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Complementary approaches to organizational ethics

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THÈSE

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préparée au sein du **Laboratoire IREGE**
dans l'**École Doctorale SISEO**

Perspectives complémentaires de l'éthique organisationnelle

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L'Université Savoie Mont Blanc n'entend donner aucune approbation ni improbation aux opinions émises dans cette thèse : ces opinions doivent être considérées comme propres à leur auteur.

To my family...

The idea of the person enters poetics where art and reality, or intentionality and circumstance, meet.

Lyn Hejinian

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Résumé

Résumé en français

Aperçu général

La philosophie fondamentale de l'éthique s'appuie sur le champs plus large des philosophies morales pour proposer des cadres normatifs de comportements acceptés, attendus et acceptables, ainsi que des droits et obligations que l'on retrouve dans un contexte social (Velasquez et al., 1987). Lorsque les spécialistes de l'organisation parlent d'éthique organisationnelle ou commerciale, ils s'appuient sur certains principes fondamentaux de la philosophie morale pour tenter d'expliquer différents aspects de l'activité éthique de l'organisation – activité morale ou immorale. Au cours des dernières années, l'éthique a été de plus en plus analysée dans la littérature organisationnelle (e.g. Crane et Matten, 2010 ; O'Sullivan et al., 2013). L'intérêt croissant porté à la recherche sur l'éthique des affaires a été notamment motivé par l'augmentation du nombre de cas de corruption et d'autres scandales éthiques impliquant l'activité des grandes entreprises.

Dans un contexte organisationnel de plus en plus mondialisé (Donaldson, 1996) caractérisé par des problèmes à caractère social qui peuvent être affectés par la pratique organisationnelle (par exemple, la pollution environnementale, la sécurité des consommateurs, etc.), les organisations deviennent de plus en plus exposées aux yeux du grand public, et donc de plus en plus soumises à l'évaluation morale (Crane et Matten, 2010). Grâce aux avancées technologiques et politiques, l'existence de territoires géographiques communs devient de moins en moins pertinente pour une mise en œuvre harmonieuse de la pratique organisationnelle. D'autre part, cette condition de déterritorialisation (Scholte, 2005) confronte plusieurs organisations à des cultures diverses ayant des cadres éthiques différents, les exposant ainsi à des dilemmes éthiques découlant des particularités de chaque contexte (Donaldson, 1996).

Ce dernier point crée des attentes afin que les organisations respectent les cadres éthiques des contextes dans lesquels elles opèrent et prennent les mesures nécessaires pour s'attaquer à des problèmes sociaux ou environnementaux clés, contribuant ainsi à l'amélioration du bien-être social (Doh et Guay, 2006). Aussi devient-il évident que l'internationalisation de l'activité commerciale expose les organisations à des défis et dilemmes éthiques qui les obligent à renforcer leur activité éthique et à se soumettre à une évaluation morale. La façon dont les organisations répondent à ces dilemmes éthiques détermine dans une large mesure leur activité éthique et leurs profils éthiques globaux. En examinant de plus près la composante de l'intentionnalité et les processus cognitifs

impliqués dans la prise de décision éthique des gestionnaires, on peut aider à comprendre la motivation sous-jacente à une mauvaise gestion organisationnelle ainsi que les facteurs qui guident leurs évaluations morales. Dans la mesure où, dans la littérature sur l'éthique organisationnelle, les intentions morales ont été largement discutées comme une composante majeure de la prise de décision éthique au niveau individuel (Bowie, 1999b ; Rest, 1986 ; Kohlberg, 1984), explorer l'évaluation des intentions managériales et organisationnelles par des tiers (le public) offre des perspectives complémentaires intéressantes pour l'étude de l'éthique des affaires.

La thèse traite l'éthique organisationnelle à partir de différentes perspectives afin de fournir des analyses complémentaires sur l'organisation de la prise de décision éthique de gestion et les évaluations morales de ces dernières. En particulier, les questions principales auxquelles cette thèse a l'intention de répondre sont les suivantes : quel est le rôle des conséquences des actions éthiques dans les évaluations morales de l'intentionnalité et de la responsabilité organisationnelle, et comment les conséquences potentielles des actions organisationnelles peuvent-elles être expliquées par la cognition managériale ?

À travers trois articles, cette thèse vise donc à explorer les facteurs sous-jacents qui guident l'éthique managériale et organisationnelle ainsi que les évaluations morales de cette dernière en mettant l'accent sur le rôle des conséquences des actions éthiques comme facteur majeur de comportement moral et d'évaluation.

Dans le premier article, il est question de gestion organisationnelle pour explorer les facteurs sous-jacents qui affectent les évaluations d'intentionnalité et de responsabilité des individus par rapport aux actions morales des gestionnaires. Dans le deuxième article de la thèse, une analyse conceptuelle de la notion d'intentionnalité organisationnelle est développée ainsi qu'un cadre d'évaluation morale de l'activité commerciale immorale - et des activités morales qui peuvent suivre cette activité immorale. En complétant des résultats de la première étude, qui montre un effet des résultats des actions organisationnelles sur les évaluations d'intentionnalité, la deuxième recherche a pour but de dévoiler les motivations plus profondes qui déclenchent les fautes organisationnelles, permettant ainsi de transférer la discussion de l'intentionnalité au niveau organisationnel. De plus, ce deuxième article étend la discussion à la prise de décision organisationnelle en analysant le rôle des résultats des actions organisationnelles immorales sur les évaluations d'intentionnalité comme un facteur majeur de prise de bonnes décisions organisationnelles suite aux fautes. Aussi complète-t-il les résultats de la première étude en proposant une description plus complète du phénomène et des orientations pour les recherches futures.

Le troisième article de ma thèse examine la prise de décisions éthiques de la part du gestionnaire et met l'accent sur les bases cognitives qui conduisent les activités de responsabilité sociale (RSE) des gestionnaires ainsi que leur activité éthique générale dans les contextes institutionnels différents. Le thème de la responsabilité sociale organisationnelle est traité selon une perspective plus large compte tenu de la variété des facteurs affectant la prise de décision managériale (Aguilera et al., 2007) à plusieurs niveaux. En particulier, il propose une analyse conceptuelle des bases cognitives qui forment la prise de décision éthique managériale. Ceci permet de tirer des enseignements sur les facteurs cognitifs qui incitent les dirigeants à s'engager dans des actions sociales ayant des conséquences positives ou négatives dans les différents environnements institutionnels dans lesquels les organisations opèrent.

Suite aux conclusions des deux premiers articles, où le focus est mis sur les évaluations de l'intentionnalité managériale et organisationnelle de tiers, le troisième article s'attache au gestionnaire individuel agissant dans un contexte institutionnel dynamique. Ce faisant, il permet de discuter si les gestionnaires ont une réflexion cognitive sur les conséquences possibles lorsqu'ils prennent des décisions éthiques en analysant conceptuellement le processus par lequel la cognition managériale, façonnée par l'environnement, informe les actions éthiques des gestionnaires et les conséquences qui en découlent.

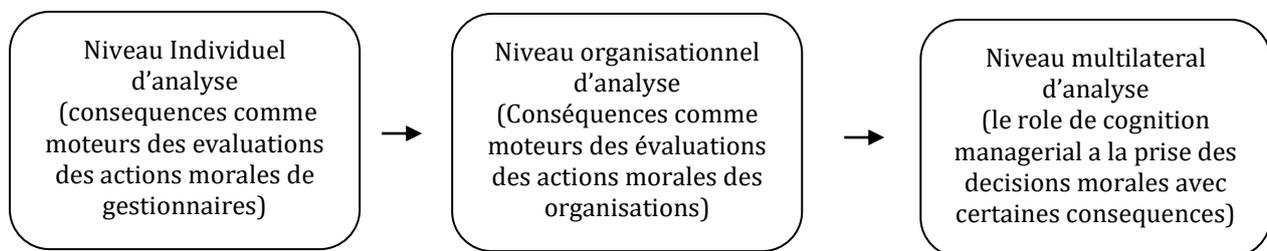
Les trois articles permettent ainsi d'explorer le phénomène d'intérêt tant du côté du gestionnaire et de l'organisation que du public, ce qui permet de tirer des conclusions sur la question de savoir si les facteurs qui guident les évaluations d'intentionnalité managériale et organisationnelle du public, et en particulier des conséquences des actions, informent également la cognition managériale en matière de prise de décision éthique et de RSE au travers des contextes institutionnels. La figure 1 ci-dessous illustre la problématique générale de la thèse ainsi que les sous-problématiques auxquelles les trois articles cherchent à répondre.

Figure 1 : *La grande problématique et les trois sous-problématiques de la thèse actuelle*



En d'autres termes, grâce à cette exploration multidimensionnelle du phénomène à travers les trois articles, il est montré dans un premier temps que les conséquences agissent comme un critère majeur qui guide les évaluations de l'activité éthique de l'organisation. Un développement est ensuite proposé en explorant comment la cognition managériale et les processus psychologiques dans divers contextes nationaux guident les gestionnaires pour prendre des décisions éthiques avec des conséquences sociales variables - négatives ou positives. La figure 2 ci-dessous décrit la façon dont est ici conceptualisée l'évaluation morale de l'activité organisationnelle et les facteurs cognitifs qui guident la prise de décision éthique à différents niveaux d'analyse.

Figure 2: *Conceptualisation de la grande problématique à travers différents niveaux d'analyse*



Positionnements épistémologique et méthodologique

Cette recherche se positionne au sein d'une perspective normative de l'éthique organisationnelle visant à développer des recommandations (O'Sullivan, Smith et Esposito, 2012) sur la façon dont la pratique organisationnelle devrait se situer dans un environnement donné, par opposition à un outil positif évaluant la pratique des entreprises à leur valeur nominale. Les trois principales recherches menées répondent à des questions de recherche légèrement différentes, mais complémentaires, et à la problématique générale. Elles ont été développées avec différentes méthodologies, un choix intentionnel pour permettre de répondre à chacune des sous-problématiques en profondeur ainsi que dans une plus grande avec plus d'adéquation, offrant ainsi des aperçus complémentaires au thème de recherche global. En particulier, la première étude a été développée sur une méthodologie expérimentale tandis que la deuxième et la troisième sont construites autour de discussions conceptuelles approfondies visant à analyser philosophiquement les résultats de la première, et à explorer plus profondément les mécanismes d'évaluation morale de l'activité managériale.

La thèse offre des conclusions au sujet des mécanismes qui guident les évaluations morales de l'activité organisationnelle immorale, et en particulier les conséquences de cette activité et la

possibilité d'être anticipées par la cognition managériale afin de façonner, dans une certaine mesure, la prise de décision éthique de la part des managers.

Il est possible que ces différents choix méthodologiques puissent impliquer un certain niveau de pluralisme épistémologique : la première recherche est construite sur une tradition expérimentale et positiviste et les deux autres sur une tradition épistémologique plus interprétative, allant au-delà des motifs purement positivistes. Cependant, ces positionnements ont été consciemment choisis et visent à mieux répondre aux trois sous-problématiques et, ainsi, à fournir des aperçus complémentaires de la problématique globale. Les méthodologies utilisées ne sont pas destinées à se juxtaposer mais à donner des réponses complémentaires, permettant ainsi une meilleure compréhension du phénomène sous-jacent.

En particulier, ayant commencé avec une étude expérimentale dont les résultats éclairent les mécanismes sous-jacents qui guident les évaluations morales individuelles des méfaits managériaux, les limites potentielles de la tradition épistémologique positiviste associée à une méthodologie expérimentale ont été perçues ; une discussion philosophique sur le phénomène d'intérêt a été entamée afin d'explorer plus profondément les motivations sous-jacentes qui guident les évaluations morales de la pratique organisationnelle ainsi que les facteurs qui guident la cognition des managers en ce qui concerne la prise de décisions éthiques.

Tout au long de l'exploration de la littérature et du développement de la question de recherche, la position épistémologique initiale a été remise en question et d'autres méthodologies pour aider à compléter les résultats de la première étude ont été recherchées. Dans cette quête épistémologique, qui a constitué un aspect majeur du cheminement de recherche, une épistémologie plus interprétative a été adoptée afin d'explorer davantage le phénomène conceptuel en question dans le but de développer des concepts et des motivations plus profondes pertinents pour la prise des décisions morales dans un contexte organisationnel.

Considérant ce dernier point, même si le choix de différentes décisions méthodologiques ne peut être pleinement cohérent d'un point de vue épistémologique, cela dévoile une logique réfléchie qui s'est développée tout au long du développement de cette thèse. Ainsi, l'épistémologie sous-jacente à cette thèse est une épistémologie qui reconnaît les limites du positivisme pur et qui ouvre la voie à une position épistémologique plus interprétative permettant l'émergence d'une vision normative de l'activité éthique. Le choix d'une étude expérimentale ne révèle pas non plus l'existence d'une position épistémologique positiviste stricte, mais plutôt un choix conscient visant à fournir des

réponses à la question initiale qui a motivé l'étude du phénomène en question et a donné lieu aux deux études conceptuelles qui ont suivi.

Résultats

Les résultats de la première recherche montrent que les évaluations morales de l'intentionnalité dépendent de la modalité des résultats des actions managériales. Ces résultats confirment la littérature récente dans le domaine de philosophie morale, en expliquant que les individus ont tendance à attribuer l'intentionnalité à la prise de décision managériale produisant des résultats négatifs indépendamment des intentions déclarées des gestionnaires (Knobe, 2003). Au-delà de cette confirmation de la littérature récente, la recherche prolonge ces résultats vers un autre aspect crucial des évaluations morales, la responsabilité, en proposant que la responsabilité ne dépend pas toujours de l'intentionnalité, mais que les évaluations de la responsabilité peuvent dépendre directement des résultats - indépendamment des inférences intentionnelles antérieures.

En outre, en testant les effets modérateurs de l'affectivité négative et du progressisme sur les effets directs signalés ci-dessus, l'article relie ces derniers (effet des résultats sur l'intentionnalité et la responsabilité) à la littérature croissante sur les émotions morales (Haidt, 2001 ; Graham et Haidt, 2009). En particulier, les résultats montrent que l'affectivité négative interagit avec les conséquences négatives des actions pour renforcer les attributions d'intentionnalité des personnes tout en constatant que le progressisme, une attitude morale psychologiquement formée, interagit avec des résultats négatifs pour renforcer les attributions de responsabilité.

En considérant ces derniers résultats, la première partie de la thèse propose, de façon originale, que différents mécanismes guident les inférences d'intentionnalité et de responsabilité, soulignant ainsi une relative indépendance entre ces deux aspects de la cognition morale, qui sont souvent confondus. Ce faisant, la présente recherche examine les conditions dans lesquelles l'activité immorale organisationnelle, pourrait, même involontaire, être jugée par le public comme intentionnelle et/ou avoir été engagée avec responsabilité. Les conclusions du premier chapitre ouvrent la voie à la deuxième recherche, qui porte sur la discussion de l'intentionnalité organisationnelle au sujet de l'activité immorale organisationnelle et développe une analyse du phénomène au niveau organisationnel. L'objectif est d'étendre les résultats du premier article, centrés sur la prise de décision du manager au niveau individuel, et d'élaborer un cadre d'évaluation morale des fautes organisationnelles - surtout quand elles sont suivies par une activité morale compensatrice.

Pour évaluer cette pratique organisationnelle, dans la deuxième partie de la thèse, le concept d'*Indulgences Catholiques* est mobilisé pour établir des parallèles avec les pratiques commerciales et affirmer que la motivation organisationnelle d'annuler les mauvaises actions en s'impliquant dans de bonnes actions reflète souvent une attitude indulgente s'étendant de *l'impostorisme organisationnel* (par exemple, '*greenwashing*') à l'abus des indulgences et, finalement, à l'indulgence appropriée. Au travers d'une analyse conceptuelle du phénomène, cet article défend l'idée que les différents comportements indulgents dépendent principalement de l'intention impliquée dans l'acte erroné ainsi que dans l'acte moral qui suit. Pour développer cet argument, le même courant de littérature philosophique (Knobe, 2003) que dans l'étude précédente est mobilisé pour développer une compréhension de ce qui est considéré comme une action intentionnelle au niveau organisationnel - et comment cette évaluation dépend des évaluations des résultats des actions organisationnelles.

Cette dernière discussion conceptuelle permet de développer une taxonomie de la fausseté organisationnelle en délimitant trois types différents de comportements organisationnels indulgents en fonction de l'évaluation des conséquences engendrées par les fautes organisationnelles et l'activité de faire ensuite du bien pour compenser l'activité immorale. Ce cadre conceptuel traite des évaluations de l'éthique organisationnelle à travers le prisme du concept d'indulgences catholiques, fournissant ainsi une nouvelle perspective à ce courant de littérature.

