research, such confidence was underlined by permission having been gained from company management to take part in research that would probably entail novel and unpredictable lesson learning via cooperative effort; or where research 'B' participants had sacrificed their free evenings to do such activity.) We shared many experiences, presented dilemmas, saw private life situations and played political or organisational 'games'. However, in perceptions of and in reflections on the outside world – and especially in discourses related to the operations of today's Hungarian companies, and social and economic processes – the most marked theme was non-credibility and lack of trust. Our research group (who 'trusted one another and wanted to make a better world') and 'present-day Hungarian reality' ('where individualism, egoism and unethical behaviour rules') contrasted drastically with each other. How could one break down that wall of silence and incredibility? How could one expand the borders of credibility and trust, and create higher level of credibility (and high level communication space) in a business organization? These may be key issues for ethically-grounded social reforms,

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too. The same question arises once more: what might be the role of the academic sphere in this process?

HRM roles

Emerging as one of the important learning points is that **there is no such thing as a minimum level of responsibility in HRM ethics or in the ethical nature of HRM operations: each and every HRM professional has to make ethical decisions.** The 'nature' of experienced dilemmas may vary depending on positions held in the hierarchy, the organisation itself or the kind of industry involved. We experienced the diversity of industry-based backgrounds: we had experiences from FMCG, the media, energy, transport, telecom – and from such 'stigmatized' areas as tobacco production or alcoholic beverages, too. Yet, in each situation and at each level, HRM operations have to face up to ethical issues and decision-making requiring short- and long-distance solutions. **Our job here is for a person to take responsibility for the provision of ethical ways of working – everybody at their own level and area.** In the phase of making subsequent reflections on the research, someone from research group 'A' put it like this: *'I think everyone is an (ethical) flagship in their own right – but with a different composition...' (Zsófi, group 'A')*

However, the role of '**ethical compass**' and '**moral champion**' is neither simple nor rewarding – and this proved to be a basic finding in both groups. The dilemma may be interpreted at several levels: does this kind of responsibility really exist and, if so, where is the source of such expectations? Society increasingly wants HRM to meet ethical requirements – though the same kind of expectations and requirements from organisational stakeholders are not so definite or structured.

Secondly, the question may arise: **If HRM does not adopt the role of 'moral champion' – who will**? Let us see a tough opinion on this: *'In a company context it is only HRM which is able to represent humanity and ethics. Several managers give it the right to do this. But whether the manager has to take these aspects into account and how openly is it declared is another question! It's not a HRM task to make a manager's wishes accepted –rather, it has to be prepared for fighting, because if you bring in ethical aspects, you'll get conflict situations and clashes. HRM should be able to have courage... This should be declared institutionally, and it should say that it is its mission to bring in those ethical factors....' (Zsófi, group 'A')*

Thirdly, what could this role mean? On one hand, HRM may adopt the role of the moral **champion who plays with open, revealed cards**, trying to directly represent and legitimize this aspect. On the other hand, it may take on the role of **orientating compass, one which exerts influence from in the background** and has the talent to 'sell' ethics (under the label of economic necessity, investing in the future, employee branding, lawfulness, humanity), where, in an indirect and continuous way, it can get more and more ethical operations within the organisation. A similar pattern (champion vs. 'éminence grise', see Bokor et al., 2005 and 2010) appears in the general role concept of HRM too, though it is especially vivid in connection with ethical issues. Even people who are unsure about practical implementations attach great importance to such roles.

Tense, complex ethical controversies are also reflected in the **employee champion role**. In larger-sized organisations, working in business partner model, ethical dilemmas might be generated if a HRM professional is 'loyal' first and foremost to his/her own HRM unit. Such dilemmas will usually come interwoven with a political bias – and are created by conflicts of interest caused by power games in the organisational background. Interestingly enough, HRM – in its own perceptions – is often regarded as a means, a 'counter- weight' or 'a pawn on the chess board' that gets involved in these power games. Solutions applied in the research, critical reflection, and the developing of moral imagination all helped, in both groups, to reveal and to evaluate power games from ethical perspectives – and to try to find fresh solutions to issues.

The most characteristic question, however, concerned the **extent and intensity of employee representation.** One emerging pattern is **'keeping employees in check'**, which means laying them off, avoiding responsibility, (the occasional 'demonization ' of employees) and the general notion that employees are tricksters, thinking only about themselves, putting on fake shows, etc. This concept partly reflects the image found in 'The Human Mirror' (Bokor et al., 2005), where there is a manly combative, assertive approach – but with a difference: here, HRM acts as an outsider playing the role of a kind of referee, who blows his/her whistle when there is foul play, eliminates serious offenders – in short, who monitors the 'fairness' of the game. This interpretation confirmed the presence of the **conscience role** (see Ulrich and Beatty, 2001). Such a role is not popular in the eyes of employees – and if HRM adopts the same stance towards management, it will not be popular for them, either. A recurrent and relevant question is whether employees accept the 'referee's judgments'? How ethical do they think HRM decisions are? Supposing HRM defines this role for itself: how does *it* react if its 'judgments' are considered unethical? Another dilemma in this role concept is how much does HRM regard itself as pro-active and future-oriented? In what ways does it create linked ethical systems and frameworks? Or does it confine itself to a strictly reactive role (i.e. trying to find solutions to specific cases only)?

The other general pattern with the employee-champion role is the **supportive, coach-**role-conception. Here, HRM is 'at one's service', giving help to those who ask for it or who fall within its scope, be it a manager or employee. (This may partly go in parallel with the feminine interest-harmonizing role as identified by Bokor et al., 2005.) But what happens to those who do not dare, are unable to or are unwilling to ask for help? Or to those who are not in key positions or do not have a personal contact with HRM staff? How can we 'weave a cobweb' with which anyone who needs support *will get* support? According interpretations in both groups 'upward' communication channels in the majority of organisations work with low efficiency – if they work at all! Also, there are serious problems with the interest representation competence of trade unions (and with trade unions in general). A solution here might be existing practice at company 'A', where opinions are directly 'channeled in' through regular social consultations. This way, communicative spaces among HRM professionals, workers and employees, and management are created. Although it is not altogether free from power and dominance exercising, at least such a thing exists!

Group members drew a sad picture of amorality in present-day workplaces and of the defenselessness of employees. Seen like this, HRM representatives are – like other employees – victims. In interpretations of situations related to HRM tasks the dilemma of classic moral consistency can be identified (Whyte, 2002): are we able to harmonize our principles and actions in specific situations so as to attain **dynamic consistency**? Is it important that our moral sensitivity, the process and result of moral decision-making and our actual deeds should strictly cover or be harmonious with each other (Rest, 1986)? Especially in Research 'A' there was a distinct division between those who stressed the importance of consistency and those who accepted a lack of it. Yet **role morality and moral integrity** issues did appear (Goodpaster 2007); and do we deem it acceptable or legitimate to act differently in a HRM role in comparison with how we would act in our private lives? Or do we believe in the feasibility of a moral integrity which does not differentiate between public or private roles? Interaction between the two concepts is shown in Table 8. (Practical relationships between the two concepts still need further clarification.)

	Same principles in private life and in a HRM role (moral integrity)	**Different principles in private life _ with an HRM role (role morality, a lack of moral integrity)**
Moral principles, arguments, logics and action harmonize (consistency)	Full moral harmony	Consequent role morality
Moral principles and actions have no harmony (lack of consistency)	Disharmony of principles and actions	Moral chameleon

Table 8: Moral consistency and role morality

Co-researchers have put forth diverse ways in which to tackle the above dilemmas. Some have pointed at HRM's buffer role and defenseless position when seeking to justify (permanent or occasional) differences between their principles and actions, and a lack of consistency, thus legitimizing HRM-related role morality. Here, 'naturalization' of the phenomenon of role morality had become clearly palpable: some persons simply accepted role morality as a fact – and saw it as natural, while others described it as a struggle and a type of pain. Openly declaring the above issue came as an important turning point in both groups, i.e. when participants actually questioned the **'inalterability of conditions'** (and

also the lack of consistency and the 'embeddedness' of role morality). To our astonishment, we realized how 'imprisoned' we had become in our own misconceptions and stereotypes (in relation to amoral managers, selfish employees, good-for-nothing trade union representatives etc.), instead of thinking over current, specific cases (and making use of our own powers of moral imagination).

