Ethical Leadership in HRM: A Critical Analysis of the Role of HRM Practices in Promoting Ethical Behavior and Corporate Social Responsibility

Kepemimpinan Etis dalam Sumber Daya Manusia: Analisis Kritis Peran Praktik Sumber Daya Manusia dalam Mempromosikan Perilaku Etis dan Tanggung Jawab Sosial Perusahaan

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ABSTRACT
This study explores the contextual factors that influence the relationship between Human Resources (HRM) ethical leadership, employee ethical behavior, and corporate social responsibility (CSR). Through a literature review, we examine the influence of organizational culture, company values, government regulations, pressure from stakeholders, and the role of industry and business environment in shaping the dynamics between these variables. Findings show that alignment between HRM practices and organizational culture, CSR authenticity, and government regulations play a key role in shaping employee behavior, organizational commitment, and company performance. In addition, industry characteristics and business environment moderate the relationship between these variables. These results emphasize the importance of understanding the complexity of the relationship between HRM ethical leadership, employee ethical behavior, and CSR in various organizational contexts.

Keywords: HRM Ethical Leadership, Ethical Employee Behavior, Corporate Social Responsibility, Organizational Culture, Company Values, Government Regulations, Stakeholder Pressure, Industry, Business Environment.

ABSTRAK
Studi ini mengeksplorasi faktor-faktor kontekstual yang memengaruhi hubungan antara kepemimpinan etis Sumber Daya Manusia (HRM), perilaku etis karyawan, dan tanggung jawab sosial perusahaan (CSR). Melalui tinjauan literatur, kami meninjau pengaruh budaya organisasi, nilai perusahaan, regulasi pemerintah, tekanan dari pemangku kepentingan, serta peran industri dan lingkungan bisnis dalam membentuk dinamika antara variabel-variabel tersebut. Temuan menunjukkan bahwa keselarasan antara praktik HRM dengan budaya organisasi, otentisitas CSR, dan regulasi pemerintah memainkan peran kunci dalam membentuk perilaku karyawan, komitmen organisasi, dan kinerja perusahaan. Selain itu, karakteristik industri dan lingkungan bisnis memoderasi hubungan antara variabel-variabel tersebut. Hasil ini menekankan pentingnya memahami kompleksitas hubungan antara kepemimpinan etis HRM, perilaku etis karyawan, dan CSR dalam berbagai konteks organisasi.


1. Introduction
In an increasingly complex and dynamic business era, the need for ethical leadership in human resource (HR) management is becoming increasingly important. Ethics in leadership has become an increasingly in-depth focus in modern management research. Especially, in the context of human resource management (HRM), ethical leadership not only influences organizational performance, but also determines the ethical direction of the company and its social responsibilities.
At the same time, HRM has a key role in determining organizational culture and instilling ethical values in employees. However, efforts to understand how ethical leadership in HRM influences employee ethical behavior and corporate social responsibility remains a significant challenge in management research. Therefore, this research aims to conduct a critical analysis of the role of HRM practices in promoting employee ethical behavior and corporate social responsibility through ethical leadership. Ethical leadership plays a crucial role in promoting ethical behavior and corporate social responsibility within organizations. Studies have shown that ethical leadership positively influences various aspects of organizational behavior. For instance, ethical leadership has been linked to improved employee job satisfaction (Ahmad & Umran, 2019), enhanced employee in-role performance (Kia et al., 2019), and the promotion of green behaviors through green HRM practices (Islam et al., 2020). Ethical leadership has also been found to foster trust among employees towards the organization, leading to positive perceptions of organizational justice (Xu et al., 2014).

Moreover, the relationship between ethical leadership and employee behaviors, such as innovative behavior and organizational citizenship behaviors, is mediated by HRM practices (Dong & Zhong, 2021; Pham et al., 2023). This highlights the importance of aligning HRM practices with ethical leadership to drive desired employee outcomes. Additionally, ethical leadership has been associated with increased employee well-being and a willingness to help others, particularly when HRM practices are low (Kalshoven & Boon, 2012). Furthermore, ethical leadership has been identified as a key factor in influencing the acceptability of unethical HRM practices within organizations (Simões et al., 2020). This underscores the pivotal role ethical leadership plays in shaping organizational culture and practices. Studies have also emphasized the importance of ethical leadership in promoting organizational citizenship behaviors through the establishment of an ethical climate (Tabiu, 2023). In conclusion, ethical leadership in HRM is essential for fostering a culture of ethics, social responsibility, and positive employee behaviors within organizations. By integrating ethical leadership with HRM practices, organizations can create an environment that not only promotes ethical conduct but also enhances employee well-being and performance.

In the field, there are a number of phenomena related to the topic of Ethical Leadership in HRM. First, many organizations are beginning to adopt ethical leadership policies in HRM in response to society's increasing demands for transparency and accountability. This is reflected in the implementation of a code of ethics, leadership training that focuses on ethical values, and recognition of ethical behavior as an integral part of organizational culture. Second, responses to ethical scandals illustrate the importance of ethical leadership in preventing and responding to unethical behavior in the workplace. Organizations involved in ethical scandals often experience pressure from the public, investors, and governments. Third, ethical performance measurement is becoming increasingly important in employee and manager performance evaluation. This includes achieving business targets as well as compliance with ethical standards and participation in CSR initiatives. Fourth, HRM's role in the selection and development of leadership is increasingly active, with a focus on ethical criteria. This includes the use of leadership assessment methods that reflect ethical values as well as the development of leadership training programs that emphasize the development of ethical skills and social awareness. Finally, the reactions of related parties such as employees, customers, investors, and society are increasingly paying attention to the ethical attitudes and practices of an organization. The response to ethical leadership in HRM can impact a company's reputation, customer loyalty, investment, and overall societal support. All of these phenomena highlight the important role of HRM in promoting ethical behavior and corporate social responsibility through ethical leadership, while illustrating the complexities and challenges involved in implementing ethically oriented HRM practices.