En premier lieu, au travers de *l'indulgence appropriée (proper indulgence)*, l'organisation montre un véritable repentir et l'intention de compenser directement le mal fait précédemment commis ainsi que l'intention sincère de ne pas répéter des actions contraires à l'éthique. En outre, l'organisation a la véritable volonté de produire, et produit généralement des avantages sociaux positifs grâce à des actions de compensation et d'autres comportements de RSE. Dans un deuxième temps, *l'abus des indulgences* est une attitude par laquelle l'organisation ne manifeste pas un véritable repentir pour les actes commis précédemment et est susceptible de se réengager dans le prétendu mauvais fait. Cependant, l'organisation démontre une véritable intention de produire des bénéfices sociaux positifs avec, par ailleurs, une activité philanthropique et d'autres actions de RSE, qu'elle réussit généralement à réaliser dans la pratique.

Enfin, le cadre proposé reconnaît une possibilité supplémentaire, *l'impostorisme organisationnel (organisational impostorism)*, un comportement qui reflète non seulement que l'organisation ne s'est pas véritablement repenti des maux commis auparavant, mais qu'elle réintègre également les actions immorales, tout en manquant de toute intention de produire des résultats

positifs bénéficiant à la société. Dans ce cas, si l'organisation s'engage dans la RSE ou la philanthropie, elle le fait à des fins de réputation uniquement.

En faisant l'analyse mentionnée ci-dessus, le deuxième article propose une perspective nouvelle au travers de laquelle l'éthique organisationnelle peut être évaluée et suggère des conséquences de l'activité morale ou immorale organisationnelle comme un facteur majeur de motivation organisationnelle à s'engager dans des actions morales ainsi qu'un facteur majeur qui guide les évaluations du grand public sur le sujet de l'intentionnalité organisationnelle. En outre, pour comprendre si les résultats des actions sont aussi un élément de prise de décision éthique managériale, le troisième article plonge davantage dans la cognition managériale pour explorer les facteurs qui la façonnent en ce qui concerne la prise de décision éthiques, et en particulier la RSE.

Pour cela, et en s'appuyant sur la littérature traitant de la cognition managériale en ce qui concerne la prise de décision éthique (Stubbart, 1989) ainsi que de la prise de décision éthique en tant que phénomène affecté par des facteurs multiples à des niveaux d'analyses différents (Aguilera et al., 2007), le troisième article utilise les fondements théoriques de la métacognition, la théorie des *niveaux construs* (*construal level theory*) (Lieberman et Trope, 1998), pour comprendre comment les conceptions mentales peuvent affecter la prise de décision managériale et, en particulier, les décisions managériales conduisant des actions morales avec certaines conséquences sociales. Étant donné que la littérature n'a jusqu'à présent pas permis de tirer des conclusions sur la manière dont la cognition managériale traite des résultats des actions éthiques à la prise de décisions éthiques, plonger plus profondément dans ce mécanisme permet d'aider à faire un lien entre la prise de décision éthique et les résultats des actions.

Le troisième article a donc pour but d'explorer si les actions morales organisationnelles et les résultats qu'elles produisent sont décidés par les gestionnaires à la suite des mécanismes cognitifs évoqués lorsque ces gestionnaires sont exposés à différents contextes institutionnels dans des pays divers. Il s'appuie sur les principes fondamentaux de la théorie des interprétations mentales ainsi que sur des études de cas pour développer une discussion conceptuelle approfondie et des propositions théoriques sur la façon dont les gestionnaires utilisent la cognition pour prendre des décisions éthiques (avec de bonnes ou mauvaises conséquences sociales) dans divers contextes institutionnels.

En particulier, ce qui est proposé dans cette troisième étude conceptuelle est que les décisions morales (et en particulier celles liées à la stratégie RSE de l'organisation) prises par les gestionnaires dans des contextes institutionnels plus ou moins familiers sont largement basées sur des mécanismes cognitifs liés à l'état psychologique desdits gestionnaires lorsqu'ils sont exposés à de nouveaux

contextes. L'étude menée a pour but de dévoiler les bases psychologiques qui guident les managers vers la prise des décisions produisant des conséquences sociétales positives ou négatives. En particulier, elle défend l'idée que les gestionnaires qui perçoivent une distance psychologique et spatiale élevée, dans le contexte institutionnel auquel ils sont exposés, sont susceptibles de prendre des décisions plus éthiques favorisant le contexte social local. D'un autre côté, l'article montre que les gestionnaires qui perçoivent une petite distance psychologique ou spatiale dans les contextes auxquels ils sont exposés ont tendance à prendre des décisions morales avec très peu de considérations des conséquences sociales que ces décisions peuvent produire. Dans ce dernier cas, les gestionnaires seraient plus susceptibles de prendre des décisions éthiques sans tenir compte des résultats positifs potentiels de ces décisions.

Considérant les points ci-dessus, cette recherche propose que la cognition managériale peut affecter la prise de décisions éthiques des gestionnaires et, donc, d'une manière inconsciente, les conséquences de ces décisions. Cependant, l'étude ne confère pas l'existence d'un élément d'intentionnalité conduisant à ces décisions, mais discute plutôt les mécanismes cognitifs sous-jacents menant les gestionnaires à prendre des décisions éthiques avec certaines conséquences sociales (Knobe, 2003). Elle aborde plus profondément le sujet de la cognition managériale pour étudier les processus cognitifs qui motivent les actions managériales et produisent certaines conséquences.

Les trois articles de la thèse offrent des perspectives complémentaires à la recherche académique sur l'éthique organisationnelle en analysant les intentions morales comme des aspects inhérents du processus de la prise de décision éthique au niveau individuel (Kohlberg, 1984 ; Rest, 1986). En particulier, ils portent sur le rôle des conséquences des actions morales organisationnelles, sur les évaluations morales des organisations de la part des individus, ainsi que sur les processus cognitifs menant les gestionnaires à s'engager dans des actions éthiques - ou non - dans divers contextes institutionnels. En étudiant les mécanismes sous-jacents qui guident les évaluations de l'intentionnalité organisationnelle suite à la prise de décisions immorales, cette thèse transfère des résultats contre-intuitifs du domaine de la philosophie morale (Knobe, 2003 ; Wright et Bengson, 2009) à la littérature de l'éthique des affaires. Elle contribue à la littérature sur l'éthique des affaires en discutant le rôle des conséquences des actions morales et immorales organisationnelles sur les évaluations morales du grand public.

En outre, en transférant le débat au niveau organisationnel, la thèse contribue aux débats de la littérature organisationnelle en analysant la relation entre la malfaisance organisationnelle et

l'activité éthique qui suit souvent cette malfeasance. Elle analyse la manière par laquelle les conséquences des actions morales et immorales organisationnelles peuvent refléter l'intentionnalité sous-jacente organisationnelle de contribuer au bienfait social. En plus, ces résultats dévoilent la manière par laquelle les conséquences de l'activité immorale organisationnelle peuvent influencer les évaluations de la motivation organisationnelle à s'engager dans des actions de bienfaisance et de malfeasance sociale.

Enfin, en discutant de la manière dont des conséquences négatives ou positives pourraient être générées par la prise de décision managériale, la thèse plonge plus profondément dans la cognition managériale pour fournir des conclusions sur les mécanismes cognitifs qui guident les décisions éthiques des gestionnaires avec des conséquences sociales négatives ou positives. Elle explore le rôle des conséquences tant du côté de la prise de décision éthique managériale que des évaluations morales de celui-ci, et propose un cadre normatif pour l'évaluation morale de la pratique organisationnelle éthiquement pertinente. Elle ouvre des voies aux futures recherches pour explorer davantage le phénomène étudié dans divers contextes de recherche.

Contributions théoriques

La thèse contribue aux débats actuels dans le domaine de l'éthique des affaires, qui portent sur les évaluations morales de l'éthique organisationnelle et managériale, et en particulier les évaluations de l'intentionnalité organisationnelle par le public. Pour cela, la thèse transfère des découvertes récentes de la philosophie morale à la littérature de l'éthique des affaires. Notamment, cette thèse explore les facteurs sous-jacents qui forment les évaluations éthiques des individus envers l'activité immorale organisationnelle, et se focalise sur la manière dont laquelle les conséquences sociales produites par ces actions organisationnelles peuvent affecter ces évaluations.

En outre, en utilisant la métaphore du principe des indulgences de l'église catholique, la thèse développe un cadre conceptuel captant la manière dont les individus évaluent l'intentionnalité organisationnelle. La production de certaines conséquences dans les pays où les organisations opèrent est prise en compte, en analysant les motivations sous-jacentes qui peuvent inciter les actions immorales produisant ces conséquences. Enfin, cette thèse aborde le sujet du point de vue du gestionnaire, et explore de façon conceptuelle la manière dont les mécanismes cognitifs des gestionnaires sont susceptibles de guider la production de certaines conséquences éthiques. En cela, la thèse tire des conclusions sur la façon dont les gestionnaires peuvent anticiper comment ils seront évalués par le public.

Dans un premier temps, la thèse complète les débats de l'éthique des affaires qui traitent de l'intentionnalité et du jugement comme inhérents à la prise de décision éthique (Rest, 1986 ; Kohlberg, 1984) et se concentre sur l'évaluation morale des décisions et des comportements éthiques des organisations en explorant les facteurs qui guident ces évaluations. En particulier, en étendant 'l'effet de Knobe' (Knobe, 2003) à la littérature sur l'éthique des affaires, la thèse atteste la dépendance des évaluations d'intentionnalité sur les conséquences des actions morales organisationnelles et transfère cette constatation à des évaluations de responsabilité, informant ainsi les débats naissants sur le terrain (Robinson et al., 2013 ; Bauman, 2010 ; Wible, 20019).

En outre, la thèse étudie les mécanismes modérateurs sous-jacents qui guident la dépendance des évaluations d'intentionnalité sur les conséquences des actions. Elle s'appuie sur la littérature citant l'influence des évaluations morales des individus sur des mécanismes émotionnels (Nadelhoffer, 2004 ; Wright et Bengson, 2009) ainsi que la psychologie morale des individus, considérant ces derniers comme les principaux moteurs de l'évaluation de l'intentionnalité et de la responsabilité des actions managériales. De fait, la thèse contribue aux débats sur l'éthique des affaires (Bauman, 2010 ; Robinson et al., 2013) en transférant des idées (sur les mécanismes sous-jacents qui guident l'intentionnalité et l'évaluation de la responsabilité managériales et organisationnelles) de la psychologie morale à l'éthique des affaires.

De plus, en développant un cadre d'évaluation morale de l'activité éthique organisationnelle, la thèse contribue aux débats organisationnels actuels sur la relation entre la bienfaisance et la malfaisance organisationnelle (Kotchen et Moon, 2012 ; Rodgers, Söderbom et Guiral, 2014) et propose le concept des indulgences catholiques comme une nouvelle lentille à travers laquelle l'intentionnalité organisationnelle peut être évaluée, sur la base des conséquences des actions organisationnelles. A travers le développement de ce cadre conceptuel, cette thèse propose une perspective nouvelle pour évaluer l'éthique organisationnelle et les mécanismes d'évaluation morale des organisations.

Enfin, la thèse aborde la prise des décisions éthiques des managers comme un phénomène affecté par des facteurs jouant sur plusieurs niveaux, et traite de la cognition comme l'un des nombreux facteurs qui guident la prise de décision managériale et ses conséquences. En cela, elle contribue aux débats naissants qui considèrent la RSE et la prise de décisions éthiques comme un phénomène se situant à de multiples niveaux (Aguilera et al., 2010), citant la cognition comme un facteur majeur de la prise de décision éthique (Stubbart, 1989). Le troisième article complète les

résultats des deux premiers en proposant que les managers ont la capacité d'anticiper et ensuite comme critères de leurs évaluations morales par le public.

Implications managériales

Au-delà des implications théoriques susmentionnées, les conclusions de la thèse ont également des implications importantes pour les gestionnaires et les organisations. Ils permettent de fournir de nouvelles perspectives pour la pratique de l'éthique des affaires dans différents domaines. Sachant que les conséquences des actions, et en particulier les conséquences négatives, sont largement utilisées par le jugement des tiers dans l'évaluation de l'intentionnalité des actions managériales et organisationnelles, ces résultats permettront aux managers d'examiner les conséquences potentielles de leurs actions avant de prendre des décisions - et d'améliorer leur prise des décisions éthiques.

Ainsi, en confirmant et en étendant l'effet des résultats des actions sur les évaluations de l'intentionnalité managériale et organisationnelle, la thèse fournit de nouvelles idées aux managers selon les facteurs qui guident les évaluations de l'intentionnalité déclenchant leur activité éthique. Sachant que ces évaluations dépendent des conséquences des actions par opposition aux intentions déclarées des gestionnaires, les gestionnaires peuvent être plus attentifs aux conséquences de leurs actions éthiques et informer leur prise de décision éthique sur les bases des conséquences potentielles produites.

En d'autres termes, sachant qu'ils seront considérés comme ayant une intentionnalité ou une responsabilité pour la production des actions produisant des conséquences négatives, les managers peuvent commencer à prendre des décisions éthiques avec des conséquences sociales négatives minimales afin de ne pas être considérés comme intentionnels. Ainsi, en tenant compte des conclusions de la thèse, ils peuvent améliorer leur prise de décision éthique et prendre des décisions dont les actions peuvent améliorer le bien-être social.

En outre, sachant que la comparaison des conséquences produites par la malfeasance par rapport à la bienfeasance organisationnelle est susceptible de guider les évaluations d'attitudes indulgentes motivant le comportement organisationnel, et que les évaluations plus larges de l'intentionnalité guidant les actions managériales et organisationnelles aideront les gestionnaires à améliorer leur prise de décision éthique, il est à espérer que ces conclusions conduiront les managers à élaborer des politiques éthiques plus cohérentes dans leur stratégie globale en minimisant les comportements éthiques causant des dommages sociétaux et en intensifiant la participation répétitive à des initiatives visant à améliorer le bien-être social dans son ensemble.

Enfin, considérant les résultats du troisième article suggérant que la cognition managériale interagit avec le contexte institutionnel pour façonner les choix de RSE et la prise de décisions éthiques ainsi que les conséquences négatives ou positives qui en découlent, les organisations peuvent choisir le profil adéquat des managers pour accroître leur impact social positif dans différents contextes institutionnels grâce à la production de conséquences positives, donc leur expansion internationale en améliorant leur impact positif et leur réputation éthique dans les sociétés dans lesquelles ils opèrent. En particulier, sachant que les contextes familiers façonnent la cognition d'une manière qui amène les managers à prendre des décisions moins éthiques tandis que les contextes institutionnels inconnus sont traités cognitivement d'une manière qui amène les gestionnaires à prendre des décisions ayant des conséquences sociétales plus positives, les organisations peuvent choisir pour leurs projets internationaux des managers ayant peu de familiarité avec les contextes étrangers, afin d'améliorer leur impact sociétal positif et leur réputation globale dans les contextes institutionnels dans lesquels ils opèrent.

Grâce aux conclusions de cette thèse, les managers et les organisations pourront améliorer leur prise de décisions éthiques en accordant une attention particulière aux conséquences anticipées de leurs décisions éthiques. De cette façon, les organisations peuvent parvenir à minimiser les préjudices sociaux et l'injustice causés par l'activité immorale et à accroître leur impact positif dans les sociétés dans lesquelles ils opèrent, renforçant ainsi leurs évaluations éthiques par le public.

Limites et recherches futures

Comme déjà expliqué ci-dessus, la thèse met en lumière les mécanismes qui guident les évaluations individuelles de l'intentionnalité managériale et organisationnelle. Au-delà des résultats significatifs, qui, comme mentionné ci-dessus, offrent différentes contributions à la recherche et à la pratique dans les organisations, certaines limites demeurent. Une mention détaillée des limites de chaque article figure dans les sections correspondantes dans chacun des articles. Ici, quelques limites générales seront fournies, qui pourraient être observées tout au long des choix méthodologiques et théoriques de l'auteur dans son effort de répondre à la question de recherche globale ainsi que les sous-questions de chaque article.

Le premier article a été construit sur la même conception expérimentale que l'étude originale de Knobe (2003) n'offrant donc pas une contribution empirique significative en soi, au-delà des aspects théoriques et managériaux qu'elle fournit. Cependant, étant donné que le phénomène d'intérêt, 'l'effet de Knobe', n'a été proposé jusqu'à présent que dans la littérature en philosophie morale (Knobe, 2003), son exploration reste encore naissante dans le domaine de l'éthique des

affaires. Il a donc été considéré comme crucial de répéter la conception expérimentale de Knobe afin de s'assurer que l'étude par sa conception méthodologique est en mesure de répondre à la question de recherche en jeu et de transférer le phénomène dans le domaine de l'éthique des affaires.

Outre le fait que la réplication des résultats de recherche avec l'utilisation d'échantillons différents est elle-même d'une certaine valeur, dans ce cas, la réplication de la même conception expérimentale n'est pas seulement limitée à la réplication du même phénomène ; en effet, l'étude étend les résultats originaux de Knobe (2003) à d'autres aspects de l'évaluation morale, au-delà de l'intentionnalité, en particulier à la responsabilité. En outre, l'utilisation de nouveaux concepts dont l'analyse a été limitée dans la littérature organisationnelle pourrait nécessiter la validation et l'extension de ces résultats à travers différents contextes d'étude. Il serait également nécessaire de s'assurer de la validité des variables (en particulier le progressisme) dans tous les contextes de recherche, ainsi que de l'application pratique des concepts (comme les attitudes indulgentes de recherche) dans le monde réel des affaires.