Role morality and a lack of consistency are worth mentioning not only because they are justified and well-grounded but also because of their individual and organisational effects. Especially in Research 'B' we saw that, on the basis of personal and shared examples, this kind of dissonance may demand. Given an unremitting inner tension, some individual people may be forced to make constant self-justifications – and this may lead to moral burn-out and an erosion of responsibility-taking (Baumann, 1993). Indeed, consistent stress may force some people to quit a given organisation or give up a career in HRM altogether. On an organisational level, however, individuals may support one another by mutual justification of role morality and via their giving up on moral integrity. The moral reference group may play an important role in this perspective as well. When HRM experts encounter role morality questions, one might ask: can they reasonably expect 'moral impulses' from their own professional reference group or other organisational party?

The issue of moral integrity (Goodpaster, 2007) has surfaced in research studies on two levels. On one part – as has been said before – **HRM experts themselves struggle with contradictions between professed and followed principles, that is, there is a tension between principles and action.** Formulation of a definition of 'ethics' has played a significant part in realization of the above notion – or, rather, discussions about whether 'ethics' are defined by principles, sets of values and/or action); all-round examination of the general, theoretical concept helped a great deal, too – something that was complemented with case solutions (where principles were declared again but were now linked to actions/consequences) and with concrete action taken (where one faces the consequences of action and can reflect on definitions). The presence or lack of moral integrity surfaced in other organisational groups, too. During the mini-research action with Group 'B' it was astonishing to see how often **interviewees went against their own professed ethical principles in practice (within the same case) or how inconclusively they behaved (between cases).**

Different cases and moral imagination

In the two research projects we had more than 40 specific cases. Some of them were processed together (a formula-routine for case solving constituted one of the major learning points of the researches). The relevance of these cases for HRM systems reflected literature groupings (Wooten, 2001) and we plan that they will be put to good use in HRM education.

As regards the structure(s) of ethical problems, certain patterns can be identified (which in all probability constitute only one component of all possible patterns):

- The HRM professional in his/her own field of operations is **faced with a dilemma or**

situation that possesses ethical relevance; an ethical challenge has to be responded to. These dilemmas appear at every hierarchical level but obviously differ when it is a HRM manager or junior specialist. In these situations, individuals often experience conflicts between ethical principles and interests ('When do I really act ethically?') or they have to choose a lesser evil (as in a case of lay-offs).

- The HRM professional **experiences an ethically questionable situation or phenomenon running in parallel with his/her own field of operations or elsewhere in the organisation.** In such situations the individual often clearly sees what the ethical solution would be, but is unsure whether he/she can act according to his/her own personal or professional judgment. The fundamental issue here is how much is it *their* business? How much can *they* have a say in it? Such cases often involve conflicts among organisational roles (e.g. organisational member vs. HRM professional). Or the old dilemma arises: **does HRM have a 'conscience' role?** And, if so, what does this mean in a given situation?

- The HRM professional is instructed to do something he/she deems ethically questionable – or is not allowed to do something he/she deems ethically necessary. A fundamental dilemma in these situations is to what extent and by what means do they resist and 'stick to' their own solution? This issue can be clearly linked to the **conflict between different role interpretations (i.e. ethical brake vs. serving maid).**

- The HRM professional does not personally face an ethical problem but another organisational stakeholders questions the ethics behind a certain HRM decision. The question here is **how much the HRM professional is able or willing to understand and shape the views of other involved parties? How clearly can they communicate their own views? And how much are they able to surpass their own pre-conceptions?**

- In this latter case it might be problematic if **organisational parties have opposing ethical views or if there are contradictory interpretations of ethical behaviour within HRM itself**. Do any of the stakeholders enjoy priority? On what grounds? Which of the different interpretations should have priority? How does one reach a consensus?

The actual practice of solving cases spanned a bridge between theory and practice. Cases we, in the research program, solved together often yielded concrete practical results – and even organisational level changes (e.g. the 'proprietor' of a given case could reassuringly close it; or by making amendments to loyalty regulations, future dilemmas could be avoided). During the case solutions **moral imagination** of co-researchers (Werhane, 1999, 2005) developed as well.

(1) By solving cases in a group, individual pieces of information were added up, clarified – and were confronted by different interpretations from other group members. Questioning and critical alertness had become a natural part of the common solution-finding process. Apart from alertness, moral sensitivity was also enhanced; our own reasoning and framework formulations had been made things persons were conscious of, and typical

answers and solutions were revised. 'Self-recognitive elements' had appeared in group 'A', not only at individual but also at the group level.

(2) Acquired solutions differed by qualitative measures from those usually routine actions suggested *before* a case analysis. On the basis of the group's retrospective evaluations, the interests of more involved stakeholders had been considered, while new, freshly proposed starting points and aspects had emerged and – in a more holistic way – other time spans had also been taken into account. Apart from given cases, suggestions for change concerning organisational operations had been made as well.

(3) Cooperative work boosted self-confidence, too: group members managed to formulate a fuller, ever more multi-faceted diagnosis in relation to a complex situation. Thus, persons had become 'armed' with the ability to transform occasionally frustrating situations.

(4) Especially memorable was the phase concerning **moral memory.** A solution to the case led to specific actions which – according to group perceptions – meant a more ethical solution to an employee's problem; and this satisfied the HRM staff. Yet beyond concrete cases people had also made decisions about changes that could endorse more ethical company processes and decisions in the future. **Conclusively –theoretically-based, common solutions, decisions may not only affect current specific situations – they can also lead to concrete, long-term changes involving the whole organization, and not just HRM itself**.

6.2. Learning, development and transformation in co-operative inquiry: how theoretical and practical knowledge is accumulated

A basic characteristic of co-operative inquiry is that researchers and non-researchers take part together in each phase of the research process. Scientific knowledge as represented by the researcher (e.g. specialized theoretical knowledge, knowledge of the theory and related practices with a qualitative methodology), and non-scientific knowledge and experiences (theoretical and practical expertise, experience, familiarity with the context) – all of these together are able to create and build up manifold, complementary and mutually-refined knowledge in line with participants' interests, goals and expectations (Stirling, 2006; Balázs, 2011). Yet how can one convince participants that *their* gained knowledge is not secondary to scientific knowledge – and that they do have a role to play in each phase of the research (and in the creation of new knowledge)? Both research projects were continually being overshadowed by participants' doubts about the 'value' and strength of various pieces of knowledge (most specifically, their own). When I look back on it as an initiating researcher – as the 'representative of scientific thought' – I realize that one of my greatest challenges was to convince group members that *their* knowledge, beyond traditional knowledge, complemented my professional skills, could create space for research and ultimately bring results. **Faith in the value of participants' own knowledge combined with an ability to create new knowledge, as a group (as opposed to alienation from knowledge i.e. the 'culture of silence', Reason, 1994), is, to my mind,**

the cornerstone of the quality and success of co-operative inquiry.

The kind of actual knowledge thus accumulated greatly depends on the nature of co-researchers' expectations and goals. A desire for learning and development had appeared among the motivations and expectations of both groups. In Group 'A', apart from the learning and development of individuals, lessons about the company's HRM organisation (i.e. the group) was also a major objective: *'Basically, we ourselves wanted to learn something we could use later...'* In group 'B', a desire for individual learning and development was the predominant factor. Learning new things about ourselves emerged in results from both groups. As Málovics et al. (2011:111) so aptly put it, such research processes were, in effect, study trips to the realms of self-recognition. Albeit to varying degrees, each individual faced their own prejudices, schemas and ideas about the outside world.