Various HRM practices play a crucial role in promoting corporate social responsibility within organizations. Firstly, ethical leadership training is essential. Through providing training
sessions on ethical leadership principles like transparency, accountability, and fairness, organizations can instill a culture of ethical behavior among managers and employees. This helps in fostering trust and credibility within the organization (Assegu, 2017; Sharma et al., 2019; Lathabhavan, 2023). Secondly, the implementation of Corporate Social Responsibility (CSR) initiatives is vital. By aligning CSR programs with the organization’s values and mission, companies can effectively promote ethical behavior and social responsibility among their workforce. These initiatives not only benefit society but also enhance the organization’s reputation and brand image (Sharma et al., 2019). Furthermore, encouraging voluntary corporate governance disclosure contributes to transparency and accountability. By prompting companies to disclose information regarding their governance practices, stakeholders gain insight into decision-making processes. This transparency fosters trust among investors, customers, and employees, demonstrating the organization’s commitment to ethical conduct and social responsibility (Assegu, 2017; Sharma et al., 2019; Lathabhavan, 2023). Additionally, promoting diversity and inclusion within the workplace is crucial. Embracing diversity not only contributes to creating a more equitable and socially responsible organization but also enhances employee well-being and job performance. Employees feel valued and respected, leading to increased engagement and productivity (Assegu, 2017; Sharma et al., 2019; Lathabhavan, 2023). Lastly, implementing work-life balance policies is essential. By establishing policies that support work-life balance, organizations prioritize employee well-being, thereby reducing stress and promoting mental health. This results in a more satisfied and productive workforce, ultimately contributing to better job performance and organizational success (Sharma et al., 2019; Lathabhavan, 2023). In summary, by focusing on these HRM practices, organizations can create a supportive work environment conducive to ethical behavior and corporate social responsibility. This not only enhances job performance but also contributes to long-term organizational success and sustainability.

A critical analysis of the role of HRM practices in promoting ethical behavior and corporate social responsibility reveals a gap in understanding the interplay between ethical leadership, HRM practices, and their impact on organizational outcomes. While existing research emphasizes the importance of ethical leadership in fostering ethical behavior and corporate social responsibility (Kalshoven & Boon, 2012; Kia et al., 2019; Haar & Brougham, 2021; Simões et al., 2020), there is a need to delve deeper into how HRM practices can complement and enhance ethical leadership initiatives (Ehnert et al., 2015; Ren et al., 2020; Islam et al., 2020; Ahmad et al., 2021; Tabiu, 2023). Studies have shown that ethical leadership can positively influence employee behaviors and organizational outcomes (Kia et al., 2019; Haar & Brougham, 2021; Tabiu, 2023), but the specific mechanisms through which HRM practices interact with ethical leadership to promote ethical behavior and corporate social responsibility remain underexplored.

Moreover, the mediating role of HRM practices, such as green HRM, in the relationship between ethical leadership and organizational outcomes like environmental performance and green behavior (Ren et al., 2020; Islam et al., 2020; Ahmad et al., 2021) presents a promising avenue for further investigation. Understanding how HRM practices mediate the relationship between ethical leadership and employee behaviors can provide valuable insights into designing effective HRM strategies that promote ethical behavior and corporate social responsibility. Additionally, exploring the impact of ethical leadership in HRM on turnover intentions post-COVID-19 Singh (2023) and its influence on organizational citizenship behaviors Tabiu (2023) can offer practical implications for organizations navigating challenges in the current business landscape. By examining the interplay between ethical leadership, HRM practices, and organizational outcomes, researchers can contribute to the development of comprehensive frameworks that guide organizations in fostering ethical behavior and corporate social responsibility.
2. Research Methods

To address the research question regarding the influence of ethical leadership in human resource management (HRM) on employee ethical behavior and corporate social responsibility, this study employs a Systematic Literature Review approach. Firstly, sources are searched through international academic databases such as PubMed, Scopus, and Web of Science. The keywords used encompass key concepts in the research topic, including "ethical leadership", "human resource management", "employee ethical behavior", and "corporate social responsibility". Subsequently, the retrieved articles are filtered based on inclusion criteria emphasizing relevance to the research topic and the quality of research methodology. Accepted articles must directly relate to the impact of ethical leadership in HRM on employee ethical behavior and corporate social responsibility, as well as meet the established standards of research quality. Then, the relevant articles are independently assessed by researchers to ensure compliance with inclusion criteria and research methodology quality. Articles meeting the criteria are included in the analysis, while those not meeting the criteria are excluded. Through this approach, the study aims to provide a comprehensive and detailed understanding of the influence of ethical leadership in HRM on employee ethical behavior and corporate social responsibility, based on empirical evidence available in the international academic literature.