Cependant, grâce à l'utilisation de nouvelles variables et concepts, la recherche permet d'étendre les débats naissants dans le domaine de l'éthique des affaires ainsi que de fournir de nouvelles perspectives à travers lesquelles l'éthique organisationnelle peut être évaluée. En cela, cette thèse ouvre la voie à de futures recherches pour explorer davantage les facteurs sous-jacents qui guident les effets des conséquences des actions morales sur les évaluations d'intentionnalité de l'éthique managériale et organisationnelle. Par exemple, pour confirmer et étendre les conclusions actuelles, les recherches futures pourraient développer de nouveaux modèles expérimentaux ou des enquêtes afin d'identifier d'autres facteurs qui guideraient les évaluations de l'intentionnalité et de la responsabilité de la mauvaise gestion managériale et organisationnelle. De plus, en s'appuyant sur la discussion conceptuelle de la composante indulgente qui guide la pratique organisationnelle ainsi que sur le rôle de la cognition managériale dans la prise de décisions éthiques, de futures recherches pourraient essayer de confirmer empiriquement l'existence de telles tendances par la conduite d'entretiens dans un contexte de relations d'affaires. Ceux-ci réussiraient à évaluer l'application des cadres conceptuels proposés dans un contexte réel et à étendre ceux-ci pour tenir compte d'autres facteurs qui guident les décisions éthiques des gestionnaires et des organisations ainsi que la manière dont celles-ci sont évaluées par le public.

Conclusion

Cette thèse aborde le phénomène d'intérêt du côté de la cognition managériale et tente de voir si la cognition managériale peut affecter et contrôler les conséquences des actions éthiques des gestionnaires et donc potentiellement la manière dont ces actions sont évaluées par le public.

Les différents articles ont été présentés dans différents séminaires et conférences académiques tels que *l'Academy of Management*, le *European Academy of Management (EURAM)*, le *European Group of Organizational Studies (EGOS)* et le *Latin American Group for Organisational Studies (LAEMOS)*. Ils ont suscité d'intéressantes discussions académiques entre évaluateurs et collègues. De plus, deux des trois articles ont été soumis à des revues académiques à comité de lecture et ont été acceptés pour examen par les pairs. En particulier, le premier article est actuellement dans le premier tour de révision dans la revue *Business Ethics Quarterly* et le second a été récemment publié dans la revue *M@n@gement* en Novembre 2016. Le troisième article sera soumis à la revue *M@n@gement* dans les 6 mois prochains.

Introduction

INTRODUCTION

General Overview

Ethics coming from the Greek word ἦθος (ethos), draw on the broader area of morality to propose normative frameworks of accepted, expected and unacceptable behaviours as well as the rights and obligations that one holds in the context of a society or a group (Velasquez et al, 1987). When organizational scholars talk about organizational or business ethics, they draw on some basic principles of moral philosophy to try to explain different aspects of ethically relevant -right or wrong- organizational activity (Crane and Matten, 2010; Abyad, 2014). Over the last years, ethics have been increasingly talked about in management literature (e.g., Grane and Matten, 2010; O’Sullivan et al, 2013). The increasing interest to business ethics research has been especially motivated by the augmenting number of corruption and other ethical scandals involving corporate activity and namely large corporations.

In view of the increasingly globalized organizational context (Donaldson, 1996) as well as several burning issues of global character that organizational practice is concerned with (e.g., environmental pollution, consumer safety, etc.), organizations become more and more subjects to moral evaluation (Crane and Matten, 2010). As a result of the latter, through technological and political advancements, the existence of common geographical territories becomes less and less relevant for the smooth implementation of organizational practice. On the other hand however, this condition of *deterritorialisation* (Scholte, 2005) confronts organizations with different cultures holding different ethical frameworks, thus exposing them to a number of ethical dilemmas arising from the differences between the particularities of each context and what organizations are used to (Donaldson, 1996). The latter creates expectations for organizations to abide by the ethical frameworks of the environments within which they operate as well as take the necessary actions to tackle prominent social or environmental issues thus contributing to the enhancement of social welfare (Doh and Guay, 2006). In conclusion, it is evident that internationalization of business activity exposes organizations to ethical challenges requiring them to enhance their ethical activity as well as making them subjects to moral evaluation.

How organizations respond to such ethical dilemmas determines to a great extent their ethical activity and overall ethical profiles. Looking closer to the intentionality component and the cognitive processes involved in the ethical decision making of managers can help understand the underlying motivation behind organizational wrong-doing and right doing activity as well as the factors guiding the moral evaluations of the latter. Given that intentions have been largely discussed as a major

component of one's own ethical decision making (Bowie, 1999b; Rest, 1986; Kohlberg, 1984), studying evaluations of managerial and organizational intentionality, that is the way that organizational intentionality is evaluated by third parties, promises to offer complementary insights to the study of business ethics.

The current thesis approaches organizational ethics from different perspectives to provide complementary views on the organization of managerial ethical decision making and moral evaluations of the latter. In particular, the main question that the main thesis intends to answer is what is the role of ethical actions' consequences in moral evaluations of organizational intentionality and responsibility and how actions' potential consequences can potentially be explained by managerial cognition. Across 3 studies, the current thesis intends to explore the underlying factors guiding managerial and organizational ethicality as well as the moral evaluations of the latter with a great focus on the role of ethical actions' consequences as a major factor guiding moral behaviours and evaluations of it.

In the first article of the current thesis, I focus on managerial wrong-doing to explore the underlying factors affecting individuals' intentionality and responsibility inferences of managers' moral actions. Having explored the latter, I proceed to the second article of my thesis, where I conceptually discuss the notion of organizational intentionality and develop a framework for moral evaluation of business activity involving wrong-doing and subsequent right-doing. Completing the findings of the first study, which shows an effect of actions' outcomes on intentionality evaluations, the second study intends to unveil deeper motivations triggering organizational wrong-doing and transfer the discussion of intentionality to the organizational level. Moreover, the second study of the current thesis extends the discussion to organizational right-doing analysing the role of actions' outcomes on intentionality evaluations as a major factor guiding organizational right-doing following wrong-doing. In so doing, the second part of my thesis intends to complete the findings of the first study and provide a more complete description of the phenomenon of interest providing directions for future research.

Having conducted the above discussion, I move to the third article of my thesis where I am exploring ethical decision making on the part of the manager and I shed light on the cognitive bases driving managers' CSR and overall ethical activity across institutional contexts. In this third article, I take a multi-level perspective considering the variety of factors affecting managerial decision making (Aguilera et al, 2007). In particular, I conceptually analyse the cognitive bases driving managerial ethical decision making to draw insights on the cognitive factors driving managers' decisions to

commit to social actions with positive or negative consequences in the different environments within which they operate. Motivated by the findings of the first and second studies, in the third article of the current thesis, I intentionally take the focus from third party evaluations of managerial and organizational intentionality to the individual manager acting in a dynamic institutional context, to discuss whether managers cognitively think of consequences when they make ethical decisions. In so doing, I conceptually analyse the process through which environmentally shaped managerial cognition informs managers' ethical actions and their accompanying consequences.

The development of the three studies allows for a multi-faceted exploration of the phenomenon of interest both on the part of the manager and the organization as well as that of the judging public, thus allowing to draw conclusions on whether the factors guiding the public's assessments of managerial and organizational intentionality, and in particular actions' consequences, also inform managerial cognition with regards to ethical decision making and CSR across institutional contexts. In other words, through this multifaceted exploration of the phenomenon across the three studies, I first show that consequences act as a major criterion guiding evaluations of organizational ethical activity and I then move further to explore how managerial cognition and the psychological processes evoked across country contexts, lead managers to make ethical decisions with varying potential consequences – negative or positive-.

Figure 1 visually describes the way in which, in the current thesis, I conceptualize moral evaluation of organizational activity and the cognitive factors guiding ethical decision making across different levels of analysis. I initially discuss the underlying mechanisms affecting individuals' moral evaluation of managerial decision making to then take this discussion to the organizational level and analyse different facets of organizational ethical activity as well as the underlying motivation guiding moral evaluations of organizational activity broadly.

Having conferred a dependence of moral evaluations of organizational ethicality on ethical actions' outcomes, I then move to the third article of the thesis, where I discuss whether and how managerial cognition with regards to ethical decision-making informs actions with certain consequences, which as a matter of fact will be then used to evaluate organizational and managerial ethicality.



Figure 1: *Conceptualization of the Research Question across different levels of analysis*

Research Design: Epistemological Position and Methodology

In the current research I take a normative perspective to organisational ethics intending to draw recommendations on how organizational practice ought to be in a given environment, as opposed to a positive tool evaluating corporate practice at face value (i.e., how it really is) (Crane and Matten, 2010; O’Sullivan, Smith and Esposito, 2012). The three major studies of the current thesis are inspired by slightly different but complementary research questions answering to the overarching theme. The three studies have been developed on different methodologies, a choice that was intentionally made to enable me to answer each one of the sub-questions thoroughly as well as the bigger one more adequately, thus offering complementary insights to the overarching research theme.

In particular, the first study of the thesis has been developed on an experimental methodology while the second and the third ones are built around thorough conceptual discussions intending to philosophically analyse the findings of the first one as well as dive deeper in the mechanisms guiding moral evaluations of managerial activity. Considering the three studies together, the current thesis confers conclusions on whether the mechanisms guiding moral evaluations of organizational wrongdoing and in particular consequences can be anticipated by managerial cognition and thus shape to an extent managerial ethical decision making.

Those different methodological choices might imply a certain level of epistemological pluralism with the first study being built on an experimental, positivistic tradition and the later ones on a more interpretivistic one, going beyond purely positivistic epistemological grounds. However, having being consciously chosen as methodologies intending to best answer the research sub-questions and provide complementary insights on the same overarching team, the current methodologies are not meant to juxtapose each other but rather to achieve complementarity and build an essential whole allowing for a better understanding of the underlying phenomenon of interest.

In particular, having started with an experimental study the results of which shed light on the underlying mechanisms guiding individuals' moral evaluations of managerial wrong-doing, I realized the potential limitations of the positivistic experimentalist tradition and decided to engage in a philosophical discussion of the phenomenon of interest in order to explore deeper the underlying motivations guiding moral evaluations of organizational practice as well as the factors guiding managerial cognition with regards to ethical decision making. Throughout the exploration of the literature and the development of my research question and overall identity as a researcher, I started challenging my initial epistemological position and questioning what other methodologies could help complete the findings of the first study.

In this epistemological quest, which constituted a major aspect of my research journey, I decided to adopt a more interpretivistic epistemology and further explore the phenomenon of interest conceptually in an effort to unfold deeper concepts and motivations lying in the core of moral evaluation and decision-making related to ethical business activity. Considering the latter, even though the choice of different methodological decisions might not be fully consistent epistemologically, this makes part of my research journey and indeed unveils a well thought-out rationale that developed throughout the development of this thesis. Thus, I consider the epistemology motivating this thesis as one of recognizing the limitations of pure positivism and opening the way to a more interpretivistic epistemological position allowing for the emergence of a normative view of ethical activity.

Also keeping in mind that even the choice of a research subject itself is a value-laden decision, the choice of an experimental study in this thesis doesn't demonstrate the existence of a strict positivistic epistemological stance but rather a conscious methodological choice intending to provide answers to the initial question that motivated the study of the phenomenon of interest as well as gave rise to the two conceptual studies that followed.

Results

The results of the **first study** of the current thesis show that moral evaluations of intentionality depend on actions' outcome valence confirming recent literature citing that people tend to attribute intentionality on managerial decision making producing negative outcomes regardless of managers' stated intentions (Knobe, 2003). My study transfers the latter findings to another crucial aspect of moral evaluations, responsibility, to propose that responsibility doesn't always depend on intentionality but that judgments of responsibility can be directly dependent on outcome valence regardless of prior intentionality inferences.

Further, testing the moderating effects of negative affectivity and progressivism on the above reported direct effects, the study links the latter (effect of outcome valence on intentionality and responsibility) to the growing literature around moral emotions (Haidt, 2001, 2003; Graham and Haidt, 2009). Particularly, it proposes that negative affectivity interacts with actions' negative consequences to enhance people's attributions of intentionality, while it finds that progressivism, a psychologically formed moral attitude, interacts with negative outcomes to enhance responsibility attributions.

Considering the latter results, the first part of my thesis interestingly proposes different mechanisms guiding intentionality and responsibility inferences, thus stressing a relative independence between those two often conflated aspects of moral cognition. In so doing, this study discusses the conditions under which managerial unethical activity, albeit unintentional, might be judged by the public as intentional and/or having being committed to with responsibility. The findings of the first chapter pave the ground for the **second study**, which takes the discussion of intentionality in respect of organizational unethical activity to the organizational level intending to develop a framework for moral evaluation of organizational wrong-doing; especially when it is followed by compensatory right-doing.

To evaluate such organizational practice, in the second part of my thesis, I use the concept of *Indulgences* to draw parallels with current business practice and argue that organizational motivation to undo the wrong-doing act often reflects an indulgent-seeking attitude extending from *organizational impostorism* (e.g. green-washing) through *abuse of indulgences* to *proper indulgence*. I argue that different indulgent seeking behaviors primarily depend on the intent involved in the wrong-doing and the subsequent right-doing act. To do so, I partially touch on the same philosophical literature stream (Knobe, 2003) as in the above study, to develop an understanding of what is considered to be an intentional action in an organizational level and how this evaluation depends on evaluations of actions' outcomes.

The latter conceptual discussion allows for the development of a spectral taxonomy of organizational wrong-doing delineating three different possible types of indulgent-seeking organizational behavior depending on the evaluation of the consequences produced by organizational wrong-doing and right-doing activity; considering that the latter serve as a reflection of the level of intent involved in such inconsistent organizational behavior. This conceptual framework discusses evaluations of organizational ethicality through the lenses of the *Catholic indulgences*, thus providing a novel perspective to the relevant stream of literature. In a first place, I identify *proper*

indulgence, whereby the organization shows genuine repentance and intention directly to compensate for the wrong-doing previously committed as well as genuine intention not to repeat unethical actions again. Moreover, the organization has the genuine will to produce and typically actually produces positive societal benefits through actions of compensation and other CSR.

At a second level, I identify *abuse of indulgences* as an attitude whereby the organization doesn't show true repentance for the previously committed wrong-doing and is likely to re-engage in the alleged wrong-doing. The organization however demonstrates genuine intention to produce positive societal benefits elsewhere through philanthropic activity and other CSR and typically succeeds in actually doing so in practice. Last but not least, the proposed framework recognizes an additional possibility, *organizational impostorism*, a behavior reflecting not only that the organization has not genuinely repented for the previously committed wrong-doing but that it also re-engages in the alleged wrong-doing while lacking any intention to produce positive outcomes benefiting the society. In this case, if the organization engages in CSR or philanthropy at all, it is for reputational purposes only. In so doing, the second article of the current thesis proposes a novel lens through which organizational ethicality can be evaluated and suggests consequences or right-doing and wrong-doing organizational activity as a major factor driving organizational motivation to commit to moral actions as well as a major factor guiding intentionality evaluations of the latter.

Further, to understand whether actions' outcomes is also an element forming managerial ethical decision making, the **third study** of the thesis dives deeper into managerial cognition to explore the factors shaping it with regards to ethical decision making and in particular CSR. To do so, and building on the literature discussing managerial cognition with regards to ethical decision making (Stubbart, 1989) as well as ethical decision making as a multi-level phenomenon (Aguilera et al, 2007), the third part of the thesis uses the theoretical foundations of a theory of metacognition, - construal level theory (Liberman and Trope, 1998) - to understand how mental construals might affect managerial decision making and in particular managerial decisions driving moral actions with certain social consequences. Given that literature so far has not conferred conclusions on how managerial cognition processes ethical actions' outcomes to make ethical decisions, diving deeper on this mechanism could probably help unfold a potential dependence of ethical managerial decision making on actions' outcomes and vice versa and show how actions with certain outcomes are decided by managers as a result of the cognitive mechanisms evoked when those managers are exposed to different country contexts.

Using the foundations of construal level theory to develop a thorough conceptual discussion as well as case study illustrations, leads to the development of theoretical propositions conferring recommendations on the way managers use cognition to make ethical decisions across institutional contexts as well as the cognitive mechanisms leading managers to make decisions with good or bad societal outcomes.

In particular, what is proposed in this third conceptual study is that CSR decisions made by managers across institutional contexts are largely based on cognitive mechanisms relating to the psychological state of managers when they are exposed to new contexts. The current study thus intends to unveil the psychological bases leading managers to make decisions with positive or negative societal consequences. In particular, what is conferred is that managers perceiving high psychological and spatial distance, in the institutional context that they are exposed to, are likely to make more ethical decisions favoring the local social context than managers perceiving small psychological or spatial distance, in the contexts that they are exposed to. In the latter case, I confer that managers would be more likely to make ethical decisions with less consideration to the potential positive outcomes of such decisions. What the latter shows is that managerial cognition can affect managers' ethical decision making and the accompanying consequences produced out of managerial decisions. However, the study doesn't confer the existence of an intentionality element driving those decisions but rather discusses the underlying cognitive mechanisms leading managers to make ethical decisions with certain social consequences.