In the requirements formulated at the beginning of the research, theoretical (propositional) knowledge diverged little from practical knowledge (Heron, 1996). The most likely reason for this – especially in research group 'A', where nobody had previous experience – is that persons here could hardly imagine what might come of it or what kind of practical knowledge they could acquire. This had two important consequences: firstly, the fact that action made manifest unexpected experience (with an accumulation of knowledge) and also gave palpable results, genuine successes, freedom and released energies in the group; secondly, I, as initiating researcher, had been seriously stressed by a lack of explicit and well-prepared practical expectations on the part of co-researchers as I had ideas about the kind of practical knowledge that might be accumulated. For my part, I would have liked to support their development and to make them 'better' – while I, of course, would by no means dominate or sway the process.

Concerning the learning focus, both groups put forward content-related expectations about HRM ethics (see Table 9). Besides this, Group 'B' showed a marked interest in and curiosity about the co-operative methodology. The formulated goals were built on the objective framework of the initiating researcher, which I presented at the beginning of both research programs.

In co-operative inquiry participants create four kinds of knowledge, ones closely related to each other – and by this common support and common grounding they can help the individual or group (Gelei, 2005). Practical knowledge has primacy within research results (*primacy of practical*); and propositional knowledge (e.g. formal research reviews or publications), which has mainly been produced for academic communities, is only secondary (Heron, 1996:34). This relationship between theoretical and practical knowledge had appeared in a somewhat controversial format in both groups, as my PhD research project had been the declared objective for processes from the beginning. Therefore, in this case we can make no or little reference to the actual primacy of practical knowledge. Nevertheless, as a result of the research we may still produce practical knowledge which, in its effects (at the individual or organisational level), may go well beyond theoretical knowledge.

	Expectations, aims of co-researchers of Group 'A'			Expectations, aims of co-researchers of Group 'A'			Expectations, aims of co-researchers of initiating researcher			
	Individual	Group level	Organisational, professional, societal level	Individual	Group level	Organisational, professional, societal level	Co-researchers' individual	Group level	Organisational, professional, societal level	Individual
Theoretical knowledge HRM ethics	X	X	X	X		X	X	X	X	X
Theoretical knowledge co-operative inquiry				X			X	X		X
Practical knowledge HRM ethics		X		X			X	X	X	X
Practical knowledge co-operative inquiry				X	X		X	X	X	X

Table 9: Expectations, aims of the co-researchers

Experiential knowledge comes from shared personal experiences, meetings, action taken, talks and reflection. This kind of knowledge is based on what we have experienced, the way we have resonated to our own and other people's experiences, how we tuned in to a common wavelength and, with empathy's help, experienced and saw similarities and differences (Gelei, 2005:11). Experiential knowledge is tacit and hard to grasp. In my opinion, though, we had generated experiential knowledge – when in both research projects we created a power-free communicative space and experienced the power of discourse therein. According to Pataki et al. (2011:30-31), communication space is an arena where a community has constructive dialogue and solves problems creatively on issues that concern it. The quality of communicative space is defined by (1) the level of trust and cooperation, and (2) the strength of impulses to act. Concerning these dimensions, we managed to achieve a high level of trust and cooperation (proved by the permanently sustained relationship or, with Group 'B', a commitment to continue research). How completed projects would be able to induce further action by participants is still an open question. An important revelation here is that there is no such thing as a minimum responsibility level in HRM ethics, for everyone may strive to find (more) ethical solutions to problems within his/her own sphere of operations.

Presentational knowledge comes from and is based on experiential knowledge.

The point here is how one can express, implement and present experiential knowledge as propositional knowledge. Presentational knowledge may serve as a bridge between hard-to-grasp, tacit elements of experiential knowledge and propositional knowledge (Reason, 1994:326). This kind of knowledge is still tacit in character. The fact that we have learned to talk about ethical issues in general and specific terms, both at individual and specific organisational levels, may be regarded as an element of presentational knowledge; people acquired practical skills in being able to often express difficult feelings, ideas and concepts concerning theoretical concepts or specific situations. Experiences gained from action were shared, and we reflected critically on one another's interpretations, even if it meant taking on conflicts that may have resulted from different opinions.

According to Heron (1996), **theoretical or propositional knowledge** is 'knowledge of something', including acquired and comprehended theories, and concepts shaped by research reflection and action. This kind of differing knowledge' was rooted and validated in participants' practical or experiential knowledge. However, when we talk about theoretical knowledge, 'scientific' and 'non-scientific' knowledge appear together, complementing or confronting each other. As another dimension of theoretical knowledge, theoretical findings, as understood and formulated by individual members, and the accumulation of group 'knowledge' complemented each other. (This phenomenon was especially exciting with Group 'A', which has kept on working together.)

Theoretical knowledge accumulated in several phases of the research. Findings or revelations were often made during reflective talks under the influence of experiences gained in action. Here, theory and practice, along with individual perceptions were brought face to face. Findings were formulated during or after collective case-solving processes or at the end of the research. As an initiating researcher, I especially welcomed written or oral reactions to my own views (which contributed to the accumulation of my theoretical knowledge).

By **practical knowledge** we mean those skills and/or competences that rely on and complement the other three kinds; and by giving sense to the other three a fullness of knowledge is achieved. We can differentiate among (1) skills to do something with transformative action within the inquiry domain, (2) skills connected to collaboration used and methodology (Heron, 1996:37) (see Table 10). While in research group 'B' the main focus was on individual learning and competences (e.g. mustering up courage to openly speak about ethical concerns, practice in active participation in the cooperative inquiry), in research group 'A', apart from individual competences, new knowledge, influences and changed behavioural patterns were to be identified at both group and organisational levels. (e.g. revision and changes in internal recruitment procedures).

With reference to theoretical and practical knowledge – especially in relation to Group 'A' – **collective case solutions** played an important role in crossing the bridge between theory and practice, between theoretical knowledge and practical knowledge. We were able to 'give a try' to theoretical, abstract concepts, and we could make them concrete in a given/current situation. Suggestions for solutions were looked at from an ethical point of view, with reflections on feasibility in practice, too. We could then put the jointly-shaped and -selected solution to the test, i.e. in practice. This was followed by feedback

looking at theory – and preparation for potentially similar cases in the future.
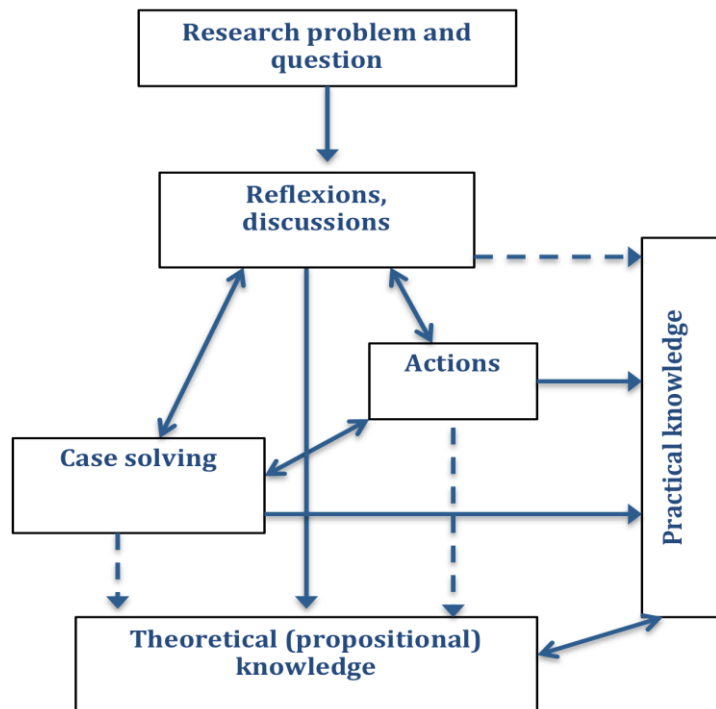
Figure 7: The accumulation of theoretical and practical knowledge

In my interpretation, theoretical and practical knowledge at individual and group levels come from three elements: (1) reflection and argument, (2) collective case solutions, (3) action taken – and this process is shown in Figure 7.