3. Results and Discussions

3.1 The Concept of Ethical Leadership in HRM

Ethical leadership is a critical component in contemporary organizations, particularly in light of corporate misconduct and environmental issues ("How an ethical leadership style impacts the elusive job satisfaction quest", 2019). Research indicates that CEO ethical leadership can have a positive impact on a company's environmental performance by moderating the relationship between green HRM and the green commitment of the top management team (Ren et al., 2020). Moreover, studies have shown that different ethical leadership styles can influence employees' job satisfaction, with Green HRM and psychological safety playing a mediating role in healthcare organizations (Ahmad & Umrani, 2019).

In the Greek context, the relationship between HRM's role as an ethical steward of leader ethics has been examined, highlighting the influence of HRM directors on leadership integrity (Tasoulis et al., 2018). Encouraging ethical leadership styles, implementing effective HRM practices, and fostering an ethical climate within organizations can enhance employees' organizational citizenship behaviors (Tabiu, 2023). Ethical leadership has also been linked to positive employee behaviors, such as customer-oriented conduct (Kia et al., 2019).

Ethical leadership entails demonstrating appropriate behavior through personal actions and relationships, and promoting such behavior to followers through communication and decision-making (Ip, 2011). Studies emphasize the significance of ethical leadership in decision-making processes, underscoring the role of ethical leaders as models who advocate for ethical behavior (Chikeleze & Baehrend, 2017). Additionally, ethical leadership has been associated with encouraging both in-role and extra-role green behaviors by aligning individual values with corporate values (Islam et al., 2020).

Overall, ethical leadership not only improves how employees perceive their job characteristics and effort but also impacts their well-being and willingness to help others, especially when combined with HRM practices (Brown & Mitchell, 2010; Kalshoven & Boon, 2012). The ethical dimension of HRM is crucial for fostering a culture of organizational success and addressing ethical dilemmas within companies (Silva et al., 2016; Smith et al., 2018). Ethical leadership, in conjunction with HRM practices, can contribute to organizational ethics and employee well-being, ultimately cultivating a more ethical organizational culture (Carey, 1999; Sloan & Gavin, 2010).
3.2 Transformational Leadership vs. Transformational Leadership Transactional Leadership

In the realm of leadership and human resource management (HRM), the concepts of transactional and transformational leadership styles are pivotal. Transactional leadership involves a more traditional approach focused on supervision, organization, and performance outcomes, while transformational leadership emphasizes inspiration, motivation, and individual development (Zhu et al., 2005). Both styles have been found to be positively associated with dynamic capabilities within organizations, impacting HR systems and overall performance (Cabrales et al., 2017). Transformational leadership, characterized by charisma, intellectual stimulation, and individualized consideration, has been linked to enhanced human capital through HRM practices, leading to improved organizational outcomes and reduced absenteeism (Para-González et al., 2018).

Moreover, the integration of HRM practices with both transactional and transformational leadership styles has been proposed as a means to achieve effective leadership within organizations (Schouteten et al., 2021). Studies have shown that transformational leadership, when combined with HRM practices, can foster learning, innovation, and ultimately enhance organizational performance (Obaid et al., 2022). Additionally, transformational leadership has been identified as a key factor in sustainable HRM, promoting positive role modeling, vision creation, and intellectual stimulation among followers (Kloutsiniotis et al., 2022).

Furthermore, the role of transformational leadership in mediating the relationship between HRM practices and organizational outcomes has been highlighted, with transformational leadership being a significant factor in enhancing HRM practices and driving organizational success (Kloutsiniotis et al., 2022). The mediating role of transformational leadership has been observed in various contexts, such as in the relationship between HRM practices and employee performance during the COVID-19 pandemic (Tse et al., 2017). Additionally, transformational leadership has been found to influence employee creativity, with its impact mediated by personal control and creative personality traits.

In conclusion, the interplay between transactional and transformational leadership styles, coupled with effective HRM practices, plays a crucial role in shaping organizational dynamics, employee outcomes, and overall performance. By understanding and leveraging these leadership styles in conjunction with HRM strategies, organizations can create a conducive environment for growth, innovation, and sustainable success.

3.3 Roles and Responsibilities of Leaders in Establishing an Ethical Culture

Establishing an ethical culture within organizations is crucial for fostering a positive work environment and ensuring ethical behavior among employees. Ethical leadership plays a significant role in shaping organizational culture and promoting ethical practices (Brown & Treviño, 2006). Ethical leaders serve as role models, influencing others through their principled conduct and communication of ethical standards (Bedi et al., 2015). They are instrumental in developing and implementing HRM policies that support ethical behavior among employees (Kia et al., 2019).

Research indicates that ethical leadership positively impacts job satisfaction and employee well-being (Ahmad & Umran, 2019; Kalshoven & Boon, 2012). Ethical leaders are known to promote green HRM practices, which align individual values with corporate values and encourage environmentally friendly behaviors (Islam et al., 2020; Ahmad et al., 2021). Moreover, ethical leadership has been found to influence organizational citizenship behaviors directly and indirectly through ethical climate and HRM practices (Tabiu, 2023).

In addition to promoting ethical behavior, ethical leaders also play a role in discouraging unethical practices such as workplace bullying (Stouten et al., 2010). They can
motivate ethical behavior in the workplace and are concerned with how employees perform their duties (Stouten et al., 2010). Furthermore, ethical leadership has been associated with increased organizational commitment, reduced absenteeism, and a willingness to report ethical issues (Hassan et al., 2014).