Contributions

My research globally contributes to literature discussing consequences as a major factor affecting moral evaluations of intentionality of managerial and organizational wrong-doing (Knobe, 2003) and deepens further to managerial cognition to investigate which are the cognitive processes motivating managerial actions' producing certain consequences. The three studies of the current thesis offer complementary perspectives to research discussing intentions as inherent aspect of one's own ethical decision making (Kohlberg, 1984; Rest, 1986;). In particular, the three studies globally discuss consequences in relation to moral evaluations of managerial and organizational ethicality as well as in relation to the cognitive processes leading managers to commit to ethical or unethical actions across country institutional contexts.

In studying the underlying mechanisms guiding intentionality evaluations of organizational and managerial wrong-doing, the current thesis transfers current counter-intuitive moral philosophy findings (Knobe, 2003; Wright and Bengson, 2009) to the business ethics literature and contributes

to nascent business literature discussing the role of actions' outcomes on evaluations of organizational wrong-doing. Further, through transferring the debate to the organizational level, the current thesis contributes to literature debates discussing the relation between organizational wrong-doing and right-doing and uncovers the role of actions' outcomes in triggering intentionality evaluations of organizational motivation to engage in right-doing and wrong-doing. Last but not least, in discussing the way in which negative or positive consequences might be brought about as a result of managerial decision making, the current thesis dives deeper into managerial cognition to confer conclusions on the cognitive mechanisms guiding managers' ethical decisions with negative or positive social consequences. In so doing, the current thesis explores the role of consequences both on the side of managerial ethical decision making as well as moral evaluations of it and proposes a normative framework for moral evaluation of ethically relevant organizational practice. In so doing, the current thesis triggers future research to further explore the studied phenomenon under diverse research settings and confirm the proposed recommendations across real business and institutional environments.

If considered by managers and organizations, the results of the current thesis can hopefully provide novel insights for the practice of business ethics in different fronts. First, knowing the role of cognition on managerial ethical decision-making producing certain social consequences –positive or negative-, organizations will be able to choose the right profile of managers to be able to increase their positive social impact across different institutional contexts through the production of positive consequences. Further, knowing that actions' consequences and in particular negative ones are largely used by third party judges in evaluations of managerial and organizational actions' intentionality, will allow managers to consider the potential consequences of their actions before making decisions and thus enhance their ethical decision making overall.

Figure 2 below illustrates the way in which the current thesis will be structured and organized.

Figure 2: Architecture of the Current Thesis

Research Question

What is the role of actions' outcomes on evaluations of organizational ethical behavior and how does managerial cognition guide ethical decisions producing certain positive or negative outcomes?

Central Argument

Managerial and organizational intentionality of managerial ethical decision making is evaluated on the bases of ethical actions' consequences and not actors' mental qualities. Managerial cognition can guide those consequences and is likely therefore to anticipate the subsequent moral evaluations of the public.

Chapter 1: Theoretical Background

Section 1: Moral evaluations of intentionality

Section 2: Emotional and moral attitudinal moderators

Section 3: Moral evaluations of organizational wrong-doing and right-doing

Section 4: Managerial Cognition and its role on ethical decision making

Chapter 2: Methodology and Epistemology

Chapter 3: Research Articles

Article 1: If it's bad it must have been on purpose: Affect and moral attitudes and moderators of moral evaluations

Article 2: Indulgences of Abuse of Indulgences: Can good actions wipe out corporate sins?

Article 3: Similar threats, different strategies: "Glocalized" CSR reactions to cognitive framing of institutional pressures: A Construal level theory perspective

Chapter 4: Results and Discussion

Chapter 1. Theory Section

Actions' consequences as drivers of managerial cognition and moral evaluations of managerial and organizational ethicality

Introduction to Chapter 1

The current chapter provides a general overview of the theory that has motivated the overarching research question of the current thesis as well as a thorough discussion of the specific literature debates that have informed the development of each particular study of the thesis. Focusing on ethical managerial cognition and moral evaluations of managerial and organizational ethical decision making as well as on the role managerial actions' consequences on the latter, the current chapter draws insights from moral philosophy literature to provide new perspectives in the area of business ethics.

Structurally, the current chapter is built as follows: First, I provide a general overview of the theory that has motivated and informed the first article of the thesis. In particular, I discuss moral evaluations of intentionality and responsibility and I stress on the role of managerial actions' outcomes on it. Secondly, I take this discussion to an organizational level to thoroughly discuss the theoretical debates that have informed the second part of my thesis. I discuss organizational literature analysing the relationship between organizational wrong-doing and right-doing to provide a thorough perspective on how third party judges use right-doing and wrong-doing organizational activity's actions' consequences to evaluate organizational ethicality. Last but not least, I extend my previous discussion to analyse the theoretical debates that have motivated the third part of the current thesis.

In the two first articles of the current thesis, I mainly focus on moral evaluations of third party intentionality evaluations when managers committ to actions with an ethical component, while in the third one, I discuss managerial cognition to be able to better understand whether the factors leading individuals to evaluate organizational ethicality (consequences) are cognitively processed by managers when making ethical decisions. I define moral evaluations as appraisals of the state of other actors' actions to distinguish evaluations from the traditional definition of ethical judgments as it has been proposed in business ethics literature. Doing so, I provide complementary insights to current business ethics debates discussing intentionality and judgment as parts of one's own ethical decision making process. Finally, I provide conclusive remarks on the liaisons between the complementary literature streams that have collectively informed the current academic output.

Theory of Article 1.

Moral Evaluations of Managerial Ethicality

Moral philosophy literature has extensively discussed factors guiding individuals' moral evaluations (Leslie, Knobe and Cohen, 2006; Greene, 2007; Wright and Bengson, 2009) and cites that inherent to any conference of moral evaluations is the understanding of two actors: the moral agent and the moral victim (Gray, Young and Waytz, 2012). Moral judgment is described as a mental operation involving evaluation of moral transgressions; it is the '*Earthly signature of the soul*' that extends beyond the body to the space of cognition (Greene et al, in press). In business ethics literature, moral judgment is cited as a step in the decision making process whereby individuals develop judgment around right or wrong when they make ethical decisions (Kohlberg, 1984; Rest, 1986; Bowie, 1999b). However, business ethics literature has stressed moral judgment as part of ethical decision making (e.g., Rest, 1986), leaving the exploration of evaluation of third party actions somehow unattended (Bauman, 2010; Robinson et al., 2013)

Particularly, in Rest's ethical decision making model, moral judgment is formed as a result of awareness about the moral phenomenon in question and then triggers the development of ethical intentions finally leading to decision and ethical action (Rest, 1986). As such, the link between judgment and intention is crucial in understanding the basis of ethical decision making. Much like moral judgment, moral intentions constitute inherent part of ethical decision making. The role of intentions has been especially discussed in Kantian ethics (Kant, 1785; Bowie; 1999) as a main element driving ethical action. In Kant's reading, what really matters when people make ethical decisions and produce subsequent results as a result of a moral act is their initial intentions. Drawing on Kantian ethics, many ethicists have discussed the crucial role intentions in ethical decision making (Bowie, 1999, 2003). From the latter, it follows that the role of intentions is central to the study of business ethics. The below figure illustrates the traditional ethical decision making path considering intentions and judgments as part of one's own ethical decision making process.

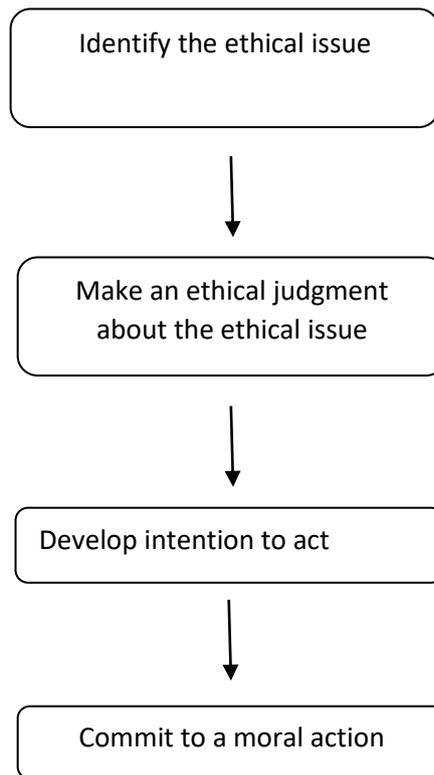


Figure 3. *Ethical decision making model according to Rest (1986). Adapted for this thesis.*

Some literature accounts discuss moral judgment broadly (Weber, 1990; Schwepker and Good, 2010; Welsh and Ordonez, 2013) while others study the organization of specific aspects of it, like intentionality and responsibility (Melle, 1992; Feigenson and Park, 2006; Wright and Bengson, 2009). However, business ethics literature discusses intentions as part of one's one ethical decision making, leaving the exploration of evaluations of ethical actors' intentionality largely unattended. This is to say that much of business ethics research focuses on actors' ethical behaviour and ethical decision formation underestimating the exploration of factors guiding individuals' evaluations of other actors' ethical actions with regards to intentionality.

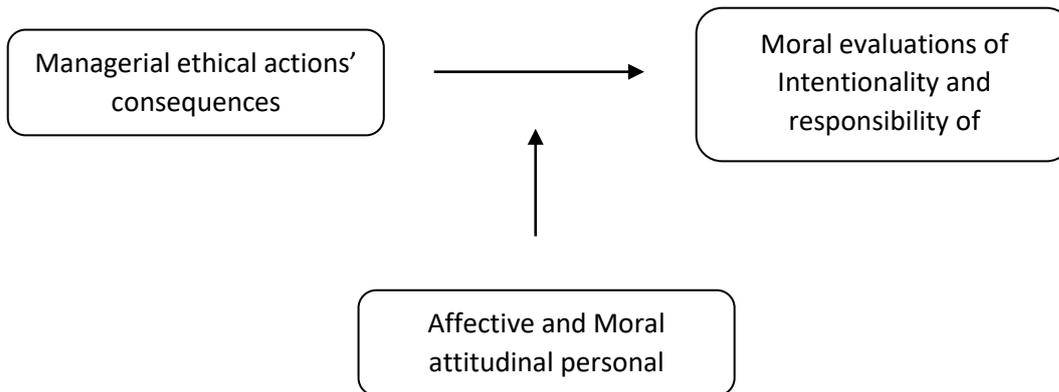
Conversely, evaluation of actors' ethical actions has been largely discussed in moral philosophy literature (Kashima, McKintyre, and Clifford, 1998; Knobe, 2005; Ohtsubo, 2007) with scholars paying particular attention to actors' intentionality and responsibility. Moral philosophy literature accounts cite different pathways connecting intentionality and responsibility (e.g., Shultz and Wells, 1985; Guglielmo and Malle, 2010) and discuss the two in relation to each other. Gray et al (2012) argue that intentionality is one of the major factors guiding individuals' moral cognitive evaluations. Particularly, they posit that pain and intentionality are the two main characteristics involved in unethical activity that individuals use to cognitively process and evaluate moral transgressions. Moral philosophers argue that intentionality evaluations are guided by the

consideration of different factors such as the agents' skills, desires as well as awareness of the negative action she or he performs (Malle and Knobe, 2001). However, recent accounts cite a dependence of intentionality evaluations on actions' outcome valence as opposed to the agent's primary intentions (Knobe, 2003), challenging research linking moral evaluations to the actor's mental qualities only. Those accounts argue that individuals evaluate moral actions based on the outcomes that they produce and that they tend to assign intentionality to a moral agent according to their perception of the badness or goodness associated with the event that his or her action brings about (Knobe, 2004a).

Some philosophers argue that intentionality evaluations condition evaluations of blame (Solan, 2003), while others propose that blame precedes and guides evaluations of intentionality (Alicke, 2000; Knobe, 2005). Given that intentionality and responsibility are related (Wright and Bengson, 2009), in the first article of the current thesis I experimentally show that responsibility evaluations also depend on outcome valence, independently of intentionality. In so doing, the current article doesn't explore the dependence between the two aspects of moral evaluation but rather proposes that intentionality and responsibility function independently with regards to outcome valence thus providing novel perspectives in the functioning of moral cognition broadly.

In particular, in the first part of the current thesis, I draw on Knobe's (2003) effect citing a dependence of moral evaluations of intentionality on actions' outcome valence and transfer those insights to responsibility inferences in order to confer conclusions on the functioning of the two aspects of moral evaluation. At the same time, considering that according to Knobe (2003) individuals make intentionality evaluations based on their feelings about the goodness or badness of an outcome, it is possible that there is an affective component driving evaluations of ethical intentions. To explore this further, I include in my model affective and moral attitudinal moderators – negative affectivity and progressivism respectively- to explore the underlying mechanisms guiding inferences of intentionality and responsibility of others' actions. Figure 4 below illustrates the perspective to moral evaluations of third party actors that I intend to provide through the first article of the current thesis.

Figure 4: *Effect of actions' consequences on moral evaluations of intentionality and responsibility*



Emotions, moral judgment and moral evaluations

Unlike the logical reasoning process underlying moral evaluations, scholars argue that moral evaluations are highly influenced by emotions related to the moral action in question (Haidt, 2001; Greene and Haidt, 2002) and parallel moral judgment with aesthetic judgment (Haidt, 2001). In that view, moral evaluations rely heavily on affect-driven intuitions and on individuals' initial feeling about a certain event, thus proposing that individuals often go through post-hoc rationalization in order to assign reason to their initial affective intuitions (Gazzaniga, 1985).

Nadelhoffer (2006) suggests that affect guides the dependence between responsibility and intentionality while evidence also suggests that emotions inform automatic perceptions of right and wrong (Damasio, 1994; Haidt, 2001; Greene and Haidt, 2002). Similarly, Horberg et al. (2009) argue that affective experiences amplify moral inferences of right and wrong, while organizational scholars suggest an interplay between emotions and moral reasoning in evaluating business outcomes (Folger, 2001; Reilly and Aquino, 2011).

Scholars also argue that affective traits reflect social norms (Hochschild, 1990; Markus and Kitayama, 1994), guiding responsibility inferences (Nichols and Knobe, 2007). For instance, arousing negative emotions, independently of action, lead people to assign responsibility to actors (Lerner et al, 1998). Additionally, negative affectivity as a trait -the general tendency to experience negative emotions, such as irritability, distress, and unpleasant arousal (Watson and Tellegen, 1985)—significantly influences moral cognition more generally (Lerner and Keltner, 2001).

Literature also argues that negative affective states, specifically, strongly influence judgments and decisions (Raghunathan and Pham, 1999; Lerner and Keltner, 2001; Connelly et al., 2004). Links between specific affective states (e.g., anger, contempt) and moral domains (e.g., autonomy,

purity) suggest that when people face moral issues, certain moral domains are amplified in response to specific emotions (Rozin, 1999; Bodenhausen, Sheppard, and Kramer, 1994). Haidt (2008) argues that facing moral decisions activates affective mechanisms related to specific moral themes, while Folger (2001) uses the term *deontic emotions* to explain how individual assumptions about morality trigger emotional reactions within organizations. Reilly and Aquino (2011), additionally, discuss the role of emotions in evaluations of organizational injustice, while Paharia et al. (2009) argue that intense emotions shape moral evaluations in the context of indirect agency.

Considering the above long body of literature discussing emotions' influence on ethical decisions and evaluations, affective mechanisms seem likely as explanations for why intentionality and responsibility attributions would arise from negative outcomes. In the current thesis, I focus on negative affectivity as a permanent personality characteristic likely to heighten the sensitivity of people's moral evaluations of negative outcomes.

In her discussion around emotions, Haidt (2001) develops the concept of moral emotions explaining how emotions influence moral reasoning and individuals' psychological attitudes. Particularly, Graham and Haidt (2009) develop the Moral Foundations Theory where they cite 5 major moral domains and their relation to moral emotions. They cite the construct of progressivism as a socially formed moral attitude sensitive to social harm and unfairness and argue that progressivism feeds into individuals' moral evaluations. Given that emotions have been highly cited as predictors of moral processes, the current study explores the additional moderating effect of progressivism, a moral attitudinal characteristic related to affect (Haidt, 2001; Graham et al, 2009), to add further insights in the underlying mechanisms guiding moral evaluations of actors' intentionality and responsibility.

Progressivism and Moral evaluations of managerial wrong-doing.