At the beginning of research, in both groups we (after lengthy argument) created a common understanding and definition of ethics, more specifically of HRM-operation ethics. This definition was then put to the test in several aspects during talks and case solutions; and at this point we immediately had to face up to the fact that even frequently 'used' theoretical concepts (e.g. fair treatment or the involvement of stakeholders) might be interpreted differently, so will possess little practical use when finding a solution to a specific issue (e.g. whose perception of fair treatment is most important? What should be done if an involved stakeholder does not want to get involved?) Here, the dilemma of theoretical (professed ethics) vs. concrete action (practiced ethics) emerged. Individual coping techniques used to tackle these differences were shared and identified – and we also faced our own individual and group-based schemes (it facilitated the improvement of self-recognition). Thirdly, during the case solution procedure, groups also confronted the diversity of factors and potential solutions, gradually recognizing the potential benefits of different approaches (employee vs. employer-centeredness, rational vs. emotional attitude, thinking with rule ethics vs. thinking with consequence ethics). Fourth, a need arose in participants to make changes in situations they had always thought to be unalterable.

This collective solving of cases – from certain perspectives – may be seen as actions carried out in 'laboratory conditions' (Kolb 1986 -type experimental phase) and, as such, they could prepare the ground for genuine action by providing participants with 'training'. Gained experiences both refined theoretical propositions and affected action taken. Some of these actions concerned the actual carrying out of decisions arrived in in the case-solution process, so direct feedback could be given on the occasion of the next reflective discussion.

Type of knowledge, outcome	Acquired knowledge or outcome (levels, predominance in research group, if any)
Practical knowledge, competency, outcome	Development of critical reflection and consciousness (individual). Development of self-recognition (individual). Knowledge of and practical skills in the case solving methodology, with integrated ethical aspects (individual and group, 'A'). Self-confidence in adopting ethical dimensions in decision-making (individual and group). Changes in regulations and protocol as a result of planned or completed, specific action based on case solutions (organizational – e.g. in research group 'A', changes in internal recruitment regulations affecting regular staff). Acquiring knowledge and experience of the co-operative inquiry (individual). How to conduct a conversation dealing with ethical issues; how to interview on this subject (individual). As a result of interviews/talks, news of the research spread, inducing talks in and about the given organisations (organisation).
Theoretical knowledge, recognition, findings, outcome	Differing aspects and experiences as channeled by group operations may be advantageous in finding ethical solutions to problems. Consequently, by the integration of ethical factors and the creation of a genuine communication space, more ethical HRM operations can be achieved. There are different interpretations of the morality of HRM's role. Long-term presence of this phenomenon may have negative effects at both individual and organisational levels. HRM ethics have no minimum responsibility level, yet the role of Moral Champion has different interpretations. The phenomenon of moral muteness exists. Explicit ethical considerations may entail risks in 'power games', but they may also enhance discourse on ethics and the formulation of ethical expectations by involved parties. With involvement-based co-operative inquiry, the *actual process* of accumulating knowledge is just as important as the resultant knowledge itself. Theoretical knowledge need not only be generated in an academic environment.

Table 10: A few examples of generated theoretical and practical knowledge (based on Heron, 1996)

Some of the activities were intended to generate direct theoretical knowledge (e.g. the result of interviews built on complex case solutions in Group 'B'), which was then individually processed and formulated. Such findings were interpreted and questioned at the group level. In the aftermath of one above-mentioned 'action' (in Group 'B'), one co-researcher made a point of different understanding and subsequent emptiness of ethical terms (e.g. equal treatment, sincerity) – which then became an important theoretical way of recognition at a group level, too. Other actions on the other hand yielded more practical results. In Group 'A', for example, a joint solution to a rotation issue – and action taken to implement the rotation program – did lead to short term changes in relevant regulations and practices. In the reflective phase, however, the same case caused arguments about contradictory ideas and practices concerning the role of interest representation, and the theoretical conclusion was reached via individual interpretations. In Table 10 one can see summarized some of the types of knowledge and changes that participants noted as a result of the research.

Both in theoretical reflections and in case solutions several preconceptions and characteristic mental models had been identified (Table 11) which were present in one or more co- researchers' thinking Some of them had been recurrent and became questioned in the aftermath of critical reflections (these are indicated in italics in the table). In accordance with Moberg's (2003) logics I think it was an important step to make conscious and reveal these characteristic mental models. Since the two research groups could hardly represent the whole professional community it would be important to reveal these mental models in wider circles.

	Group 'A'	Group 'B'
Preconceptions and mental models related to HRM and HRM ethics	*The role morality of HRM is unavoidable.* HRM itself may operate ethically but it may be risky to show it outwardly. HRM's job is to exert ethical influence, to 'fight for ethics'. *Diversity of HRM without perfect unity is the symptom of weakness.*	*HRM ethics issues exist only above a certain hierarchical level.* *In many cases HRM has no alternatives or opportunity to exert its influence.* Asking sensitive questions about HRM ethical issues is risky in an organisational context. *HRM = big company HRM* The servile, 'submissive' HRM cannot be ethical.
Preconceptions and mental models related to ethics on the part of other organisational parties	*In many cases employees are selfish, play tricks, put on fake 'performances'.* Trade unions are negligent and incompetent bodies inadequately representing employee interests. Managers make decisions on the basis of moral-free considerations. Ethical HRM operations are a burden to them. Discourse on ethics has an alienating effect on involved parties.	*Managers do not consider ethical aspects and/or do not follow them.* Legal aspects are more convincing to managers than ethical aspects. There are or may be organisational values with ethical orientation. Employees are orientated by clearly communicated ethical principles.

Table 11: Mental models as revealed by co-researchers

6.3. Methodological learning points

Concerning methodology I have gained several personal experiences in both researches. I would like to share some of them in the following parts.

Genuine involvement, getting inspired, sustaining commitment

In the methodology chapter I gave a detailed description of the efforts I had made to achieve genuine involvement and participation. But how can one elicit genuine emotive involvement, inspiration and, last but not least: how to sustain it? Whose 'job' is it anyway? We 'touched bottom' in both groups when we found it difficult to move on (in both cases it was due to longer lapses between meetings: we fell out of pace, energy levels dropped, common goals became questioned). Both groups included 'powerhouses', relations-oriented members who motivated other people. All the same, it remains to be seen how genuine inspiration can really be sustained and passed on?

Sustaining commitment may be hindered by the fact that the research process requires considerable time and energy investment from all participants. In my own case research 'A' took 7, research 'B' took 5 months and the time spent on reflections and talks alone was more than 25 hours, plus time spent on actions and individual analyses. All participants should realise and accept it as a basic requirement at the beginning of the research. **This might be the cornerstone of all co-operative inquiry but it can be especially critical in the cases of organisational co-operative inquiries where one has to establish and sustain multi-level commitment (by leaders of organisations, organisation members becoming co- researchers).**

My own role in the research

Considering my own role in the research I would like to share three essential learning points.

One basic experience for me was **giving up control.** In traditional research the researcher 'depends on' research subjects 'only' in the data collecting phase and from then on he/she is in full control. In co-operative inquiry however – if methodological and political authorization and democratic principles are taken seriously – it is the group which is in control, i.e. members take part in each phase of the research, individuals (voluntarily) decide about the continuation or discontinuation of a time and energy consuming process and about the 'quality' of participation. If in practice the initiating researcher wishes to act in the 'cooperative spirit' he/she may – as a group member – influence the process but he/she must continually watch out not to dominate the research because this would go against the original ideals. (See details in the methodology chapter). During the research I personally experienced the phenomenon labeled in literature as **'participatory paradox'**:

'a situation where action researchers aiming at the realisation of participatory and democratic values unintentionally force participatory methods they deem expedient on their partners.' (Arieli et al., 2009:275, Szombati, 2011: 75).

At certain points I had to give up control, personally experience helplessness, pressure to adapt, **powerlessness** (e.g. because the group does not carry out the action I deem most exciting or they call off the meeting owing to organisational engagements). But having to encounter and accept such challenges proved to be a learning point for me. And this has a positive side as well: as an initiating researcher I have always believed and still do that HRM ethics is an important issue, people may get genuinely inspired, carry on and commit themselves to our common research. This **basic confidence and faith in a good cause** helped me and **may help the initiating researcher to accept existing uncertainties and cope with a continuous pressure to adapt** (Vári et al., 2011:137).