Overall, ethical leadership is essential for creating a culture of integrity and ethical conduct within organizations. By embodying ethical values and principles, ethical leaders can influence employee behavior, promote ethical HRM practices, and contribute to a positive work environment.

3.4 The Relationship between Ethical Leadership and Organizational Performance

Ethical leadership is a critical factor in influencing organizational performance. Research has shown various aspects of this relationship. Bedi et al. (2015) conducted a meta-analytic review and found mixed results regarding the impact of ethical leadership on organizational citizenship behavior (OCB) (Bedi et al., 2015; Kim & Brymer, 2011) demonstrated that an ethical climate can moderate the relationship between ethical leadership, job satisfaction, and organizational commitment (Kim & Brymer, 2011; Kalshoven & Boon, 2012) revealed that the influence of ethical leadership on employee well-being and helping behavior is contingent on the level of human resource management (HRM) practices within the organization (Kalshoven & Boon, 2012).

Moreover, Zhu et al. (2015) argued that both relational and organizational identifications mediate the positive relationships between ethical leadership and follower voice, as well as job performance (Zhu et al., 2015; Ren et al., 2020) highlighted the moderating role of CEO ethical leadership in the relationship between green human resource management (GHRM) and environmental performance (Ren et al., 2020). Additionally, Xu et al. (2014) reported a positive relationship between ethical leadership and followers' organizational identification (Xu et al., 2014).

In conclusion, these studies collectively underscore the significance of ethical leadership in driving various organizational outcomes. Ethical leadership not only impacts employee behaviors like organizational citizenship and job performance but also interacts with factors such as HRM practices and green initiatives to positively influence organizational performance.

3.5 Employee Ethical Behavior

Ethical behavior in the workplace is a multifaceted concept that involves various dimensions and influences. Ethical leadership plays a crucial role in shaping employees' behavior and organizational climate. Ethical leadership is defined as demonstrating normatively appropriate conduct through personal actions and interpersonal relationships, and promoting such conduct to followers through communication, reinforcement, and decision-making (Yasir & Khan, 2020). Studies have shown that ethical behaviors by leaders have a significant impact on reducing workplace embitterment, which in turn positively affects employee wellbeing (Saleem et al., 2022). Furthermore, ethical leadership has been found to influence employee ethical behavior through mechanisms such as moral attentiveness (Rabie & Malek, 2020).

Creating and maintaining ethical work climates is essential to encourage ethical conduct among employees (Cohen, 1993). An ethical climate refers to shared perceptions of what ethically correct behavior is and how ethical issues should be handled in the organization (Elçi & Alpkan, 2013). Organizations with a strong emphasis on ethical behavior tend to experience fewer instances of workplace deviant behaviors (Elçi & Alpkan, 2013). Workplace deviant behavior involves employees proactively violating organizational regulations, potentially threatening the interests of colleagues or the organization (Qi et al., 2020).

In addition to ethical leadership, factors such as organizational ethics, climate, moral disengagement, and workplace spirituality also play roles in influencing workplace deviant
behavior (Peng & Li, 2023). Workplace spirituality can enhance employees' ethical understanding and values, fostering trust among coworkers (Rokhman, 2022). Moreover, the perception of justice in the workplace can lead to improved psychological well-being, promoting ethical behavior and reducing engagement in deviant behaviors (Pariyanti et al., 2021).

Overall, ethical behavior in the workplace is a complex interplay of leadership, organizational climate, individual values, and perceptions. By fostering ethical leadership, promoting ethical climates, and nurturing workplace spirituality, organizations can create environments that discourage deviant behaviors and encourage ethical conduct among employees.

3.6 Factors Influencing Employee Ethical Behavior

Employee ethical behavior is influenced by various factors as evidenced in the literature. The organizational ethical climate has been identified as a crucial factor affecting employee ethical behavior (Huang et al., 2012). Factors such as honesty, motivation, environmental conditions, code of ethics, and ethics of employees play a significant role in shaping ethical conduct (Resmawan et al., 2022). Ethical leadership has been found to directly impact employee virtuous-ethical behavior, with components like inspirational motivation and ethical promotion focus playing key roles (Khuong, 2015). Additionally, situational variables and organizational justice have been shown to influence employees' ethical behavior (Mago et al., 2022; McCain et al., 2010).

Moreover, the presence of ethical codes has been linked to positive behavioral outcomes in employees, while the lack of ethical codes can lead to deviant behaviors towards the organization (Taştan, 2019). Authentic leadership has been associated with influencing the ethical behavior of employees in commercial banks (Mbata et al., 2023). Ethical leadership has been documented as a critical factor in cultivating healthy relationships to enhance organizational citizenship behavior (Ko et al., 2016). Furthermore, the perception of employees about the ethical climate of their organization is influenced by ethical norms, values, systems, and rules (Watto et al., 2020).

In conclusion, employee ethical behavior is a complex interplay of various factors such as organizational ethical climate, ethical leadership, situational variables, organizational justice, and the presence of ethical codes. Understanding and addressing these factors are essential for promoting and maintaining ethical conduct within organizations.

3.7 The Impact of Ethical Behavior on Organizations and Society

Ethical behavior within organizations plays a crucial role in shaping not only the internal dynamics of the organization but also its impact on society at large. Research has shown that various factors influence and promote ethical behavior among employees. Organizational justice and moral attentiveness have been identified as key elements that positively impact employee ethical behavior (Halbusi, 2022). Additionally, the influence of corporate ethical values has been highlighted as a means to promote ethical behavior and organizational citizenship behaviors (Baker et al., 2006). Ethical leadership has been found to foster ethical behavior, enhance employee well-being and engagement, promote collaboration and inclusion, and contribute to an overall ethical climate within organizations and society (Burhan, 2023).