Haidt (2001) developed the construct of "progressivism" to explain how morality shapes perceptions around social issues. Progressivism reflects socio-psychological characteristics, including political, moral and social beliefs (Haidt, 2001). Since such characteristics shape moral attitudes and in turn guide ethical evaluations (Graham et al., 2009), they pertain directly to the mechanisms of moral evaluation. Progressivism, specifically, describes social action involving the enhancement and preservation of social welfare (Heath, 1971) and protection of innocent victims from any kind of social or organizational malpractice (Haidt, 2001). Attitudes towards the moral bases of the society have tended to focus on values (Rokeach, 1973; Schwartz, 1992), while recent

research examines cognitive and attitudinal aspects of political attitudes along the progressive-conservative continuum (Jost, 2006).

Haidt and Graham's (2007) moral foundations theory invokes moral intuitions as foundations for moral attitudes, based around the five moral foundations of *harm, fairness, in-group, authority, and purity*. Haidt and Graham (2007) use these attitudes to formulate the progressivism construct, conceptually defined as the predominance of welfare factors (harm and fairness), and operationally defined as the predominance of harm and fairness bases over group, authority and loyalty bases (Graham, Haidt and Nosek, 2009).

Progressivism is claimed to predict moral evaluations through enhancing the salience of negative welfare and social harm (Graham et al., 2009). Graham and colleagues (2009) argue that progressivism, reflecting sensitivity to social harm and injustice (Graham et al., 2009; McAdams et al., 2008; Graham et al., 2009; van Leeuwen and Park, in press), constitutes a set of moral foundations where the individual is the locus of moral value.

Weber (1996) argues that harm and consequence magnitude shape moral reasoning (Weber, 1996), while organizational literature cites links between perceptions of organizationally produced social unfairness and attributions of injustice (Reilly and Aquino, 2011), based on anger stemming from harm. Similarly, individuals attribute higher intentionality to high-status vs. low status corporate wrong-doers, perceiving the former to be less considerate about social harm (Fragale et al, 2009). Considering that progressive individuals are sensitive to perceptions of social injustice and that moral anger is argued to link to harsher moral evaluations (Haidt, 2001), progressive individuals would be expected to attribute harsher moral evaluations to socially harmful side-effects resulting from corporate actors' decisions.

Using the main foundations of the above mentioned streams of research, the first article of the current thesis focuses on the micro-foundations affecting moral evaluations of managerial decision-making producing unintended negative consequences (Knobe, 2003). My aim in this first article is to take a micro perspective in the discussion of organizational ethics (e.g., Wible, 2009), and discuss underlying processes affecting how managerial actions' negative consequences are evaluated by third parties. My discussion considers personal factors affecting moral evaluation of managerial malfeasance to contribute to the growing line of research discussing the effect of moral and affective personal attitudes (Haidt, 2001; Graham and Haidt, 2009) on people's perceptions of wrong-doing.

Particularly, I focus on two major aspects of moral cognition, evaluations of intentionality and responsibility, to illuminate the underlying mechanisms guiding moral evaluations broadly. I

build my argument on current moral philosophy literature which I link to recent organizational ethics literature on intentionality evaluations (e.g., Bauman, 2010; Wible, 2009; Robinson, Stey and Alfano, 2013) as well as business ethics literature citing intentions as inherent aspects of ethical decision making, to provide complementary insights on the study of business ethics. Doing so, I transfer current literature discussions from the domain of moral philosophy to that of business ethics and extend state of the art discussions on the latter domain. Specifically, I contribute to the literature by showing how affect and socially formed moral attitudes guide individuals' evaluations of unethical (albeit unintended) managerial decision making. In so doing, through this first study, the current thesis opens an avenue for future research to explore similar dynamics across organizational wrong-doing contexts. Continuing the exploration of the phenomenon of interest, the current thesis moves to the second study where I dive deeper into the exploration of consequences as factors affecting organizational motivations as well as moral evaluations of organizational wrong-doing and develops an analysis in the organizational level of analysis.

Theory of Article 2.

Moral evaluations of organizational wrong-doing and right-doing

Having discussed personal factors shaping individuals' perceptions of managerial intentionality, I extend this debate to the organizational level to discuss moral evaluation of organizational right-doing following wrong-doing and disentangle organizational motivation/intentionality behind the latter. In particular, the second article of my thesis consists of a conceptual study which draws on theological and business ethics literature as well as case study illustrations of business scandals, to draw a metaphor between the principle of *Indulgences* (i.e., “*the remission before God of the temporal punishment due for sins already forgiven as far as their guilt is concerned*”, Paul VI, 1967) of the Catholic Church and ethically relevant organizational activity.

Inspired by current inconsistencies characterizing organizational activity with the same organizations being involved in both ethical and unethical actions, in combination with the findings of the first study citing a dependence of ethical actions' outcomes on evaluations of intentionality and responsibility, the second article of my thesis intends to juxtapose ethical organizational behaviour, like for instance corporate charity or philanthropy, with previous commitment to unethical actions and uncover organizational motivation behind keeping such inconsistent ethical profiles. At the same time, the second part of my thesis intends to extend the findings of the first study through philosophically analysing the factors leading judges' to evaluate organizational intentionality motivating wrong-doing and right-doing on the part of organizations. In so doing,

through the second study, I extend my previous discussion to an organizational level to analyse moral evaluations of intentionality of both negative and positive consequences of organizational actions.

In the second study of the current thesis, I particularly use the concept of *Catholic Indulgences* to develop a normative tool for moral evaluation of organizational practice and propose a taxonomy of organizational indulgent-seeking attitudes. To do so, in this second study, I engage with literature discussions around right-doing following wrong-doing arguing that when organizations engage in ethical activity upon commitment to unethical actions, they often do so to compensate for the suffering that they have caused through their wrong-doing practice (Kotchen and Moon, 2012; Muller and Kraussl, 2011). I analyse such organizational attitude in the prism of intentionality in order to discuss the intentionality component of right-doing following wrong-doing. In particular, I engage in a philosophical discussion intended to disentangle organizational motivation behind wrong-doing and subsequent right-doing as well as analyse the way in which individuals perceive the relative weights of the consequences of organizational right-doing and wrong-doing activity to evaluate organizational intentionality.

To achieve the latter, in the second article of my thesis, I discuss the concept of indulgences as it developed in the Catholic Church, as a prism through which organizational practice can be morally evaluated. I particularly stress the aspect of philanthropy and charity, as understood in the Christian religion, as inherent aspects of community life and demonstration of caring for the well-being of others (Jesson, 2002). The below section provides a thorough discussion of the principle of indulgences and how the latter has been used in the Medieval era as well as in more recent organizational literature.

Indulgences in the Catholic Church

According to the Christian Church, indulgence can be granted only when the sinner demonstrates genuine sorrow for the wrong act and an intention to never repeat the same act in the future. In that case, forgiveness is accorded and the sinner goes under the temporal punishment requirement as a compensation for the wrong-doing (Jesson, 2002).

However, the genuine principle of Indulgences was soon abused by the Church and the idea of *abuse of indulgence* gained popularity in the Mediaeval times (Schaff, 1882). According to this idea, sinners were engaging in good acts of philanthropy even before committing to a sin, thus asking for prospective indulgence from the Church. Thinking of current organizational practice in the prism of the ancient abuse of indulgences allows to identify similarities between the main characteristics of

the two. Beyond instances of genuine effort to compensate for the wrong-doing act, what we often see in current business activity is organizational efforts to somehow undo the wrong-doing through engaging in more right-doing often prospectively, while however keeping with business as usual.

In the wider field of management literature, the idea of indulgences has so far been used to demonstrate individual efforts to right previous wrong-doing (e.g. Hwang, 2013; May and Irmak, 2014; Mehta, Zhu and Meyers-Levy, 2014); especially in consumer research, a quite different context from that of corporate wrongdoing. This line of marketing research discusses the idea of consumer *self-indulgent choices* and proposes the so called ‘forgiveness effect’, described as consumers’ tendency to engage in more charitable donation after involvement in self-indulgent choices, since this provides some sort of forgiveness or at least compensation for the self-indulgence previously performed (Hwang, 2013). Here psychologically at least, the old idea of indulgence is also quietly at work: *“I have (or am about to) indulge(d) in a big feast of eating or drinking or shopping but I will salve my conscience by engaging in charity or philanthropy to help people in need”*.

Similarly, Khan and Dhar (2006) found that involvement in an altruistic action gives rise to a set of altruistic moral credentials providing people with a certain kind of moral licensing that liberates them to engage in more self-indulgent future behavior. In other words, once one develops the moral credentials needed to establish one’s moral self-image (e.g. *“I am a helpful person because I am involved in volunteering activities”*), one somehow feels free to engage in self-indulgent choices as opposed to more responsible ones.

In the same line of inquiry, Ormiston and Wong (2013) argue that moral licensing can be granted for a different domain than the one where the wrong action was committed, such that being ethical in one aspect of activity provides individuals with the necessary moral credentials to be less ethical in other domains of activity or even be totally unethical. Along the same lines, May and Irmak (2014) suggest that individuals tend to grant self-indulgence in the present through forgetting past behaviors. The above propose that engaging in good actions grants individuals moral licensing that leads them to perform immoral behaviors in return. Considering that organizations are collectives of individuals (Greve et al, 2010), one would argue that similar dynamics could drive organizational practice too.

Recent organizational literature has discussed the relation between wrong-doing and right doing but with no particular reference to the concept of indulgences. Particularly, some scholars argue that organizations often engage in socially responsible acts in one area of activity to undo the negative effects of the previous wrong-doing (Watson, 2015; Muller and Kraussl, 2011; Murphy and

Schlegelmilch, 2013). Notably, research cites that when the wrong-doing act is related to organizational governance, organizations try to compensate through engaging in CSR in another area of activity and not really changing their governance model to meet social needs (Kotchen and Moon, 2012). However, considering that changes in corporate governance and work ethic are crucial for the development of CSR practices, ideally intended to make an impactful contribution to social welfare (Sarre, Doig and Fiedler, 2001), we understand that if corporations are only trying to offset the negative outcomes of malfunctioning corporate cultures through CSR in other areas of activity, they do it to somehow restore their reputation and not necessarily to genuinely help the society overall through becoming more ethical in their core structure.

Having discussed the underlying motivations guiding organizational commitment to wrong and right-doing actions as well as the way in which this is reflected in actions' consequences, which are then used by the public in evaluating organizational ethicality, the third article of my thesis takes a multi-level perspective to ethical decision making and tries to conceptually understand the mechanisms through which managers cognitively process their environment to make ethical decisions with certain accompanying consequences. Thus, having discussed consequences as a major reflector or organizational ethicality triggers the need to explore how those consequences, which are used by the public in their evaluations of ethical organizational activity, are likely produced as a result of cognitive psychological processes happening in the managerial mental perception, when managers are exposed to diverse institutional contexts. To do so, I move to the third article of my thesis and I discuss managerial cognition with regards to ethical decision making across institutional contexts.

Theory of Article 3.

Managerial Cognition as a driver of ethical decision making and accompanying consequences

In the third article of my thesis, I shift the focus from the judging public and the organization as a collective to the interplay between the individual manager's cognition and the broader environment to disentangle the ways through which managerial cognition can affect socially beneficial managerial decision making and its accompanying consequences under changing institutional conditions. In particular, in the third article of the current thesis, I draw on literature seeing CSR as a multi-level phenomenon (Aguilera et al, 2007) and I use the construal level theory of meta-cognition (Liberman and Trope, 1998) to discuss managerial ethical decision making as the resultant of an interplay between micro and macro factors lying at different levels of analysis; from managerial cognition to organizational and institutional dynamics. Below I discuss the main literature streams that have informed the third article of the current thesis starting from recent

debates on how managerial cognition links with managers' CSR and other ethically relevant activity across institutional contexts.

CSR, Cognition Institutional Context

Literature around corporate social responsibility (CSR), has long discussed institutional dynamics shaping organizational CSR responses to diverse institutional settings (Powell and DiMaggio, 1991; Czarniawska and Sevon, 1996). Oliver (1991) argues that changing institutions create environmental pressures that lead organizations to adapt to the new conditions of the institutional environments within which they operate. Institutional theory has long discussed the pursuit of legitimacy as one of the major factors guiding organizational CSR choices and argues that legitimacy can be attained through organizational responses to normative, coercive or mimetic institutional pressures (DiMaggio and Powell, 1983). Other literature accounts however, view CSR as a reflection of genuine organizational effort to benefit the society (Bowie, 1999).

Literature on CSR distinguishes between local and global CSR practices as different choices that organizations can make in diverse home and host country institutional contexts. Particularly, authors in this tradition cite the importance of pursuing local CSR to address local salient issues of the new host environments (Bird and Smucker, 2007) and meet the needs of local stakeholders. Even though a vast body of organizational literature discusses how ethical decision making and CSR organizational choices are shaped by the institutional setting, very little has been done to explore cognitive aspects potentially shaping managers' choices with regards to social welfare. However, organizational scholars argue that understanding the way in which perceptual cognitive schemas affect strategic choices can provide additional explanations behind organizational choices to pursue certain strategic social practices over others in diverse institutional environments (Stubbart, 1989; Pfeffer, 2005).

Cognitive science has long discussed the processes that people use to process complex environmental cues and develop perceptions about them, in turn allowing them to classify them in specific categories (Goldstone and Kersten, 2002). Piaget (1952; 1972) argues that cognitive schemas refer to mental maps that individuals construct to create structures and configurations of the sensory material they are exposed to. The same body of literature proposes that people categorize environmental influences either based on prototypes (i.e., through identifying major characteristics of the prototype on other cues) or exemplars (i.e., approximating the prototype characteristics) or their past knowledge (i.e., based on what they already know about a certain category) (Rosch and Mervis, 1975; Medin and Schaffer, 1978; Keil, 1989). Psychology scholars argue that the level of fluency

(i.e., speed and ease of information processing) in which we cognitively process and interpret environmental information affects a wide range of our judgments (e.g., Oppenheimer, 2005; Tversky and Kahneman, 1973).

Along the same lines, Weick (1996) developed the notion of sense-making as a process through which individuals scan, understand, interpret and react to environmental cues to be able to develop operational perceptual schemas that they can act upon. Other scholars also stress the interplay between cognition and environment to discuss the way in which individuals internalize the external structures of their environment to make judgments and decisions (Vygotsky, 1978). Last but not least, recent research posits that individuals make sense of their environment to develop action plans (Weick et al., 2005; Colville and Murphy, 2006). Pfeffer characteristically notes that “What we do comes from what and how we think” (2005: 128).

Bringing the above discussion to organizational literature, organizational scholars started discussing mechanisms of cognition and meta-cognition in the context of strategic decision making, thus shifting the focus from the organizational to the individual level of analysis (Stubbart, 1989; Zilber, 2002). Ghoshal and Moran (1996) posit that cognitive characteristics of one’s personality significantly guide patterned attitudes and behaviors. Similarly, it has been argued that studying the mental maps that managers use to process environmental phenomena enables us to understand why different firms often react differently to similar contextual challenges (Basu and Palazzo, 2008).

In the third article of the current thesis, I engage with cognitive theories and in particular the construal level theory of meta-cognition to try to explain managerial choices with regards to organizational socially responsible behavior. Even though firms’ CSR choices have been extensively studied in relation to institutional dynamics (Jamali, 2010; Campbell, 2006; Jones, 1999), very little work has been done to uncover cognitive bases guiding managerial decisions and the subsequent consequences of such decisions with regards to social issues.

Recently, Basu and Palazzo (2008) focused on the process of sense-making guiding organizational activity with regards to socially benefiting organizational practice to propose CRS choices as outcomes of the organization’s relations with external stakeholders and the environment. Particularly, they adopted a framework of organizational sense-making, involving cognitive, intuitive and conative processes to propose CSR as an intrinsic organizational process relating to the particular way in which each organization relates to their environment, thus justifying why different organizations might respond differently to different environmental phenomena.

In the third article of this thesis, I extend the latter debate by focusing on a specific meta-cognitive mechanism, that of construal levels, to develop a conceptual understanding on how cognitive processes drive managerial ethical decision making and its accompanying consequences under conditions of institutional uncertainty. I consider CSR as a multi-level phenomenon (Aguilera et al, 2007) and propose cognitive construals as an additional individual level mechanism interplaying with the macro-environment to guide managerial choices with regards to CSR.

Construal level theory (CLT) posits that environmental events might be represented at different levels of abstraction, with higher construal levels giving rise to more abstract representations of events as opposed to lower construal levels that give rise to more concrete representations (Stephan and Liberman, 2010). One of construal level theory's main assumptions is that high construal levels lead individuals to focus on the 'why' questions of a cause, thus implying that individuals operating in high construal levels are more concerned about uncovering the underlying motivations characterizing human behavior. On the other side, CLT posits that low construal levels are more concerned with finding answers to 'how' questions thus focusing on concrete, operational features of phenomena (Liberman and Trope, 1998). Last but not least, CLT argues that perceptions of psychological distance in a certain environment accordingly shape individuals' levels of construal, with higher perceived psychological distance shaping people's construal operations at high levels, as opposed to low psychological distance shaping people's construal level operations at lower levels of abstraction.