Another learning point was **experiencing loneliness.** Contrarily to my previous experiences, in these two projects I had to initiate research alone without other initiating researchers. This obviously was advantageous in the sense that I could discuss my current dilemmas on the content and process of the research with group members (and in both groups genuine, strong ties had been formed). Yet, I missed the presence of a partner with whom I could share my personal interpretations or questions (e.g. the issue of powerlessness), someone by my side with whom I could have gone through experiences and make reflections together. In the given conditions **supervision** as suggested by Reason (1988) became very important to me. During the 9 months of the two research projects I had regular talks with two of my immediate colleagues with experiences in action research. We discussed the development of the projects; my own interpretations and I had the opportunity to reflect on my own role as well.

As the third learning point I had to face my **own result-centeredness and performance orientation.** Although we shared our expectations and motivations in both researches, it became clear only at the end how anxious I had been about my own expectations. Stress caused by my own PhD research played a smaller part; the greater part of my tension was due to anticipated but unexpressed expectations and the momentary satisfaction or dissatisfaction of co-researchers. I felt relieved when we openly talked about it at the end of both researches. At the same time, some of the co-researchers confided that at the bottom of their hearts they had also been anxious – about my PhD. As a personal learning point I had to realize that **the relationship between co-operative inquiry and my own performance orientedness must be clearly settled at the beginning of future researches; it must not be left untouched.** Having to face my own operations, mental models and to search for a better, more ethical approach as a researcher all contributed to the improvement of my own moral imagination.

On account of my role as a researcher I have experienced that co-operative inquiry may lay the grounds for a long-term, quality cooperation. I have kept in touch with members of both groups, sustained a high level of confidence and worked together on several occasions (e.g. in professional assistance, providing reference, advice on submitting tenders, cooperation in counseling projects). The sustained and possibly 'transforming' relationship is based on mutual interests, equality and the 'quality'

communicative space we had achieved during the research. The 'survival' of these relationships has been important for me also because I found it emotionally difficult to let them go at the end of the project.

Culture of the groups – the differing role of norms in research, divergent or convergent questions

In both groups norms had been set differently; cultures had been formulated in different directions. While in research 'A' the group's existing norms and those of the initiating researcher's and the methodology of co-operative inquiry had to be 'joined together', in research 'B' practically unknown people had to 'tune in' to one another and the research methodology. In the latter case **setting of norms took much longer time.** The interpretation of these operational principles had been recurrent during the research process, redefinitions in certain practical situations became necessary and there had been a constant demand for additions and corrections. This required a high amount of energy from the group but it seemed unavoidable. (At the same time we were able to revise again and again the 'psychological contract' we had made at the beginning of the research.) And this meant another important learning point for me: it is essential to set norms right at the beginning; the existing (or non-existing) relationship among co-researchers is of fundamental importance. The sensitivity of the initiating researcher may play a significant role even in the rest of the research process: he/she must continuously perceive the participants' momentary demand for setting norms, the need for revisions and the organic development of group work on the whole. Somewhat paradoxically, in Group 'B' where culture itself often displayed Dionysian features (Reason, 1988) – e.g. talks evolving with little premeditation, great emotional sways, actions changing unexpectedly – the demand for clearly declared norms was much stronger. The solution of emerging conflicts had been supported by the revision of norms and by due flexibility.

As a closely relevant factor it might be mentioned that both groups consisted of people with very different personality, background and motivation which, especially in group 'B', led to conflicts. The research process however had an integrated and a differentiated character at the same time. A general but not necessarily trivial aspect of group dynamics is whether and to what extent **a conflict may be regarded as constructive or destructive**? Fortunately, with the passing of time group 'B' had developed routines in conflict management as part of their culture. (e.g. At the first meeting one of the co-researchers got so offended that she nearly rushed out of the room.) As an initiating researcher I had to encounter another unexpected challenge: owing to the length of the research I also had to control my own sympathies and antipathies as I certainly did not intend to hurt any of the group members' feelings.

Compared to experiences in other participative researches (e.g.. Pataki et al., 2001, Málovics et al., 2001) the operation of groups was largely **free from dominance** and pressure with little bias of power or interests. At the beginning of research 'A' one of my basic dilemmas was whether a HRM leader should be part of the group? (See details in Chapter 4.5.) I was afraid that a leader-subordinate relationship within the group would

mean an obstacle to the creation of a sincere, democratic atmosphere and a genuine, dominance-free discourse. The HRM leader, however, played a decisive role in the community so if the objective was to develop organisational members together, the exclusion of this person would probably prove impolitic. In the end, the leader had become a part of the group. **However, I see this issue as one of the fundamental dilemmas in organisational co-operative inquiry which can be decided only in the given, specific situation and context**.

Another culture-related issue was the way group members tolerated differences and occasional **disparity in contributions** (e.g. activity in discussions, intensity of participation in actions, depth of analyses). As an initiating researcher I faced the dilemma of how hard I should try to reach out for less involved, less active members. Or should I just respect their observant attitude and wait till they 'activate themselves' on their own accord? (To make it more complex it must be mentioned that outward activity and inward involvement may vary considerably i.e. introverted participants may be genuinely involved even if they do not open up and express themselves easily. It also happened that one or more members in each group did not carry out the assigned action: in both groups they turned to me for 'arbitration'. In the end we declared in both groups that even if one or two members had not carried out actions, upcoming meetings would be held all the same and work would be continued. As one co-researcher in group 'B' put it: '*If I had been forced, I wouldn't have done it, that's for sure. But, as there was no pressure, well, I did it of course. (Imre, group 'B')'* **Securing a dominance- and pressure-free atmosphere is not only important at the commencement of the research but must be sustained throughout group operations.**

In both groups research questions had been formulated together but **tackling divergent questions remained a basic issue.** In each group we responded to this challenge in a different way. In Group 'A' questions were first put in groups, then these groups were identified without giving them priority. Eventually, in an organic way, main focus was given to questions at organisational levels. In Group 'B' a certain group of questions was chosen with maximum consideration for personal priorities. This, however, proved to be a lengthy and laborious process; some of the participants gave up on their initial interest (and, conceivably, got less involved). If there is a great difference in individual questions, some people have to make a compromise when formulating common research questions, otherwise there will be a risk of losing focus, divergence, and the research may fall to pieces. In this case, I reckon, the fundamentals of research were not threatened when some of the participants had given up a part of their research questions. But drawing on experiences by other action researchers (e.g. Szombati, 2011) it must be stated that in the case of organisational co-operative research **the harmonization of contradictory interests and expectations, consequently the harmonization of research focuses, may pose a serious difficulty.**

Writing the research report

While writing the research report I had to encounter the ongoing dilemma of choosing the

right form of narration, i.e. should I – as one of the co-researchers – use the first person plural (which is a somewhat unusual in academic reports) or should I adopt an outsider's angle using the first person plural or the third person plural forms (which would be contrary to the co-operative approach and paradigm). In the end I opted for using both, thus I meant to be 'one of them' but at certain points I kept a distance to have a more objective perspective on the groups' work. Either way, I always made a point of avoiding the use of **'the royal me and we'** (Wadsworths, 2001). Neither when I was working on the whole thesis nor now when I am writing this report do I intend to use the objective, outsider, superior approach of 'scientific knowledge' but rather: as a co-researcher of two, multi-faceted groups I would like to share our common results and my own interpretations.

Representing my 'own voice' posed another dilemma in writing the research report. When presenting interpretations I did not quote my own words unless the actual quotation would have been incomplete without them. I believe my opinions, interpretations and perception is reflected in the whole thesis. This, however, led to a kind of 'unproportionate representation'. As one co-researcher reflected: *'What I really miss here are those 'Sára-like' quotes. So, if you're going to cut those comments of yours at the last meeting about 'processes' and 'loading up energy', – I'll be real grumpy! As there are hardly any 'Sára-like' quotes, I get the feeling that the initiating researcher is given quite a low profile in this co-operative inquiry....' (Imre, group'B').* Other co-researchers also gave some noteworthy reflections on my analyses: *'I can feel your personal touch or concepts only here and there but the text doesn't really tell if something is distinctly yours or a common finding... I think you'd better separate these traces ...' (Nóra, group 'A')* On the basis of these comments I have reshaped and refined some of the analyses. (A relevant methodological issue is how to fit in reflections logically, how to ensure that the ultimate, formal research report includes participants' direct reflections, reliability and validity.)