Moreover, the impact of ethical behavior on corporate governance and firm performance has been acknowledged, emphasizing the importance of ethical conduct in organizational management (Kwakye et al., 2018). Studies have also indicated that the organizational ethical climate significantly influences the ethical behavior of employees (Huang et al., 2012). Furthermore, the positive impact of social responsibility and ethics on employees'
well-being has been emphasized, highlighting the role of ethical and responsible organizational behavior in enhancing employee welfare (Bocean et al., 2022).

Overall, these findings underscore the critical role of ethical values, leadership, and organizational climate in fostering ethical behavior among employees. By promoting a culture of ethics, organizations can not only enhance their internal operations but also make a positive contribution to society as a whole through responsible and ethical practices.

3.8 The Importance of Ethics in Decision Making in the Workplace

Ethics play a crucial role in decision-making within the workplace, influencing employee behavior and organizational outcomes. Ethical leadership has been identified as a significant factor in shaping employee ethical behavior (Yang & Hua, 2017). Leaders who exhibit ethical behavior and communicate the importance of ethics can reduce deviant workplace behaviors among employees (Yasir & Rasli, 2018). Furthermore, ethical leaders are believed to impact employees’ ethical understanding and decision-making processes, which in turn influence their behavior (Resick et al., 2013).

Creating an ethical work environment is essential for fostering ethical behavior among employees. Studies have shown that ethical leadership can activate ethical behavior among employees, with coworkers’ ethical behavior also playing a role in shaping individual behavior (Hsieh et al., 2020). Additionally, the perception of organizational ethics is a critical determinant of workplace behavior and job outcomes (Kancharla & Dadhich, 2020). Employees tend to emulate the ethical practices of their leaders, as leaders’ actions are closely observed in the workplace (Rabie & Malek, 2020).

Moreover, ethical leadership has been linked to various positive outcomes, such as enhancing employee well-being by reducing workplace embitterment (Saleem et al., 2022). Trust in ethical leadership has been found to mediate the relationship between ethical leadership and workplace deviance, highlighting the importance of trust in fostering ethical behavior (Yasir & Khan, 2020). Additionally, ethical climates and codes of ethics within organizations can influence employees’ deviant behaviors, emphasizing the significance of organizational ethics in shaping behavior (Taştan, 2019).

In conclusion, ethical leadership, organizational ethics, and the overall ethical climate within an organization are crucial in promoting ethical behavior among employees. By fostering a culture of ethics and trust, organizations can mitigate deviant behaviors, enhance employee well-being, and create a positive work environment conducive to ethical decision-making.

3.9 Corporate Social Responsibility (CSR) in the HRM Context

Corporate Social Responsibility (CSR) and Human Resource Management (HRM) are interconnected fields that have gained significant attention in recent years. The relationship between CSR and HRM has been explored in various studies, highlighting the importance of integrating CSR principles into HRM practices. Research has shown that CSR can influence organizational attractiveness, employee selection, and performance outcomes (Bučiūnienė & Kazlauskaitė, 2012; , Díaz-Carrión et al., 2020; , Lee & Szkudlarek, 2021). Furthermore, the mediating role of HRM in the relationship between CSR and organizational performance has been emphasized (Díaz-Carrión et al., 2020).

Studies have also delved into the impact of responsible HRM practices on turnover intentions and employee engagement, indicating the significance of HRM in promoting CSR within organizations (Duvnjak & Kohont, 2021). The literature suggests that sustainable HRM systems, which incorporate CSR principles, can lead to enhanced employee engagement and overall organizational sustainability.

Moreover, the nexus between HRM and CSR has been highlighted in the context of addressing grand challenges such as refugee workforce integration, showcasing the pivotal role HRM can play in promoting CSR initiatives. The concept of Sustainable HRM has been
identified as crucial for sustainable development, emphasizing the need for organizations to align HRM practices with CSR goals to achieve long-term sustainability.

In conclusion, the synthesis of these references underscores the evolving landscape where CSR and HRM intersect, emphasizing the importance of integrating CSR principles into HRM strategies to drive organizational success and sustainability.

3.10 The Role of HRM in Managing CSR

In the context of Corporate Social Responsibility (CSR), Human Resource Management (HRM) plays a crucial role in fostering organizational citizenship behavior (OCB) and promoting CSR practices within companies. Studies have shown that socially responsible HRM practices, such as legal compliance HRM, employee-oriented HRM, and general CSR facilitation HRM, can positively influence employees’ OCB (Newman et al., 2015). Additionally, the relationship between CSR and HRM has been a subject of increasing scholarly attention, highlighting the importance of understanding and managing this connection effectively (Voegtlin & Greenwood, 2016).

Research has indicated that the integration of CSR and HRM can lead to improved organizational performance outcomes, emphasizing the need to study and leverage the relationship between these two areas (Bučiūnienė & Kazlauskaitė, 2012). Furthermore, the co-creation model of CSR-HRM highlights the challenges many organizations face in translating CSR strategies into tangible managerial practices and outcomes, underscoring the importance of effective HRM in this process (Jamali et al., 2014).