Particularly, in the third article of my thesis, I review literature on corporate social responsibility in the context of changing institutional environments and I propose construal levels as a salient cognitive mechanism interplaying with institutional context to guide managerial choices around ethically relevant social issues. I use the main premises of CLT to argue that managers perceiving socially benefiting organizational practice as an idealistic and more abstract objective would be more likely to operate in high construal levels as opposed to low construal levels. Further, I argue that in the context of host and home institutional environments, managers would develop different perceptions of psychological distance in turn shaping construal level operations in different levels of abstraction.

At a second level, my argument in this third article discusses the way that institutionally shaped levels of abstraction guide CSR choices in home vs. host country institutional contexts. Particularly, I use the assumptions of construal level theory to propose that low construal levels would lead to CSR choices guided by more operational concerns like ease of implementation and

feasibility, whereas high construal levels would give rise to more idealistic CSR choices reflecting more superordinate moral motivations to do the right thing for the society as a whole, regardless of ease of execution.

Having discussed the above mentioned cognitive mechanisms guiding managerial choices with regards to morally relevant organizational behavior, I extend the argumentation of the previous two articles to the level of managerial cognition to discuss how the latter is likely to shape moral behavior and its accompanying consequences. In particular, the third article of my thesis discusses how managerial cognition is able to affect the consequences of managers' actions, considering that, as conferred by the two first articles, those consequences will then be used by the public for morally evaluating the underlying intentionality guiding managerial activity. In a superior level of theorizing, the third article of the current thesis allows to confer conclusions on how managerial cognition (through the produced consequences) can indirectly guide the way in which managers' actions are morally evaluated by the public.

Conclusion of Chapter 1

Chapter 1 analyses the theoretical foundations that have triggered the current thesis as well as the theoretical analysis of each article in specific. In particular, I discuss moral evaluation of managerial wrong-doing in organizations at individual and organizational levels as well as extend the latter understandings to take a multi-level perspective towards socially relevant managerial decision making. My thesis is structured around three articles. In the first article, I focus on the micro-level of analysis and I discuss moral evaluation of managerial practice. In the second article, I focus on the macro level of analysis (moral evaluation of organizational ethicality) to not only discuss moral evaluations of managerial actions' negative outcomes but also overall moral evaluations of organizational wrong-doing in relation to subsequent right-doing. I particularly discuss the component of intentionality in the context of negative managerial outcomes and draw a distinction with the notion of intentions as it has already been talked about in business ethics literature discussing ethical decision making (Rest, 1986). Further, moving to the theoretical debates informing the third article of the current thesis, I analyze managerial cognition as a factor guiding managerial ethical decision making with its accompanying consequences, showing that managers' cognition can indirectly affect the way that their actions are evaluated by the public.

Considered together, in the current chapter, I discuss the main theoretical foundations that have motivated and informed the current thesis. Globally, I focus on managerial cognition and moral evaluations of managerial actions and I particularly discuss consequences as a factor leading to such

evaluations. In so doing, I provide complementary insights to extant business ethics focusing on intentions as part of one's own ethical decision making (e.g., Rest, 1986) and extend this discussion to the organizational level to also consider organizational intentionality of positive outcomes when unethical practice has preceded.

Across the three research articles of my thesis, I extend my level of theorizing from the individual through the organizational to the multi-level of analysis, to discuss the role of consequences in morally evaluating organizational activity as well as how managerial cognition can lead to the production of certain social consequences, later used by the public to evaluate managerial ethicality.

Chapter 2. Epistemology and Research Design

Introduction to Chapter 2

The purpose of the current chapter is to present the epistemological position characterizing the current thesis and to clarify the methodological choices adopted across the thesis and each one of the research articles, with regards to the specific epistemological paradigms. As a commonly accepted view, the epistemological position of any research project in the domain of management studies and beyond constitutes the cornerstone of the research approach guiding the methodological choices of the researcher. Thus, it is of particular importance to explain and justify the epistemological underpinnings guiding the research design and the methodological choices made in the current research in order to be able to understand the underlying motivations of the researcher as well as evaluate the quality of the thesis *vis à vis* the specific epistemological paradigm.

As mentioned before, the current thesis intends to draw conclusions on the underlying factors guiding moral evaluations of managerial activity with regards to both wrong-doing and right-doing and in particular to discuss how actions' consequences affect moral evaluations of managerial and organizational ethicality. At a second level, the current thesis intends to understand how managerial cognition leads to ethical decisions producing certain actions with subsequent consequences and thus confer conclusions on whether organizations can in fact anticipate the way that they will be evaluated by the public if they are able to predict their managers' potential actions' and their accompanying consequences.

To answer this research question, I developed three research projects characterized by different methodological choices and research designs. In particular, the first research project is built on an experimental study while the second and third ones have been built around two thorough conceptual discussions of the related theories and the selection of certain illustrative case studies, which do not constitute a methodological choice per se in the sense of case study analysis but rather are used as illustrations supporting the theoretical reasoning and the conceptual framework that the researcher intends to develop.

Considering the above, it is possible that the current thesis reflects a certain level of epistemological pluralism. However, the latter has been a conscious decision resonating with my natural development throughout my research journey. The ontological and epistemological paradigms characterizing academic research in general as well as the present doctoral thesis is explained in detail in the following paragraphs.

Ontology and Epistemology

As noted above, the epistemological position of any research project constitutes one of the first and most crucial choices that a researcher ought to make throughout his or her research journey. The philosophy of science literature has proposed several epistemological and ontological paradigms that more or less characterize most research projects in the field of social sciences (Popper, 1972; Burrell and Morgan, 1977; Latour, 1988; Latour, 2005).

The ontological positions of a human being is one of the main directive lines and drivers guiding one's choices and the way one relates to the world more broadly (Feyerabend, 1975). It doesn't constitute exclusive choice of a researcher doing academic research. However, even more, in the context of academic research, making clear ontological choices that is understanding how we relate to and assign existence to the world around us, is of particular importance in our effort to be able to conduct high quality academic research intending to answer crucial questions and thus contribute to academic knowledge and science overall.

Defining one's ontological position involves answering questions like *how one relates to the world surrounding them, how one understands the nature of the world surrounding them* as well as *how one stands vis a vis the things surrounding them* in this world. Ontology reflects how one assigns existence to the world and how one sees it with his/her own eyes.

Literature in the philosophy of science has proposed different ontological paradigms such as realism, nominalism, idealism, religion and relativism (Burrell and Morgan, 1979). By *realism* we mean an ontological position considering the existence of things regardless of one's own existence, that is the belief that things exist before and after the existence of a human being. In terms of research choices, a realistic ontology posits that there should be a working theory or definition explaining the object. *Nominalism*, on the other side denotes an ontological position reflecting the conviction that things exist because we can name them and call them by their characteristics. A nominalist researcher would think that the nature of things can be explained through concepts borrowed and adapted from other things, so that he would find words to assign to those objects in order to create, alter or destroy them.

Another ontological paradigm cited in the literature is *idealism*. Idealism posits that things do not exist as independent entities but that they rather appear because we can interact with them through our senses and experience. Beyond those ontological paradigms, *religion* has also been cited as a possible ontological approach, demonstrating the belief that things exist because a superior force (God), beyond human cognition, has created them. Beyond the latter, one's ontology can be

nihilistic, a position advocating the complete inexistence of things or academic theories able to explain the nature of the world. Last but not least, another ontological position that a researcher might hold is that of *relativism*. *Relativism* reflects an ‘anything goes’ attitude and the belief that the things surrounding us in the world are all similar. A relativist researcher’s attitude would be that if any theory was able to explain beyond his findings, it would not be a theory but she could rather use it to explain everything and anything.

As deduced by the above, one’s ontological position answers important existential questions characterizing one’s existence and relation to the world. Ontology is the answer to the question ‘Who am I?’, a way towards one’s self-determination and the understanding of the self after answering questions like the above. A researcher’s relation to the world, and thus their ontology can condition the entirety of their methodological and research design choices and thus plays a crucial role to the final research output.

Beyond clarifying one’s ontological positioning, it is also important to understand how researchers relate to the science that we study and create; that is their epistemological position. Epistemology is the science of knowledge exploring the underlying layers of knowledge as well as the necessary conditions setting research valid and reliable. As such epistemology directly relates to the conduct of academic research and conditions an academic researcher’s methodological and research design choices. Understanding and defining one’s epistemology requires answering questions like ‘*what am I doing with my theory*’, ‘*what are the interactions between my theory and the data*’ or ‘*how can I extend or apply a certain theory to answer a particular research question*’?

The philosophy of science literature posits certain epistemological paradigms. An epistemological paradigm which has traditionally held a dominant position in academic research is *positivism*. Positivism reflects the conviction that the purpose of extant theories is to articulate and test hypotheses derived from prior theories in order to confirm or reject them. A positivistic researcher starts with the theory and uses logically deduced hypotheses to confirm this theory. A positivistic researcher intends to develop theory that should be traceable and feasible by anyone else which shall have clear and systematic protocols.

Interpretivism on the other side, is an epistemological paradigm reflecting the belief that a theory serves the purpose of understanding the phenomena that the researcher observes and develop a systematic explanation as to how and why those phenomena operate. An intepretivist researcher uses his theory inductively and doesn’t intend to impose prior axioms to the data but rather engage in a dialogue between a loose theory that the researcher uses to explain the data and the inductive

findings that emerge through the research and might help refine the theory. *Radical humanism*, on the other side has been proposed as an epistemological paradigm reflecting a researcher’s attitude to use their research to denounce or critique prior theories and findings, which they consider unjust or undue. A radical humanist believes that data should fit the theory to allow the researcher to support his concept and argument.

Last but not least, another prevalent epistemological position is *constructivism* reflecting the belief that theory is generated out of interactions between people. Constructivists believe that theories are used to explain such interactions between people and are deduced by a reflexive understanding of what people do and why they do so. A constructivist researcher does not try or intend to impose any theory on the data but rather to understand the interactions between the data and inductively generate new theories emerging out of his interactions with the phenomena that he studies as well as those of the phenomena among them.

Based on the above, it is logically deduced that one’s ontological position would affect one’s epistemological position and vice versa and that those two are crucial choices that any researcher ought to make. Thus, it is logical to expect a certain ontological-epistemological consistency in one’s research approach. The following table presents the ontology – epistemology continuum showing how certain ontological positions link with certain epistemological positions accordingly guiding a researcher’s methodological choices.

Ontology	Epistemology
Realism	Positivism
Religion	Positivism
Idealism	Interpretivism
Nominalism	Constructivism
Nihilism	Radical humanism or positivism
Relativism	Constructivism

Table 1: *Ontology - Epistemology Continuum*

As deduced by the above, a researcher's epistemological and ontological positioning affects their methodological and research design choices. In the following section, I will explain the ontological and epistemological paradigms characterizing the current doctoral thesis and I will discuss my ontological and epistemological positioning *vis à vis* my research design and methodological choices to justify how they relate to each other.

Epistemological Position of the current thesis

As mentioned in the previous section, the purpose of this thesis is to explore the underlying mechanisms guiding people's evaluations of intentionality and responsibility of third party actors and in particular managers, as well as explore how managerial cognition guides ethical decision making and whether it can affect the way managers will be evaluated for their actions.

Since the first months of my research journey, I was interested in understanding the underlying motivations guiding individuals' evaluations of managers' ethicality. As it has been discussed above and will be better explained in the following chapter of the thesis, my initial idea was to extend the Knobe effect (i.e. effect of actions' consequences on evaluations of intentionality of others' ethical actions) to other aspects of moral evaluations –in particular responsibility evaluations- as well as identify affective and moral attitudinal personal characteristics underlying those evaluations. To do so, in the first article of my thesis, I developed a quantitative experimental methodology built on the same experimental design as Knobe's study where he first proposed that people's intentionality evaluations depend of actions' outcomes as opposed to managers' stated intentions (Knobe, 2003).

As a matter of fact, quantitative methodologies and in particular experiments reflect a positivistic epistemology since they are motivated by a need to confirm certain theories and/or apply them to other contexts. As such, from a first view my decision to build my study on an experimental design, which constituted a replication of the initial study conducted by Knobe, would probably be seen as motivated by a positivistic epistemology and thus a realistic ontology in line with the idea that the world comprises observable phenomena denoting certain truths which we confirm or reject via the development of specific theories. The latter is certainly true to an extent. However, it was not a fully conscious choice at this specific point in the researcher's journey.

Considering that it was the first study which started at the beginning of my research journey, the question of epistemology and the need to reflect a clear epistemological stance through the development of a specific research design were still somehow immature in my mind. Thus, certainly the choice of an experimental design implies a certain positivistic view of the world which however

was later mitigated by a more interpretivistic epistemology as I started recognizing the limitations of pure positivism and searched for other methodological approaches that would allow me to answer the research question of at stake.

When the first study of the current thesis was completed, I started realizing that a pure positivistic research methodology would not be enough for the underlying and deeper exploration of the phenomenon of interest. In particular, having completed the first experimental study, I was intrigued to further understand the findings of the first study and extend them further. To satisfy the need for a deeper understanding of the phenomenon of interest, I decided to develop a second conceptual study substantially distanced from the positivistic paradigm and largely informed by philosophical discussions encouraging a more normative consideration of the phenomenon of interest. The reason behind this choice was driven by an existential need, an ‘ontological and epistemological crisis’ that I went through when I started questioning the broader contributions that I intended to make through my research and I started realizing that a pure positivistic paradigm was not fully consistent epistemologically with my overall positioning vis a vis the world and the knowledge that I wished to create.

I started realizing that my way to relate to the world and the phenomena that I studied was far from being positivistic but rather extended to a more idealistic ontology and a more interpretivistic epistemology reflecting the need to understand the phenomena that I was observing and develop a theory and systematic explanation around how those phenomena operate and relate to each other. It was clear to me that to be able to satisfy the latter ontological need, I would need to depart from a purely positivistic epistemology and thus a pure quantitative methodology. This is not to say that I changed epistemology but rather that I recognized the limitations of my initial epistemological stance and slid further on the epistemological continuum to be able to study deeper the topic of my interest.

Thus, having gone through the above mentioned ontological and epistemological questioning, I started realizing that evaluations of morality and the understanding of the underlying factors guiding ethical decision making is not a positivistic subject but rather a normative phenomenon that deserves a slightly different methodological approach to be better understood. Thus, I decided that to further explore the phenomenon of interest through a second and third study, a pure experimental methodology wouldn’t be suitable. In particular, to be able to further understand how people use the consequences of actions to attribute intentionality to organizational ethicality as well as how managerial cognition can potentially explain the consequences produced by managerial actions, I

searched into the literature and found interesting phenomena that could be used as lenses for better understanding managerial ethicality and ethical evaluations of it.

Being intrigued to extend the first study's findings and explore the relation between wrong-doing and right-doing in individuals' evaluations of intentionality as well as how the cognition of the manager can explain the produced consequences, I had to dive deeper in the literature and develop a philosophical understanding of the concepts of interest. Furthermore, to better develop my conceptual argument across the second and third studies, I decided to use real case studies as illustrations of the discussed concepts. However, it is important to note that across the two studies, the case studies don't reflect a methodological choice of case study analysis but are rather used in an illustrative manner to better convey the analysis of the phenomena of interest.

Searching in the literature, I was intrigued by the idea of making an analogy between seemingly similar phenomena in order to be able to see the phenomenon of interest through different lenses and provide a more complete understanding of it. In particular, to better understand evaluations of managerial intentionality as well and the underlying motivations driving the relation between wrong-doing and right-doing that managers engage in, I developed the second article of thesis where I used the notion of indulgences of the Catholic church. The latter concept allowed me to develop a conceptual understanding of why organizations engage in right-doing after wrong-doing and how this attitude is seen by the public. Further, moving to the third article of the thesis, where I analyze the role of cognition in ethical decision making and production of positive or negative social consequences, I decided to take a more dialectic view towards the phenomenon of interest and explore the relations between managerial cognition and institutional context in a more interpretivistic way.

In the above ontological and epistemological struggle, it became clear to me that a pure experimental methodology would not be enough to allow me to achieve a deeper understanding of the phenomenon of interest across the three studies. It was clear that the main phenomenon of interest which was no other but exploring moral evaluations of organizational wrong-doing and right-doing through different lenses as well as the role of managerial cognition in indirectly guiding such evaluations, required a certain epistemological opening to be addressed adequately. Thus, I decided that the best approach would be an approach that would be consistent with my real needs and positioning towards knowledge and the world more broadly.

Going through this process of natural development, I shifted from a pure positivistic epistemological positioning towards a more interpretivistic seeing ethical activity more as a

normative phenomenon (i.e., how should it vis a vis the ideal state of things) than a purely positive and logically observable one.

It is possible that the above epistemological journey might imply a certain level of epistemological inconsistency characterizing my methodological and research design choices. However, I am fully conscious of this fact and I don't view this epistemological shift, across the three studies, as an inconsistency but rather as a natural need that arose throughout the maturity and development process that I went through during my research journey. Thus, in that regard the current thesis as a whole could be seen as characterized by a certain level of epistemological pluralism reflected in the different methodological and epistemological approaches adopted throughout the conduct of each article. The latter however recognizes the natural need to adopt different epistemologies when one needs to explore deeper the phenomena of his/her interest through answering different but complementary research questions.