In the analysis it was difficult to strike the right balance of critical interpretations: critical reading is usually not intended for the 'subjects' of a given research but for the academic community. In this case, however, it was open for discussion with co-researchers; critical comments were put to the test. The sincere dialogue proved to be a novel, 'hands-on' encounter broadening the scope for researchers' responsibility and allowed for reinterpretations which eventually all brought forth an encouraging and rewarding experience. In this respect there is a rather sharp contrast between the language of critical management (e.g. Grey and Willmott, 2005, Knights and Willmott, 1999, 2007) or critical HRM theories and interpretations (e.g. Legge, 2005, Delbridge and Keenoy, 2010) and the everyday language used in organisations (or even in mainstream research). The above theories and subsequent researches often use very strong, stunning expressions like 'colonisation of lifeworld' or 'exploiting employees' or 'treating humans as objects', which may have a puzzling and alienating effect on ordinary people. If we really want to take involvement, empowerment seriously, we must also share critical interpretations and bring theoretically rooted recognitions closer to the ground. Clearly, there is a real need for a quality communicative space where these issues can be shared and discussed thoroughly.

6.4. Theoretical and practical relevance of the research

As one of the most important results of this research, **a Hungarian language summary of HRM ethics literature** has been compiled – filling a gap in this field of publications. I expect it will contribute to raising interest in the topic and in the formulating and developing of HRM ethical discourse in Hungary, both in the academic sphere and among organisational HRM experts.

The Hungarian interpretation of the concept of **moral imagination** (Werhane, 1999) is especially close to me. On the basis of my research it may be asserted that in co-operative inquiry the moral imagination of the individual can be 'developed' – and steps can be taken towards the same thing at both organisational and group levels. Among other concerns, in the last two years my colleagues and I have taken substantial steps towards analysing moral imagination on the basis of case studies (Csillag et al., 2012) as well as via quantitative analysis (Csillag-Kiss, 2012); and I hope these research projects will become closely related to pertinent discourse and also raise interest in international, professional circles.

As far as I know, **co-operative inquiry concerning HRM ethics has not been done so far** (or at least this has not been published in English), neither in an organisation nor in a professional HRM group. With the theoretical and methodological results of my research I would like to join the international community of HRM ethics; I also wish to demonstrate how the democratic methodology of co-operative inquiry (based on participatory paradigm and practice) relates to HRM research. Research results – e.g. experiencing a breaking of moral muteness, interpretations of various HRM roles, the integration of theory and practice – all could mean a concrete contribution to existing HRM ethics' literature.

With my research projects I have joined the (ever growing) **Hungarian and international society of action researchers**, and with my content-related and methodological findings I have contributed to co-operative inquiry on ethics. In addition, I hope I have presented the family of 'action research' as a realistic methodological alternative to **Hungarian organisational and management research.** In order to lay grounds for further action research work I have given a detailed methodological presentation of research projects – and have honestly shared my own doubts and thoughts. I would also like to inspire other researchers into organisational issues to turn their attention to co-operative methodologies.

My research – in essence – has an explorative approach. The objective was – within the methodological limits – to give a picture of the ideas HRM representatives have in relation to ethical dilemmas and situations. I hope the picture I have drawn will, at least **in Hungary, challenge the professional community as regards debating the issue.**

At the beginning of the research my objective was not only to reveal but to transform as well! I think my co-researchers have gained a deeper understanding of their

own ethical conducts, the ethical dilemmas of HRM operations and have improved their skills with regard to being able to solve such cases. I hope their competence regarding providing critical reflection and having ethical sensitivity and commitment will live on after the research is finished. I also trust that, apart from directly induced organisational changes, further professional and organisational changes will occur.

I would like to make use of both theoretical and practical problem-solving in education. With the permission of my co-researchers, I shall put forward **ethical cases** for MA and postgraduate level HRM education. Building on my thesis results, HRM Ethics was launched – for the first time – as an academic subject at the Human Manager Course of our institution in May 2012. I would like to see the application of co-operative inquiry in work with students, too, in a more radical way.

Appendix

Overview of the two research projects

Characteristics of the group	Research group 'A'	Research group 'B'
Forming the research group	Existing group – HR department of a Hungarian bank of 600 employees	New research group formulated for this research: committed HR professionals who are interested in HR ethics, with various company backgrounds and experiences.
Number of participants	7+1 persons	6+1 persons
Date of research	May- December 2011(7 months)	October 2011 - April 2012
Number of research cycles	7 research cycles	6 research cycles
Age and gender profile of the group	HR manager (50+), other participants were women with a university degree (30-40 years old)	Two participants were women aged under 30, other participants were women with a university degree (30-40 years old); one man with a university degree
Location of discussions	Corporate site, during working hours (usually 2-4 p.m.)	University rooms, usually in the evening (5-9 p.m.)
Duration of cycles	2-5 weeks	2-5 weeks
Place	Company, other sites	Everybody's own company, other sites
Nature of activity/action	Common, individual, paired	Individual
Examples of actions	- Watching a movie together. - Having an interview with a person involved in an ethically interesting case. - Participation in/observation of ethical code workshops. - Carrying out activities laid out in a case analysis. - Analysis of Loyalty Regulations on the basis of previously agreed aspects.	- Having an interview with a person involved in an ethically interesting case - Mini research: on the basis of two hypothetical cases, everybody does an interview with 3 people within the same organisation - Analysis of the Hungarian New Code of Labour

Documents of HRM organisational group (Group 'A')

Research questions

Individual level questions Relationship between HRM expert and HRM ethics	Junction
How much HRM ethics is affected by the HRM staff's ethics, set of values and operations?	Relationship and interaction – individual/organization
To what extent do individuals (group members) try to adapt to the company, i.e. to meet HRM ethics requirements?	Relationship and interaction – individual/organisation
Do specific people's attitude set an example for actual HRM operations and HRM systems?	Relationship and interaction – individual/organisation
Do individuals shape overall HRM ethics or does the HRM organisation's approach influence the individual?	Relationship and interaction – individual/organisation
How much depends on the line manager and other involved parties? Can HRM or a HRM individual's personal ethical approach have a real impact in a given situation? If so, to what extent?	Relationship and interaction – individual/other involved parties
Where do HRM individuals find their place in the organisation? How much are they able to adapt? To what extent can they split up their personalities?	Role-play
How to deal with credibility on a personal and on a HRM role related level?	Credibility – perception by employees
What can a HRM individual do when an employee considers an action unethical without actually seeing the points of a previously conducted, ethically based argument between the HRM representative and the manager?	Credibility – perception by employees
Can we talk about ethical conduct of a HRM individual or HRM organisation if employees perceive it otherwise?	Credibility – perception by employees

Organisational level questions Relationship between company operations and HRM ethics	Junction
How clear HRM's role as a representative of ethics is in the organisation?	HR ethics – organisational ethics
Is HRM ethics accepted, can it be perceived ? Has it got any form of institutionalized responsibility?	HR ethics – organisational ethics
To what extent does HRM ethics have to be present in the organisation? Is that an important aspect? Does it help to develop company performance? Does it improve the sense of	HR ethics – organisational performance

community?	
How can HRM ethics support business strategy and company strategy?	HR ethics – organisational performance
How clearly the ethical role is defined within HRM itself?	HR ethics – organisational ethics
How can HRM support the ethical principles of the whole organisation? Can HRM attempts to influence those principles be considered ethical?	HR ethics – organisational ethics