Moreover, the role of HRM in corporate sustainability and social responsibility has been recognized as multi-stakeholder and multidimensional, contributing to creating a strong employer brand, promoting inclusion and equal opportunity, and aligning CSR principles with business strategies to incentivize and reward employees (Stahl et al., 2020). This underscores the significance of HRM in driving CSR initiatives and fostering a culture of social responsibility within organizations.

In conclusion, the synthesis of these references highlights the critical role of HRM in managing CSR within organizations. By implementing socially responsible HRM practices, organizations can enhance employee behavior, improve performance outcomes, and contribute to sustainable business practices. Understanding the relationship between CSR and HRM is essential for organizations seeking to integrate ethical, social, and environmental considerations into their strategic HRM processes.

3.11 The Impact of CSR on Employee and Community Welfare

Corporate Social Responsibility (CSR) significantly influences both employee and community welfare. Research has shown that CSR initiatives have a positive impact on organizational commitment among employees (Brammer et al., 2007). CSR has evolved into a mainstream business activity, benefiting not only external stakeholders but also enhancing the commitment of employees within organizations (Liang & Renneboog, 2017). Studies indicate that CSR practices lead to improved employee performance through factors such as employee engagement (Ali et al., 2020). Additionally, CSR is considered a corporate obligation aimed at enhancing the social welfare of the community (Syam et al., 2020).

Moreover, the implementation of CSR has been associated with positive outcomes, including increased employee commitment (Silva & Lokuwaduge, 2020), individual performance (Noh, 2021), employee engagement, and job satisfaction (Nyuur et al., 2021). Qualitative studies have highlighted the positive impact of CSR on community welfare (Fafoziyah, 2023). CSR activities have been found to influence corporate reputation, focusing on building trust among employees (Yadav et al., 2018). Furthermore, employees’ perception of CSR has been linked to job satisfaction across various sectors (Xuan et al., 2020).
The relationship between CSR and organizational citizenship behavior has been explored, emphasizing the significance of CSR in organizational settings (Ramadan, n.d.). Additionally, studies have examined the content of CSR initiatives within different national contexts to understand their implications for welfare (Rambaree, 2019). Research has also investigated how employees respond to CSR activities, emphasizing the role of social exchange in shaping these responses (Faroq et al., 2019). In the retail sector, CSR is increasingly recognized as a vital component of marketing strategy and a source of competitive advantage (Potdar et al., 2018). In conclusion, the literature highlights the multifaceted impact of CSR on employee and community welfare, underscoring its role in enhancing organizational commitment, employee performance, job satisfaction, and community well-being. By engaging in CSR practices, organizations can not only benefit their employees but also make a positive contribution to society.

3.12. Relationship between HRM Ethical Leadership, Employee Behavior, and CSR

Ethical leadership plays a crucial role in influencing various aspects within organizations, including employee behavior and corporate social responsibility (CSR). Research has shown that ethical leadership positively impacts employee outcomes such as organizational citizenship behavior (OCB) (Yang & Hua, 2017), in-role and extra-role green behavior (Islam et al., 2020), and employee performance (Adawiyah et al., 2022). Moreover, ethical leadership has been linked to promoting ethical behavior among employees (Xu et al., 2014) and enhancing trust within the organization (Nguyen & Hoai, 2021; Atallah, 2021). Studies have highlighted that ethical leadership influences employee engagement in CSR activities (Isa & Loke, 2019) and impacts the acceptability of unethical HRM practices within organizations (Simões et al., 2020). Additionally, ethical leadership has been found to have a significant relationship with corporate social responsibility, leading to improved financial performance (Nguyen et al., 2019).

In conclusion, ethical leadership serves as a cornerstone for fostering ethical behavior among employees, enhancing organizational citizenship behavior, promoting CSR initiatives, and ultimately contributing to organizational success and sustainability.

3.13. Important Findings from Empirical Studies

The relationship between Human Resource Management (HRM) ethical leadership, employee ethical behavior, and Corporate Social Responsibility (CSR) is a complex and interconnected one. Several empirical studies shed light on different aspects of this relationship. Kim et al. (2020) highlighted the impact of CSR on employee retention through the lens of social identity theory and social exchange theory, emphasizing how CSR can enhance employee quality of work life and identification. Islam et al. (2020) delved into how ethical leadership promotes green behaviors among employees, showcasing the mediating role of green HRM practices. Kalshoven & Boon (2012) revealed that ethical leadership’s influence on employee well-being and helping behavior is contingent on HRM levels.

Moreover, Lin & Liu (2017) found a positive relationship between CSR, ethical leadership, work engagement, and burnout. Gao & He (2017) identified organizational justice as a crucial factor influencing the effect of supervisor ethical leadership on employee Organizational Citizenship Behavior (OCB). Buččiūnienė & Kazlauskaitė (2012) discussed the link between HRM, CSR, and performance outcomes, emphasizing the role of communication in employees’ judgment of social concerns and relationships with managers.

Furthermore, Ullah et al. (2019) explored the relationship between CEO ethical leadership, CSR, and organizational ethical culture and intellectual capital. Nejati et al. (2019) established the well-established association between ethical leadership and employees’ ethical
behaviors. Mostafa & Shen (2019) revealed a significant positive relationship between ethical leadership and employee perceptions of internal CSR. Tafolli & Grabner-Kräuter (2020) corroborated positive relationships between employees' CSR perceptions, ethical leadership perception, and job satisfaction.