Moreover, it is my belief that even the choice of purely positivistic methodologies involves evaluations that researchers are called to make (e.g., what kind of research topic is going to better serve society and enhance knowledge of my phenomenon of interest?), which by definition would be of normative character since they constitute evaluations vis a vis a certain state of affairs. Thus, considering the epistemological choices across the three main articles of the current thesis, the epistemological position of the current thesis is one of recognizing the limitations of positivism and the need to engage in some kind of epistemological opening in order to be able to explore the phenomena of interest in suitable ways.

Finally, it wouldn't be in line with my ontological and epistemological positioning to categorize my ontology and epistemology into specific categories from the ones mentioned above. I rather see epistemology as a continuum along which researchers slide throughout their research and personal development course and would argue that my epistemological position as reflected in the current thesis lies somewhere in between positivism and interpretivism drawing heavier on the latter.

Conclusion of Chapter 2

In the current chapter, I discuss the epistemological and ontological choices that have motivated and informed the current research as a whole as well as each one of the research articles separately. Considering the above thorough analysis, it is deduced that the three articles in the current thesis have been motivated by and built on slightly different epistemological stances and research designs working collectively to provide a more complementary view of the phenomenon of interest.

Particularly, the first article has been inspired by a positivistic tradition reflected in the experimental methodology that it follows. Conversely, the two other articles have been built around more normative and interpretivistic epistemological traditions allowing for the deeper exploration of the phenomenon of interest and the development of thorough conceptual discussions offering new theoretical perspectives in the area of moral evaluations of managerial and organizational wrongdoing.

As analyzed above, the epistemological opening characterizing the different articles of the current thesis reflects a conscious choice that emerged as a natural need throughout the development of the different studies. The latter allowed for the development of complementary perspectives of the phenomenon of interest and the provision of a multifaceted analysis of the overarching research question.

Chapter 3. Research articles

Introduction to Chapter 3 – Academic Articles

The current thesis chapter introduces the three studies that I conducted to be able to answer different facets of the overarching research question thus providing a complete understanding of the phenomenon of interest.

In particular, the first article discusses different aspects of moral evaluations to explore the underlying factors leading individuals to assign intentionality and responsibility to managerial decision-making based on actions' negative outcomes (Knobe, 2003). Moving forward, the second article transfers the argument to the organizational level to develop wider theorizing around moral evaluations of good and bad organizational activity (Kotchen and Moon, 2012) and conceptually analyse the relation of the latter with the principle of indulgences of the Catholic church as well as the role of good and bad organizational actions' consequences in the public's evaluations of organizational intentionality.

Last but not least, having explored and philosophically discussed the effect of actions' consequences on the public's moral evaluations of organizational and managerial ethicality, the third article of the current thesis explores the topic on the side of managerial cognition to understand what are the cognitive mechanisms leading managerial ethical decision-making and the production of accompanying negative or positive consequences, that will be later evaluated by the public. Taken together, the three articles provide complementary perspectives to the overarching theme and intend to contribute to current business ethics debates around mechanisms driving moral evaluations of organizational and managerial ethicality.

Article 1

Running head: Emotions, attitudes and Moral Judgment

If it's bad it must have been on purpose: Affect, moral attitudes and ethical Judgment

The first article of the current thesis intends to answer a sub-question of the main research question, which has been analytically explained above. In particular, the current study was developed to explore how specific affective and moral attitudinal personal characteristics affect individuals' moral evaluations of intentionality and responsibility based on actions' consequences. Across two experimental studies the current article shows that individuals' intentionality and responsibility evaluations are affected by different personal characteristics with intentionality being affected by emotions –negative affectivity- and responsibility being driven by moral values related to one's sensitivity to unfair treatment and harm -progressivism-. The specific research question that motivated this first study is the following one:

What are the underlying processes guiding the way individuals use managerial actions' consequences to confer intentionality and responsibility evaluations?

The current article has been presented in various academic conferences and seminars where I gathered a wealth of constructive comments by colleagues and professors. Further, the paper has been submitted to academic journals twice in the past and even though it was rejected, reviewers' comments helped a lot to the production of new improved version of this paper. Currently, the current paper is under review at *Business Ethics Quarterly*.

This paper has been co-authored by Gazi Islam

ABSTRACT

In ethically relevant situations, individuals base intentionality evaluations of managerial actions on actions' outcomes, rather than mental states only. Extending these findings to responsibility evaluations, we examine affective and attitudinal characteristics moderating the relationship between managerial actions' outcomes and aspects of moral evaluation. In two studies, we empirically test the moderating effects of negative affectivity, an affective characteristic, and progressivism, an attitudinal characteristic, on the relationships between organizational actions' consequences and intentionality/responsibility evaluations. We find significant moderator effects of both affect and attitude on the main effects of outcome. However, these effects were unexpected in form, with negative affectivity moderating only intentionality evaluations, and progressivism moderating only responsibility evaluations. We discuss the implications of our findings for understanding managers' ethical decision making and ethical evaluations broadly, offering theoretical directions for future research in business ethics and organizational practice.

Keywords: intentionality, responsibility, negative affectivity, progressivism, moral evaluations

- **Conference Presentations**

August 2015 **Academy of Management Conference (AoM)**, Vancouver, Canada

Emmanouela Mandalaki, Islam Gazi: *If it is bad it must have been on purpose: Affect and moral attitudes as moderators of ethical Judgment effects.*

June 2014 **European Academy of Management, (EURAM)**, Valencia, Spain

Emmanouela Mandalaki, Islam Gazi: *If it is bad it must have been on purpose: Affect and moral attitudes as moderators of ethical Judgment effects.*

- **Journal Submissions**

May 2016 *If it is bad it must have been on purpose: Affect and moral attitudes as moderators of ethical Judgment effects.*

Journal of Business Ethics

Rejected in the second round of Review

Feb 2017 *If it is bad it must have been on purpose: Affect and moral attitudes as moderators of ethical Judgment effects.*

Business Ethics Quarterly

Currently Under review

Article 1:

If it's bad it must have been on purpose: Affect, moral attitudes and ethical evaluations

What one does is what counts and not what one had the intention of doing.

Pablo Picasso, 1923

INTRODUCTION

Business ethics scholarship has emphasized the notion of moral intentions (Bass et al, 1999; Singhapakdi et al, 2000 ; Barnett, 2001; Bowie, 1999a; Jones et al, 2005), largely focusing on individual ethical decision making processes (O'Fallon and Butterfield, 2005; Lehnert, Park and Singh, 2014). Such perspectives almost exclusively focus on intentions and judgments as constitutive of one's own ethical decision making (Rest, 1986; Ajzen and Fishbein, 1977; Rallapalli et al, 1998; Bowie, 1999b), rather than evaluations of others' intentions and actions. Nonetheless, to be able to understand moral cognition processes and interpret them in light of business ethics, it is crucial not only to understand how individuals develop judgments and intentions guiding their ethical behavior (Schminke and Ambrose ; 1997; Loe et al, 2000; Latif, 2000; Au and Wong, 2000; Barnett, 2001; Valentine and Fleischman, 2003 ; Craft; 2013) but also how they evaluate intentionality in others' moral decisions and in particular those of managers (Knobe; 2003; Fragale, Rosen, Xu and Merideth, 2009; Wible, 2009).

In an era where managers' moral or immoral behaviors may be widely disseminated and evaluated by a variety of actors, understanding how targets understand the moral components of such behaviors is increasingly important. Recent literature argues that moral appraisals are guided by sub-processes such as evaluations of intentionality and responsibility (Wright and Bengson, 2009; Gray et al, 2012). Some scholarship in behavioural ethics has explored factors guiding inferences of intentionality and moral evaluations of others' actions (Simon, 1992; Knobe, 2003; Nadelhoffer, 2004; Guglielmo, Monroe and Malle, 2009). By focusing on how intentions are ascribed to other's actions, business ethics scholarship can enhance the understanding of how individuals come to understand and appraise the moral aspects of managerial behavior.

Within business ethics, only recently have scholars begun to examine intentionality evaluations of managerial activity (Wible, 2009; Fragale et al, 2009; Bauman, 2010; Robinson, Stey and Alfano, 2013; Paharia, Kassam, Greene and Bazerman, 2009). In the current paper, we draw insights from the moral philosophy literature to study moral evaluations of managerial activity and

draw implications for business ethics. We focus on intentionality evaluations of managerial behavior, complementing literature treating intentions as inherent to ethical decision making processes (Rest, 1986; Kohlberg, 1984; Bass et al., 1999; Singhapakdi et al, 2000; Rallapalli et al, 1998). While this literature examines how intentionality affects behavioral choices, we focus on how individuals evaluate the intentionality of managerial actions as part of the moral evaluation process. By intentionality evaluations, we refer to appraisals of others' moral decision states, in distinction to the predictors of one's own ethical decision making processes (Rest, 1986; Ajzen and Fishbein, 1977; Weber, 1996).

Through this focus, we shed light on the different mechanisms guiding moral evaluations of others' actions, to complement well-established literature predicting individuals' own moral behavior. Specifically, we draw upon the counter-intuitive finding that intentionality evaluations are at least partially driven by actions' outcomes as opposed to actors' stated intentions (Shultz and Wells, 1985; Baron and Hershey, 1988; Knobe, 2003). We extend those findings to another crucial aspect of moral cognition -responsibility evaluations-, and examine moderating variables to deepen our understanding of the bases of moral evaluation of managerial ethical behaviors.

Knobe (2003) suggests that intentionality evaluations depend not only on mental states but also on outcome valence, that is, on how judges evaluate actions' outcomes. This evaluative aspect suggests that intentionality evaluations of others' behaviors depend on affective responses. At the same time, affect as well as moral and psychological attitudes may act as crucial drivers of moral evaluations of organizational actions (Folger, 2001; Graham, Haidt and Nosek, 2009; Aquino, McFerran and Laven, 2011; Reilly and Aquino, 2011). However, little research explores how affective and moral characteristics guide the effects of managerial unethical behavior on components of moral evaluations (Nadelhoffer, 2006; Graham et al., 2009).

We address this gap by exploring third-party moral evaluations of managerial actions' negative outcomes. First, given the conceptual parallels between intentionality and responsibility appraisals (Wright and Bengson, 2009; Guglielmo and Malle, 2010), we investigate whether responsibility evaluations are also decoupled from inferences about organizational actors' mental qualities. Further, by testing the differential moderating effects of negative affectivity and progressivism on the relationships between managerial actions' outcomes and intentionality/responsibility evaluations, we examine the distinct ways in which affective and attitudinal characteristics lead individuals to integrate intentionality and responsibility into their moral evaluations of managerial wrong-doing (Haidt, 2003; Graham et al., 2009; Reilly and Aquino,

2011). Through our model, we respond to calls for research on how affect (Gaudine and Thorne, 2001; Trevino, Weaver and Reynolds, 2006) and moral attitudes (Haidt, 2001) underlie moral inferences in the context of corporate ethics decisions. We close by providing insights for future research and for managerial practice.

MORAL JUDGMENTS, MORAL EVALUATIONS AND IMPUTATIONS OF INTENTIONALITY

Ethical decision-making research has long sought to explain the antecedents of individuals' evaluations of right or wrong, commonly known as moral judgments (Kohlberg, 1986; Rest, 1986; Lehnert et al, 2014) as well as how such judgments relate to moral intentions and behaviors (Rallapalli et al, 1998; Barnett, 2001; Uddin and Gillett, 2002; O'Fallon and Butterfield, 2005). Business ethics literature cites intentions as a predictor of ethical decision-making (Ajzen and Fishbein, 1977; Rest, 1986), preceding and driving behavioral outcomes. For instance, Bowie (1999a) argues that the main driver of ethical decision making is intention, suggesting that acts seem ethical based on their guiding intentions and not the accompanying consequences.

Similarly, according to the Theory of Reasoned Action (Ajzen and Fishbein, 1977), intention, attitudes and judgments guide future behavior and subsequent ethical outcomes, while Kohlberg (1984) posits moral decisions as following from judgments made throughout a process of cognitive moral development. Consistently with this perspective, Rest (1986) argues that individuals' ethical decisions and behaviors are driven by awareness, judgment and intention. Individuals identify whether an issue is morally relevant or not, then form judgments about the best action to take and develop subsequent intentions guiding their decisions (Rest, 1986). In this process, agents put priority on their moral values and perform moral behaviors producing certain consequences.

Using Rest's framework, business ethics literature has studied factors affecting the main constituents of ethical decision making processes (e.g, Butterfield et al, 2000; Cohen et al, 2001) while many ethicists have focused on the role of intentions in those processes (e.g., Singhapakdi et al, 2000; Robin et al, 1996; Uddin and Gillett, 2002). These perspectives see intentions as preceding and guiding actions' outcomes, arguing that bad ethical consequences can be offset by good intentions (Bowie, 1999b).

While crucial for understanding ethical judgments and decision making, this reading of intentions provides a limited view since it disregards how actors' intentions are evaluated by third parties. Given that moral evaluations of managerial activity are crucial in the context of business ethics, in the current paper, we draw on moral philosophy literature (Knobe, 2003; Wright and Bengson, 2009) to provide a complementary perspective. Distinguishing between ethical judgments

and ethical evaluations, we use the term judgments to describe how agents decide on the right course of action related to a moral issue. However, we define moral evaluations as third party appraisals of the state of other agents' actions, including their intentions. Understanding these components promotes theoretical understanding of moral judgment more generally, by complementing findings on how individuals make judgments and develop intent about their own ethical actions (Rest, 1986; Wagner and Sanders, 2001; Barnett, 2001) with how they evaluate intentionality of others' behaviors (Knobe, 2003; Wible, 2009; Greene et al., 2009; Bauman, 2010).

Drawing on philosophical pragmatism scholarship (Harman, 1976) and evaluating the relative effects of *trying* and *foresight* on intentionality inferences (Adams, 1986; Ginet, 1990), Knobe (2003) claims that attributions of managerial actions' intentionality are affected by people's moral evaluation of the side-effects of these actions. The latter contrasts previous literature positing that inferring intentionality has conventionally meant focusing on actors' mental qualities (Malle and Knobe, 1997, 2001). To explain *how* judges infer mental states, Knobe (2003) experimentally shows that intentionality of managerial actions is evaluated on the basis of post hoc factors, even when evidence is given countering the existence of a previous mental state. This counterintuitive idea calls into question the classic order of ethical behavior as reflected, for example, in Rest's model (1986) and the Theory of Reasoned Action (Ajzen and Fishbein, 1977), whereby intention and attitudes guide future behavior and actions' consequences. It argues that when managerial actions are evaluated by third parties, consequences precede and guide intentionality evaluations, suggesting that intentionality evaluations depend on bad judgments (on the part of the actor) via bad outcomes.

The latter finding is counter-intuitive because it shows that the bases upon which individuals make moral decisions are substantially different from the bases upon which they evaluate intentionality of others' ethical actions. Particularly, when making ethical decisions, intentions appear to condition behavioral outcomes, while when evaluating others' actions, evaluations of intentionality appear to be guided by actions' outcomes regardless of actors' stated intentions.

In particular, the "Knobe effect" (Wible, 2009), suggests that bad organizational outcomes are more likely to cause evaluations of intentionality than good outcomes (Phillips and Knobe, 2009; Ybarra, 2002). The latter is consistent with research citing actions' outcomes as major drivers of moral evaluations broadly, in business contexts (Paharia et al, 2009). Similarly, Greene et al (2009) show how intentionality affects moral evaluations about scenarios describing potentially unethical behaviors, while organizational scholars provide evidence on the psychological mechanisms guiding moral evaluations of organizational actors' immoral behavior (Paharia et al, 2009; Reilly and

Aquino, 2011). However, research exploring the different constituents of moral evaluation has been very limited in the business ethics literature (e.g., Wible, 2009; Bauman, 2010; Robinson et al, 2013).

Specifically, Robinson et al (2013) extend the Knobe effect (2003) to other aspects of moral judgment to propose asymmetrical evaluations of vice and virtue related to managerial actions' unintended side-effects. Wible (2009) proposes that organizational actors' can also be attributed with intentionality for positive outcomes, when they are not perceived as having purely lucrative motives, while Bauman (2010) suggests that an 'ethics of care' approach (Simola, 2003) is the most appropriate one to address intentionality evaluations of managers' unintended negative consequences. However, the study of intentionality evaluations in business ethics lends itself to further exploration, while business ethics literature studying responsibility attributions of managerial actions has been very limited (Paharia et al, 2009; Reilly and Aquino, 2011).

Because intentionality and responsibility evaluations work together in grounding moral inferences (Wright and Bengson, 2009), studying whether intentionality effects apply to responsibility as well as specifying the conditions under which the two operate, in the context of managerial wrong-doing, contributes to understanding the sources of moral evaluations of others' behaviors in the context of business ethics. In the current article, we focus on intentionality and responsibility evaluations of managerial wrong-doing to illuminate those processes.