Cases

	Problems, cases, dilemmas
1	Ms. X is a young mother on maternity allowance working four hours a day at Department Z. In the meantime she applied for a position at the Accountancy Department. After several talks and interviews she was offered the job but she refused the wage offer that had been issued and accorded by HRM to that position. She said she already had a higher remuneration and higher wages in her present position. What can HRM do in a process like this? The employee, who – by the way – does not have a good reputation within the organisation, got very offended. When HRM offered the new wages they suggested that she should accept the new position and at the same time begin to look for another job. Can HRM give such advice at all?
2	After a successful application process we agreed with the candidate that he would start work on a Monday. When we were getting near to this date (i.e. 10 days before it) he called me to say his previous employer would liked him to stay for another two weeks because of closures, too much work, quitting formalities, etc. and whether we could possibly arrange things on his behalf at the new workplace? Then I told the concerned department that in my view this man was a very loyal, reliable person who, although was beginning to say good-bye and shuffle off emotional attachment, still wants to do his best. His immediate manager had quite a different idea about it saying our candidate hadn't even started work and already has the cheek to ask favours. We made a compromise by offering one week. He accepted. He then started work but next day the head of the department came to see HRM and said we should talk to the young man. As it turned out his previous employer contacted our 'head' (through informal channels) and complained there was trouble: the young man had left his job one week early. What should HRM do to settle this? Does the young man need to be informed?
3	An employee committed suicide and two managers decided not to display the black flag as a sign of mourning because, after all, he took his own life so he doesn't deserve it. What should HRM do?
4	An employee with terrible performance. Everyone knows he is unable to produce any added value. I saw with my own eyes how he fell asleep during a discussion. In spite of all this he is highly remunerated with high wages. Not so long ago the concerned head of department was tackling a layoff scheme and mentioned his name. He asked me to do a little research on him: what would being made redundant mean to him? I realized only then that actually he had already been working in a pensioner status. I thought we would

	carry on with this process but the bank security manager blocked it by not taking responsibility for the ultimate decision saying that on the one hand this employee had a network of connections in high circles, which would perhaps mean risk to the organisation…On the other hand, this colleague, owing to his informal network of connections and sports club activities, had secured a profoundly embedded status for himself in the organisation. And although everyone knows his performance is nil, we all like him…a good old chap. What can HRM do?
5	Mr. D would like to transfer to another area to work there temporarily in a rotation system. As far as we know officially, if I got it right, his manager told him he could go only a year later. The manager subsequently told the employee that he could only leave his position if he found someone to substitute for him while he is away. Should HRM interfere?
6	A foreign employee quitted for private life reasons by 31st October and signed a contract in Vienna on 1st November. In a sad tone she wrote a letter to her employer inquiring about her cancelled bonus – why she could not get it. I talked to the young woman and explained how these rules were interpreted. After that, she told me she had been quite aware of these rules and admitted that all the necessary information had been provided for her. She added she understood everything perfectly but by this move we would ruin chances for returning and the company image would perhaps also be damaged. Besides, it would leave a hard feeling in her if we cancelled her bonus even if we wouldn't have to break any rules to grant it for her. Her employer stood by her and they put together a set of arguments supporting the special status of foreign employees, foreign citizenship and the need to start a separate process in this case regardless of the usual routine in the organisation.
7	This colleague often provokes negative comments, but not mainly because of his performance but because of his attitude, the role he plays in the community, the potentially negative influence he has on others, his temperament, critical approach and emotionally heated actions. At what stage must a leader begin to consider the overall interests of the community and say he will no longer tolerate it? And I, as a HRM representative, where shall I put my priorities? To knowledge, professional skills? Or should I focus at the conflicts he causes, his attitude to his work or the company?
8	The new manager does not wish to work together with his secretary. We can not find a post for him anywhere in the organisation because he hasn't got the right qualifications or relevant experience and simply because there is no vacancy at the moment. I, as a HRM person arrange things so that he can stay for another 5 months and tell him to try to look for an other job in the meantime. I do all I can to influence various managers to be able to sustain this situation. And then, after 5 months I walk up to him saying excuse me I hope you've been able to find something by now because, you see, I can no longer keep this up for you. Then I all I got was a heap of reproaches, a totally negative attitude, a near threat to bring his lawyer along and began trying to find all kinds of fault with us. How do I act ethically in such a situation?
9	Shall I employ someone for only three months just because he's needed at the moment and when I know I'll have to send him away at the end of the third month without any consequences?
10	Due to the change of pension laws from next year XY will be able to retire in more

	favourable conditions. Therefore, we advise them to try to go on a sick list or find some other way to stay away from work just to wait until 1st January.
11	You think that guy has no brains at all, comes in day by day just to kill time, isn't worth a penny of his wages and you know they want to fire him. Will you tell him? And you are there to support him to make him accept the situation mentally, emotionally while he himself is absolutely convinced he's the hub of the universe and all the others around him are idiots.
12	At the Accountancy Department the manager notices certain irregular pay-outs to other managers. He could easily make an ethical issue of it since it is quite a serious thing. But he prefers to walk up to the HRM manager complaining about XY. The HR manager then walks up to XY and says: Look, undo this thing now and never try to do that again… If I took this case to an ethics committee, it would cost him his job. What is the right thing to do?
13	Why don't we cover the costs of early retirement for a colleague who is meant to transfer in a quality swap?
14	A colleague has been employed for 13 years but has been on unpaid holiday for 10 years. Therefore, he is entitled for a 10 years' loyalty bonus. Is that acceptable?
15	What happens when the Trade Union does not really represent the interests of the employees but is mostly preoccupied with uniforms. Should they be 'prompted' by HRM?
16	We are going to employ two candidates. Although the first one has fewer years and less professional experience we have to raise the initial wage offer. And there is the second one. We are aware we don't have to accept his wage requirement; he'll do with less as he 's in a difficult situation now because he has to leave his previous workplace by all means. How much shall we offer for him?
17	Is it ethical to offer, as a rule, 10 % lower wages to unemployed applicants?

Extracts from my own research diary – notes taken after the 2nd meeting, in the evening

They are rather scared to do an action which would test HRM ethics in real life situations. All the same they display incredible confidence, have a solid set of values and are certain HRM has a very high profile in the organisation. Yet, they are scared to ask opinions on this issue from managers, employees, or any other involved parties.

I perceive rather tough differences in opinions: one extreme as represented by Zita: flexibility adaptability, the assessment of specific cases – and this approach should ultimately judge what is ethical and what isn't. The other extreme: they want directives and no exemptions – and that is what ethical conduct should be.

Perseverance, firmness, unwavering stance vs. humanity, consideration for people's demands. They seemed to have found consensus but I felt they just wanted to adapt to one-another, to Zsófi or to me.

I can sense a palpable hostility, suspicion, outright misunderstanding and kicking up fuss.

Although they have nodded to taking part – in the given moment it means a burden for them. Still, they carry on because of one-another, because of Zsófi, because of me. Obviously, they would not express it openly but I can feel it all the same.

Their suspicion is further fuelled by thinking I don't understand them. I'm trying to disentangle things but – for the time being – it's not so easy.

The dilemma... came up again with 'actions vs. values.' Clearly, there is a conflict but they pretend there isn't. Research questions – that went down very well. I wonder how will they ever get answers to those questions if they are scared to move out in the open?

Documents of HRM professional group (Group 'B')

Research questions

Questions	Junction
Is there or can there be HRM ethics apart from organisational ethics?	HRM ethics-organizational ethics
How does it feel to be in a 'buffer role'? What is the expected behaviour like in such a role? When does buffer role exist and when is it absent?	Roles and expectations
What kind of 'adaptation pressures' exist in HRM peoples' minds? Where do they come from? Do they exist at all? What can be done about them?	Roles and expectations
Is HRM independent? Can a 'partner-role' exist? Has it got an opportunity to control, to cooperate or would it only like to adapt?	Roles and expectations
Can there be such a thing as a HRM Ethical Code? Is it necessary at all?	HRM ethics-organizational ethics
Supportive or submissive HRM? Self-definition? Are actions in line with that definition?	Roles and expectations
What is HRM for? Has it got a right to exist? If it sustains its submissive role only, will it ultimately sink?	HRM's future
Is it true that all ethical dilemmas in HRM can be put down to role conflicts?	Roles and expectations

Crystallized questions

Group A – Ethical Code

HRM Ethical Code (Is it necessary? What should it contain? How does it relate to the ethical code of the organisation?)