In conclusion, these studies collectively underscore the intricate connections between HRM ethical leadership, employee ethical behavior, and CSR. Ethical leadership plays a pivotal role in shaping employee behaviors and perceptions, while CSR initiatives can significantly impact employee outcomes and organizational performance.

3.14 Theory and Model for the Development of Ethics and CSR in the Workplace

Transformational leadership is a key factor in influencing ethical behavior and corporate social responsibility (CSR) within organizations. Numerous studies have demonstrated the positive impact of transformational leadership on the ethical aspects of CSR (Changar & Atan, 2021; Turner et al., 2002; Manzoor et al., 2019; Tuan, 2012). Transformational leadership has been shown to promote ethical CSR practices, which can subsequently enhance organizational performance (Khan et al., 2018). Ethical leadership, in particular, has been identified as a significant driver of CSR engagement among employees (Nejati et al., 2019). Additionally, ethical leadership has been found to positively affect employees' perceptions of CSR, leading to a decrease in deviant behaviors in the workplace (Tafolli & Grabner-Kräuter, 2020).

Moreover, the relationship between ethical leadership and CSR is bidirectional, with CSR practices reinforcing ethical values and policies within an organization (Peng, 2023). Studies have highlighted the mediating role of ethical leadership in enhancing employees' trust in leaders, which in turn influences safety compliance in the workplace (Enwereuzor et al., 2020). Furthermore, ethical leadership has been linked to managerial performance through mediating factors such as mindfulness and CSR (Williams & Seaman, 2016).

In conclusion, existing literature emphasizes the importance of transformational and ethical leadership in cultivating a culture of ethics and CSR within organizations. These leadership styles not only impact organizational performance but also influence employee behaviors, perceptions, and engagement with CSR initiatives.

3.14.1 Normative Ethics Theory

Normative ethics theory posits that ethical behavior in organizations is influenced by a combination of individual characteristics and contextual factors (Treviño et al., 1998). Individual characteristics such as values and cognitive moral development, along with contextual factors like reward systems and codes, play a significant role in ethical decision-making (Treviño et al., 1998). Furthermore, the concept of corporate social responsibility (CSR) has evolved to encompass more than just economic responsibilities, with a focus on building and maintaining an ethical identity that aligns with stakeholder interests in societal well-being (Elgammal et al., 2018). Ethical leadership, CSR, and firm reputation are interconnected, with CSR serving as a framework that supports organizational policies and practices to foster employee ethical behavior (Sarfo et al., 2021). Additionally, ethical leadership has been shown to impact employees' attitudes towards CSR, highlighting the importance of perceived ethical work climate in shaping organizational ethical behavior (Choi et al., 2015).

In the workplace, the integration of CSR with ethical leadership has been found to foster individual ethical behavior, emphasizing the importance of ethical climate and effective codes of ethics in organizational success (Farouk & Jabeen, 2018). Moreover, the interplay between CSR at the employee level, ethical leadership, quality of work life, and pro-environmental behavior underscores the significance of CSR initiatives in driving positive organizational outcomes (Molnár et al., 2021). Employers that prioritize ethics and CSR tend to
promote positive work attitudes among employees, indicating the value of ethics policies and perceived social responsibility in enhancing employee morale (Valentine & Godkin, 2016).

Overall, these references collectively highlight the intricate relationship between normative ethics theory, CSR, ethical leadership, and organizational behavior, emphasizing the importance of ethical considerations in shaping workplace dynamics and fostering a culture of responsibility and integrity.

3.14.2 Driver Theory in CSR

To gain a comprehensive understanding of the driver theory in Corporate Social Responsibility (CSR), it is crucial to consider various perspectives and theories that illuminate the factors influencing CSR implementation. Frynas & Yamaha (2016) provide a detailed review of theoretical perspectives on CSR, emphasizing both external drivers (such as stakeholder theory and resource-dependence theory) and internal drivers (including the resource-based view and agency theory). This review underscores the importance of comprehending the diverse theoretical frameworks that underlie CSR practices.

Furthermore, Gond et al. (2017) offer insights into the psychological microfoundations of CSR, highlighting the significance of individual values and behaviors in propelling CSR initiatives. Their systematic review outlines key challenges in micro-CSR research, including exploring interactions among CSR drivers and developing valid measures to assess CSR-related constructs.

Moreover, Siltaoja (2006) discusses the role of value priorities in bridging core factors between CSR and reputation. By examining CSR from instrumental, political, integrative, and ethical perspectives, this study underscores the multifaceted nature of CSR theories and their implications for organizational reputation.

Additionally, Lee (2011) explores the configuration of external influences on CSR strategies, drawing on institutional theory to explain how regulations, social norms, and cultural preferences shape firms’ CSR practices. This perspective highlights the evolving landscape of CSR driven by external factors that influence organizational legitimacy.

In conclusion, synthesizing insights from these references reveals that the development of ethics and CSR in the workplace involves a complex interplay of individual values, organizational behaviors, external influences, and theoretical frameworks. Understanding the diverse drivers of CSR is imperative for organizations aiming to enhance their ethical practices and social responsibility initiatives.

3.15 Contextual Factors that Influence the Relationship between HRM Ethical Leadership, Employee Ethical Behavior, and CSR

Organizational culture and company values play a crucial role in shaping the relationship between HRM ethical leadership, employee ethical behavior, and corporate social responsibility (CSR). Lee et al. (2017) found that HR practices and organizational cultural factors independently influence organizational commitment when considered together (Lee et al., 2017; Maryati et al., 2022) highlighted a symbiotic relationship between HRM policies and organizational culture, emphasizing the importance of aligning these aspects to reduce turnover intention (Maryati et al., 2022). Naldi et al., 2021) further emphasized the interrelatedness between organizational culture, HRM, and corporate entrepreneurship, suggesting that these elements can mutually influence each other (Naldi et al., 2021).

Moreover, the fit between HRM practices and organizational culture is essential. Kismono & Ramadista (2020) discussed how the misfit between HRM practices and organizational culture can negatively impact organizational performance (Kismono & Ramadista, 2020; Chatterjee et al., 2018) revealed that individual perceptions of organizational culture significantly impact the learning transfer environment within organizations (Chatterjee et al., 2018).
When it comes to CSR, corporate reputation plays a vital role in mediating the relationship between CSR and firm value (QONITA et al., 2022). Additionally, Wut & Ng (2022) found that the authenticity of CSR initiatives influences employees' pro-environmental behavior, showing the importance of perceived CSR authenticity in driving positive behaviors (Wut & Ng, 2022). Furthermore, Kilian & Hennigs (2014) highlighted that the strategic motives behind CSR activities, reflecting the company's values and ethical responsibilities, are crucial in enhancing corporate responsibility and financial performance (Kilian & Hennigs, 2014).

In conclusion, the alignment of HRM practices with organizational culture, along with a strong focus on CSR authenticity and strategic motives, can significantly influence employee behavior, organizational commitment, and overall firm performance. By fostering a positive organizational culture, integrating ethical leadership practices, and demonstrating authentic CSR initiatives, companies can create a conducive environment for ethical behavior, employee engagement, and sustainable business practices.

3.15.1 External Factors: Government Regulations and Pressure from Stakeholders

External factors such as government regulations and pressure from stakeholders play a significant role in influencing the relationship between HRM ethical leadership, employee ethical behavior, and corporate social responsibility (CSR). Government regulations set the legal framework within which organizations operate, impacting HRM practices and ethical leadership (Qing et al., 2015). Ethical leadership has been found to positively influence employee ethical behavior, which in turn affects CSR initiatives (Nguyen & Hoai, 2021). Additionally, the pressure from stakeholders can shape organizations’ CSR strategies, especially when combined with ethical leadership practices (Qing et al., 2015).

3.15.2 The Role of Industry and the Business Environment

To comprehend the impact of industry and the business environment on the relationship between HRM ethical leadership, employee ethical behavior, and CSR, it is crucial to consider various studies that illuminate these interactions.

Kalshoven & Boon (2012) found that the connection between ethical leadership and employee well-being, influencing helping behavior, is moderated by HRM practices. The relationship between ethical leadership and helping behavior is significant when HRM is low, underscoring the importance of HRM practices in shaping employee responses to ethical leadership (Kalshoven & Boon, 2012).

Islam et al. (2020) highlighted the significance of ethical leadership in encouraging green behaviors among employees, both in-role and extra-role, through the mediating role of green HRM practices. This study demonstrates how ethical leadership can drive environmentally friendly behaviors within organizations, with HRM practices playing a crucial mediating role (Islam et al., 2020).

Furthermore, Mansour et al. (2022) emphasized the importance of perceived corporate social responsibility (CSR) and ethical leadership in influencing pro-environmental behavior among employees. The study revealed that employees' perceptions of CSR can directly and indirectly impact their pro-environmental behavior through moral reflectiveness and ethical leadership, emphasizing the role of organizational factors in shaping employee behavior (Mansour et al., 2022).

Moreover, He et al. (2019) discussed the interactive effects of HRM and responsible leadership on employee well-being and task performance in the hospitality industry. This study underscores the importance of HRM practices and leadership in influencing employee experiences and outcomes within specific industry contexts, highlighting the need for tailored approaches based on industry characteristics (He et al., 2019).

In conclusion, the interplay between HRM ethical leadership, employee ethical behavior, and CSR is significantly influenced by industry-specific factors and the broader...
business environment. Understanding how ethical leadership, HRM practices, and CSR initiatives interact within different industries is crucial for fostering ethical behavior and promoting corporate social responsibility.

4. Conclusions

1. Organizational culture and corporate values play an important role in shaping the relationship between HRM’s ethical leadership, employee ethical behavior, and corporate social responsibility (CSR). Alignment between HRM practices and organizational culture, along with a strong focus on CSR authenticity and strategic motives, can significantly influence employee behavior, organizational commitment, and overall company performance.

2. External factors such as government regulations and pressure from stakeholders also have a significant impact in influencing the relationship between HRM ethical leadership, employee ethical behavior, and CSR. Government regulations and pressure from stakeholders can shape an organization’s CSR strategy, especially when combined with ethical leadership practices.

3. The role of industry and business environment also plays an important role in moderating the relationship between HRM ethical leadership, employee ethical behavior, and CSR. Characteristics of the industry and business environment can influence how strong the relationship is between HRM ethical leadership practices, employee ethical behavior, and CSR initiatives within an organization.

Overall, understanding how ethical leadership, HRM practices, and CSR initiatives interact in various industrial contexts and business environments is critical to encouraging ethical behavior, commitment to corporate social responsibility, and sustainable corporate performance.

5. References


Taştan, S. (2019). The impacts of perceived ethical climate and codes of ethics on employees’ deviant behaviors in organizations. https://doi.org/10.18862/lumproc.177