Group B – HRM role, HRM identity

B1 What do we mean by HRM identity? What kind of roles do HRM professionals adopt? Is there a conflict among these roles? What ethical problems may result from this? What actions will be taken?

B21 What is HRM's self-image like? How does the organisation perceive it? What ethical problems may result from this?

B22 What expectations do HRM professionals perceive from other involved parties?

Group C – HRM's future

What can we do to ensure (ethical) operation even after 15 years?

Cases

	Problems, cases, dilemmas
1	Granting higher remuneration without higher wages. The employee would even accept it. What shall HRM do?
2	Contrary to his earlier promise the manager does not intend to ensure even minimum provisions for an employee nearing retirement. Is it a HRM task to inform the employee about his/her rights?
3	The performance evaluation system generates competition among group members. (Group average cannot be higher than medium). Is that ethical?
4	DC results cannot be communicated, not even in an aggregated form, because a lower level in the hierarchy achieved better results.
5	Is it ethical to employ a disabled candidate only because the employer profits from it? (Employer becomes entitled to wage subsidy and does not have to pay rehabilitation contribution after him.)
6	What shall we say to candidates about positions in the company if our own information about them is unsatisfactory?
7	Compensation changes that have not been communicated within the company must not be communicated to outside parties. Candidates must be informed about the currently available packages (which may be changed after their appointment to the post).
8	Training programs for managers usually include such lofty modules as motivation, interest representation, group building, strategies, etc. But a great part of 'hands-on' managerial work is not dealt with in such programs. Obviously, they have a far more theoretical picture of managerial work than real life situations and challenges.
9	Pay-sheet data do not completely cover the actual number of working and overtime hours. It would be necessary – if only for job security reasons – to reduce working hours and/or to employ new labour force. But management does not approve of it because of business considerations. Is it worth for HRM defending its case? How far should it go?
10	A blue-collar worker passes medical examination but is not allowed to do 'hard physical work'. He is on the verge of qualifying for the job, basically it is up to the employer whether he is allowed to stay. Businesswise it would be good if this proven colleague stayed. He himself would also be glad to stay. Should HRM take the risk for continued employment or no?
11	How long a HRM professional should be present in a meeting? Take for example a coaching session for medium-level managers. The presence of the HRM colleague is justified because later on he/she will have to give support to a part of the organisation on the basis of this training session. During the session managers might disclose confidential information which would be even more sincere if the HRM colleague was absent. Should there be an HRM presence in such sessions or no? Or should they just skip certain parts?
12	While doing an anonymous survey on organisational development the HRM professional encounters information that would critically affect the future of the company. If he/she shared this information with others, anonymity would fail. What should be done?
13	From January 1st this year training benefit was suspended. At the end of last year they discovered there had been quite a lot of money left for this purpose but it had to be spent before the end of the year. The HRM leader had a great idea: 'Let's make a contract quickly with a training company, pay them, the job is done 'on paper' and they'll do the

	training later. All we need to do is to make a training contract with some 'participants' make them sign the 'attendance' sheet so all there is to do is a little paper-work backing.' The HRM leader made all the other arrangements with the training company. Then he instructed a subordinate HRM colleague to name some employees who would be willing to make a false training contract and sign a fictious attendance sheet. And also, the colleague would have been required to do the talking with them and collect their signatures as well. The HRM colleague said no, saying he/she wouldn't like to make people forge official documents or to canvass for such practices within the company.
14	Everything is on track in the recruitment process. Minutes before making a job offer the female candidate says, by the way, she is pregnant. What is the right, proper, fair HRM reaction to this?
15	The yearly bonus-giving process has been transformed into a universally detested system. In which new bonuses invariably went to the same people who had already benefited several times before, therefore it had become more like an expected ('it's my due') than a motivating factor. On the basis of my suggestion it has been changed into a system of commendations in which nominations are made by the decisions of a jury consisting of management and the trade union representatives. At the great end-of-year event of the company the text of each recommendations were read out. Interestingly enough, the trade union leader happened to be the CFO's brother-in-law...
16	The second man of a big company wanted me to employ a foreign citizen by the evasion of the tax system. I said no. After his second attempt I tactfully reminded him how contrary his ideas were to those of his own subordinate managers'.
17	The company had some labour law difficulties, which only some older employees had been aware of and spoke about among themselves. I informed HRM management who asked me to make a list about what's wrong. I did. I uploaded it to a driver accessible only to HRM staff. After that the management wanted to take disciplinary action against me.
18	Two companies had been merged. Since it was a longer process I tried to consider the balance of powers and manage the smaller company's HRM processes so that those employees wouldn't feel hurt and affected by the larger company's HRM processes after the actual merger.
19	I arrived at an 'ivory tower'-type HRM which seemed to be more competent than business people. Since I did ask questions from all the different area mangers after a while they began to ask my opinion, too, although their contact person was my own boss. Thus the figures of 'good HRM person' and 'bad HRM person' came into being i.e. e. the uniform picture of HRM was broken.
20	Probably because of austerity reasons I have to give the axe to one of two employees. Strategically speaking neither of them is a key figure but both of them have been with the company for more than 5 years with similarly mediocre performance.. One of them, as a manager, expressly irritates me (which is quite a rare thing in my practice). He's got two primary school children and a number of pals in the company. The other 'candidate' is a single woman who probably has worse chances for finding another job. I've got to make the decision; I can't pass it on to anybody else.
21	The HRM manager (to my mind) unfairly favours an other manager, i.e. he gets such unregulated benefits and allowances (other people don't even know they exist at all) essentially because they're on very good, friendly terms with each-other. I myself got to know about it only by chance. Then an employee turns to me asking if he could get a similar type of benefit too? What shall I do?
22	A young mother employee is about to give birth to a baby but I wouldn't like to take her back. When shall I communicate it to her?
23	Is it ethical to ask for references or no? Is it ethical not to let an applicant pass on in a recruitment process exclusively because of a single negative reference? (E.g. on the

	request of the business manager?)
	An anonymous survey shows that some units of the company have very low organisational commitment and the staffs have formulated a number of negative comments on their managers. The company head demands that I should reveal him those units. When I reject it, he turns to my boss who then instructs me to reveal the data.
24	What should be done to the remaining positions after a downsizing process? Should they be applied for on the basis of skills and previous experience or will management simply appoint staff for the new posts?
25	If we dismiss someone – on what conditions? E.g. How shall we deal with employees with attitude problems or those dismissed because of restructuring reasons?
26	How strictly should we apply policies? May we make exemptions?
27	What should we say when rejecting an applicant? The real reason (e.g. lack of sympathy from the prospective manager) or should we point at some other things?
28	What shall we do when a candidate asks for too much money – compared to same-level wages within the organisation?
29	When do we recruit for a position internally and when do we recruit from outside?

Extracts from my own research diary – notes taken after the 3rd meeting, in the evening

Today my energy level was very low. Fortunately, Adri and Ada arrived full of energy.

Andi thinks about absentees too. ('Zsóka would surely say something like...') – I can feel solidarity and team spirit in the air. For me it's quite unexpected since we hardly know one another.

There was a really strong, palpable drive to reach compromise. A continuous attempt by everybody to 'join' their words, to concentrate hard on what has been said before.

By the end of the meeting only three of us stayed. We tackled mini cases with incredible efficiency and pace. It's stunning how faster decisions are made by three people than seven. I wonder what the others will say? How much will they accept of it? First, I make a rough version and the two girls then do the correction work.

It' good to have e-mail communication between the meetings. Somehow, it's so different than with the other group.

The first successful task- delegation! Imre has ventured to write on the board.

Setting up norms and shifting back to relativism keeps coming up again and again. Apparently, this is going to become a key concept later on.

At times I feel frustrated by our goals. It seems impossible to create a commonly shared and feasible definition for ethics. Every now and then I feel if we elaborate on this for too long, we'll grind ourselves away and our energies will be drained.

The group and I would love to do something big! Several times we come up with ideas like blogging, doing large-scale questionnaire surveys in the future. After all this, it seems so hard to get back to reality.

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