Intentionality and Responsibility

Scholars in moral philosophy argue that intentionality and responsibility are distinct but complementary components of moral evaluations (Shultz and Wells, 1985; Knobe, 2003, 2005; Ohtsubo, 2007); both informed by agents' beliefs, desires, awareness, and skills (e.g., Reeder et al., 2002), thus demonstrating a similarity in the way they function. Intentionality evaluations refer to evaluative considerations about the status of an action and whether an agent committed a certain action on purpose (Malle and Knobe, 1997), whereas responsibility evaluations refer to the blameworthiness or praiseworthiness assigned to an agent for a moral action (Wright and Bengson, 2009).

In Knobe's (2003, 2005) and others' interpretations (Nadelhoffer, 2006; Wright and Bengson, 2009), the blameworthiness assigned to negative behaviors leads people to see unintended side effects as intentional. Similarly, Knobe argues that blame evaluations are more extreme than praise evaluations and predict intentionality evaluations only on the negative side (Knobe, 2003, 2005). Because this blaming mechanism is likely to affect responsibility inferences (Alicke, 1992; Smith,

2005; Malle, Guglielmo and Monroe, 2014), these studies suggest that responsibility attributions may depend on outcome valence, as individuals search for ways to find blame after a negative event.

However, unlike blame per se, which is event-focused and requires warrant, responsibility, like intentionality, is actor-focused (Malle et al, 2014). Thus, responsibility is likely to parallel intentionality effects, and to be particularly important in better understanding moral evaluations of agents' actions (Pomerantz, 1978). Also, given that measures of responsibility are less sensitive than measures of blame to manipulations of diverse factors affecting moral judgment, such as intention, foreseeability, and justification (e.g. Critchlow, 1985; McGraw, 1987), blame and responsibility are analytically separate. Thus, while some studies explore the antecedents of blame (Alicke, 1992; Feigenson and Park, 2006; Malle et al, 2014), responsibility attributions require distinct empirical testing, as recently acknowledged in the business ethics literature (e.g., Paharia et al, 2009; Reilly and Aquino, 2011). For instance, Paharia and colleagues (2009) discuss responsibility in the context of indirect agency and propose that the existence of a secondary agent when the primary agent has control of the situation is enough to create perceptions of diffused responsibility for wrong-doing. Similarly, recent research proposes that perceived wrong-doing leads to responsibility inferences by external observers (Reilly and Aquino, 2011).

Some research suggests that intentionality attributions follow evaluations of responsibility (Malle and Nelson, 2003; Nadelhoffer, 2004), while other research suggests an asymmetry in evaluations of the two (Wright and Bengson, 2009). For instance, positive responsibility evaluations for outcomes depend on beliefs that the actor produced them for the *right reasons* (Wolf, 1990). Moreover, Wright and Bengson (2009) argue that those who act intentionally to produce positive or negative outcomes are deemed positively or negatively responsible, respectively. Knobe (2006), however, argues that intentional action schemas are used at every step of the moral attribution process, such that intentionality effects should carry over to responsibility evaluations (Knobe, 2006).

Thus, examining responsibility independently as a predictor makes sense in the context of outcome valence (i.e., positive vs. negative consequences) and intentionality, where responsibility should have similar effects as intentionality, in ethically relevant business actions. Since intentionality and responsibility evaluations are expected to be related (Nadelhoffer, 2006), and since inferences of intentionality have been considered more mental and less outcome driven than responsibility inferences, it would follow that responsibility evaluations would be similarly or perhaps more susceptible to the effects of managerial actions' consequences. Thus:

Hypothesis 1: *Managerial actions' consequences affect intentionality evaluations, such that actions' negative consequences lead people to attribute higher intentionality to organizational actors.*

Hypothesis 2: *Managerial actions' consequences affect responsibility evaluations, such that actions' negative consequences lead people to attribute higher responsibility to organizational actors.*

Beyond the above main effects, little is known about the individual factors guiding moral evaluations of unethical managerial actions (e.g., Gray et al., 2012), nor how they shape different aspects of it – specifically intentionality and responsibility. As suggested above, however, individuals make moral evaluations based on how they feel about certain events and not necessarily based on an appraisal of mental states per se.

A growing body of studies links affect, morally relevant behaviors and psychological attitudes to argue that affective and moral elements compose a unified underlying process guiding moral judgments (Payne and Giacalone, 1990; Gray et al., 2012). Literature around moral emotions (e.g., Haidt, 2003) has investigated individual affective and moral characteristics as drivers of moral inferences, largely via drivers of moral attitudes (Graham et al., 2009), while organizational scholars also provide evidence on how emotions shape evaluations of morally laden organizational actions (Paharia et al, 2009; Reilly and Aquino, 2011; Folger, 2001).

Considering that emotions are moral in nature (Haidt, 2001) justifies exploring the differential affective and moral attitudinal mechanisms guiding people's intentionality and responsibility evaluations of managerial actions' outcomes. Here, we consider the moderating effects of negative affectivity, an affective personal trait, and progressivism, a moral attitude, on the relationship between negative managerial actions and intentionality/responsibility evaluations, to draw recommendations for business ethics.

Negative Affectivity and Moral Evaluations

Contrasting with the vast literature on cognitive processes shaping moral judgments (Piaget, 1965; Kohlberg, 1986; Greene et al, 2009), the role of affect in intentionality and responsibility evaluations of others' actions is not well understood in the organizational context. This is surprising given that moods and emotions are increasingly central to explanations of moral processes, reflecting a paradigmatic shift within moral psychology (Lerner and Keltner, 2001; Feigenson and Park, 2006). For example, Nadelhoffer (2006) suggests that responsibility and intentionality attributions may be related through an affect-driven bias, while evidence suggests that emotions feed into intuitions and shape automatic perceptions of right and wrong (Damasio, 1994; Haidt, 2001; Greene and Haidt,

2002). Similarly, Horberg et al. (2009) argue that experiencing certain affective experiences amplifies moral inferences of right and wrong, while organizational scholars have suggested an interplay between emotions and moral reasoning in evaluating business outcomes (Folger, 2001; Reilly and Aquino, 2011).

Research suggests that affect guides moral inferences through its twin influences on heuristic uncertainty reduction and social cognition, by altering expectations, ways of thinking, and attentional focus (Forgas, 1995), while it also shapes and is shaped by situational social dimensions (Keltner and Haidt, 1999). Scholars also argue that affective traits reflect social norms (Hochschild, 1990; Markus and Kitayama, 1994), guiding responsibility inferences (Nichols and Knobe, 2007). For instance, arousing negative emotions, independently of action, lead people to assign responsibility to actors (Lerner et al, 1998). Additionally, negative affectivity as a trait -the general tendency to experience negative emotions, such as irritability, distress, and unpleasant arousal (Watson and Tellegen, 1985)—significantly influences moral cognition more generally (Lerner and Keltner, 2001).

Specifically, negative affective states strongly influence judgments and decisions (Lerner and Keltner, 2001; Connelly et al, 2004). Links between specific affective states (e.g., anger, contempt) and moral domains (e.g., autonomy, purity) suggest that when people face moral issues, certain moral domains are amplified in response to specific emotions (Rozin, 1999; Bodenhausen, Sheppard, and Kramer, 1994). Haidt (2003) argues that facing moral decisions activates affective mechanisms related to specific moral themes, while Folger (2001) uses the term *deontic emotions* to explain how individual assumptions about morality trigger emotional reactions within organizations. Reilly and Aquino (2011), additionally, discuss the role of emotions in evaluations of organizational injustice, while Paharia et al (2009) argue that intense emotions shape moral evaluations in the context of indirect agency.

In short, affective mechanisms seem likely as explanations for why intentionality and responsibility evaluations would arise from negative outcomes. Affective traits aroused in ethically relevant situations affect how individuals judge organizational actors' outcomes and thus should shape effects on intentionality and responsibility evaluations. We focus on negative affectivity as a trait likely to heighten the sensitivity of people's moral evaluations of negative outcomes.

As such, if negative affective traits amplify how people perceive negative outcomes of managerial actions, and if negative outcomes heighten moral attitudes and evaluations, then we would expect negative affectivity to heighten organizational outcomes' effects on intentionality and responsibility evaluations. Thus:

Hypothesis 3:

Negative affectivity moderates the relationship between managerial actions' consequences and intentionality evaluations, such that the effect of negative consequences on intentionality evaluations is higher for those with higher negative affectivity.

Hypothesis 4:

Negative affectivity moderates the relationship between managerial actions' consequences and responsibility evaluations, such that the effect of negative consequences on responsibility evaluations is higher for those with higher negative affectivity.

While the above assumes a path by which moral evaluations are colored by affective dimensions, moral psychology and organizational ethics literature agree that affect and cognition, through their consolidation in the form of moral attitudes (e.g. Haidt, 2001) critically guide judgments and evaluations of morality (Payne and Giacalone, 1990; Singhapakdi et al., 2000; Greenfeld et al, 2008; Haidt and Graham, 2009; Paharia et al, 2009; Kish-Gephart et al, 2010). For instance, Haidt (2001) cites progressivism, a social and moral attitude influencing how individuals think about morality, as a driver of moral evaluation processes that is distinct from affective trait effects. Studying progressivism along with negative affectivity informs the pathways by which emotions and moral attitudes potentiate moral evaluation of unethical organizational activity (Folger, 2001).

Progressivism and Moral Evaluations

Haidt (2001) formulated the construct of “progressivism” to explain moral reasoning around socially relevant issues. Progressivism reflects socio-psychological characteristics, including political, moral and social beliefs (Haidt, 2001). Since such characteristics shape moral attitudes in turn guiding ethical evaluations (Graham et al., 2009), they pertain directly to the mechanisms of moral evaluation. Progressivism, specifically, describes social action involving the enhancement and preservation of social welfare (Heath, 1971) and protection of innocent victims from any kind of social or organizational malpractice (Haidt, 2001).

Attitudes towards the moral bases of the society have tended to focus on values (Rokeach, 1973; Schwartz, 1992), while recent research examines cognitive and attitudinal aspects of political attitudes along the progressive-conservative continuum (Jost, 2006). Haidt and Graham's (2007) moral foundations theory invokes moral intuitions as foundations for moral attitudes, based around the five moral foundations of *harm, fairness, in-group, authority, and purity*. Haidt and Graham

(2007) use these attitudes to formulate the progressivism construct, conceptually defined as the predominance of welfare factors (harm and fairness), and operationally defined as the predominance of harm and fairness bases over group, authority and loyalty bases (Graham, Haidt and Nosek, 2009). Reflecting sensitivity to justice and welfare, progressivism is claimed to predict moral evaluations through enhancing the salience of negative welfare and social harm (Graham et al., 2009). Graham and colleagues (2009) argue that progressivism constitutes a set of moral foundations where the individual is the locus of moral value. Progressivism reflects harm sensitivity and desire for protection from unfair treatment and suffering in the society (Graham et al., 2009; Graham et al., 2009; van Leeuwen and Park, 2009).

Harm and consequence magnitude shape moral reasoning (Weber, 1996), while organizational literature cites links between perceptions of organizationally produced social unfairness and attributions of injustice (Reilly and Aquino, 2011), based on anger stemming from harm. Similarly, individuals attribute higher intentionality to high-status vs. low status corporate wrong-doers, perceiving the former to be less considerate about social harm (Fragale et al, 2009). Considering that progressive individuals are sensitive to perceptions of social injustice and that moral anger is argued to link to harsher moral evaluations (Haidt, 2001), we would expect progressive individuals to attribute harsher moral evaluations to socially harmful side-effects resulting from corporate actors' decisions. Thus:

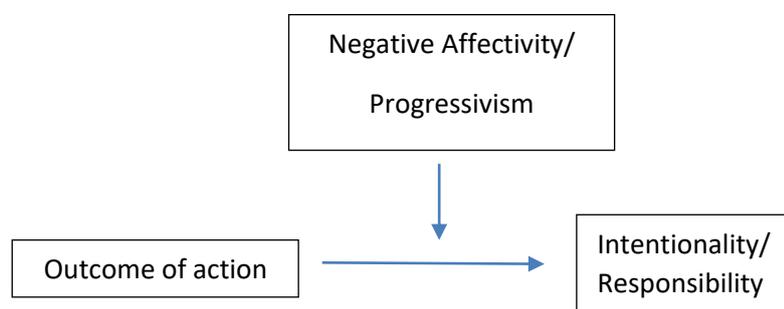
Hypothesis 5:

Progressivism moderates the relationship between managerial actions' consequences and intentionality evaluations, such that the effect of negative consequences on intentionality evaluations is higher for those with higher progressivism.

Hypothesis 6:

Progressivism moderates the relationship between managerial actions' consequences and responsibility evaluations, such that the effect of negative consequences on responsibility evaluations is higher for those with higher progressivism.

Figure 1: Moderating effect of negative affectivity and progressivism on intentionality and responsibility evaluations



Overview of Current Studies

We tested our hypotheses across two experiments. Study 1 addresses the main effect of consequences on intentionality and responsibility evaluations and negative affectivity as a moderator of this relationship. In study 2, we test progressivism as a moderator of intentionality and responsibility evaluations of negative outcomes.

STUDY 1: EVALUATIONS OF INTENTIONALITY AND RESPONSIBILITY- MODERATING EFFECTS OF NEGATIVE AFFECTIVITY

Participants and Experimental Conditions

Three hundred and six students (31% female) between 20 and 45 years old were recruited from advanced undergraduate, MBA, and executive programs in a Brazilian business school. Because the students were drawn from programs involving prior work experience (i.e. job-market experience for MBA and executive groups, internships for advanced undergraduates), the sample allowed adequate face validity for studying moral evaluations among working populations. Similar samples have been used as proxies of managerial samples in previous studies (e.g., Robinson et al, 2013; Paharia et al, 2009).

Participation in the study was voluntary, not linked to credit and at the end all participants were debriefed. No participant was excluded from the analysis. The moderators – negative affectivity and progressivism- were measured during an ongoing class exercise, which started one month before exposure to the experimental scenario. Scale responses were associated to the scenario responses by a coded number associated with each name, to preserve anonymity. The final dataset was organized by code numbers only.

Moderator Variable Measurement: Negative Affectivity

Negative affectivity (NA) was measured with the Negative Affect Scale (NAS) (Watson, Clark, and Tellegen, 1988), measuring trait NA. Overall score on this scale reflects average levels of NA and ranges from 1 to 5, with higher scores representing higher NA (Watson et al., 1988). The 10-item NA scale exhibits high internal and discriminant validity (Watson et al., 1988). The Cronbach's alpha coefficient in the current study was 0.76. All the scales and scenarios were translated and back-translated by Portuguese and English native speakers. Participants completed the Portuguese version of the scale.

Dependent Variables: Intentionality and Responsibility Evaluations

To assess intentionality and responsibility evaluations, we followed Knobe's (2003) experimental manipulation. Participants were randomly assigned across the hurt and help experimental conditions. The vignette was translated and back-translated from Portuguese to English from native speakers. The exact experimental scenario that participants were exposed to is the following one:

*The vice-president of a company went to the chairman of the board and said, 'We are thinking of starting a new program. It will help us increase profits, (and it will also help the environment- **help condition**) – (but it will also harm the environment – **harm condition**)'.*

The chairman of the board answered, 'I don't care at all about the environment. I just want to make as much profit as I can. Let's start the new program.'

Do you think the CEO helped/harmed the environment intentionally? (yes, no)

Do you think the CEO is responsible for the benefit/harm to the environment? (yes, no)

Even though initially used in moral philosophy literature, the above experimental scenario is uniquely positioned for the business ethics phenomenon that we study, since it describes a CEO's ethical decision and its subsequent evaluation by the public. The current scenario helps us demonstrate how managerial actions' outcomes shape moral evaluation of managerial actions' outcomes based on whether those outcomes are perceived as aimed outcomes or unintended side-effects of managerial decision making. In other words, the current scenario is perfectly fitted to serve our purpose that is to confer conclusions on how individuals perceive and evaluate managerial intentionality and responsibility based on whether they perceive actions' outcomes as intended or just random side-effects.

Since studies discussing the Knobe effect are very limited in business ethics literature, we decided to follow the exact similar experimental approach as Knobe (2003) to make sure that we explore the underlying mechanisms driving the phenomenon of our interest and extend it to other aspects of moral cognition thus drawing implications for business ethics theory and practice. Thus, the dichotomous DV was preferred to continuous measures to enhance comparability with the Knobe design and subsequent studies using this design (e.g. Nichols and Ulatowski, 2007; Guglielmo and Malle, 2010). Notably, dichotomous DVs are common in measuring ethical attitudes and behaviors because they allow for a better categorization of two contrasting groups of responses (e.g. Barnes, Schaubroeck, Huth and Ghumman, 2011; Moore, Detert, Trevino et al, 2012; Hannah et al, 2013).

Table 1. Means, standard deviations, correlations and reliabilities in study 1

Variables	Mean	S.D.	1	2	3	4
1. Outcome	1.50	0.50	1			
2. Negative Affect	2.50	0.56	-0.06	1		
3. Intentionality	0.35	0.48	-0.48**	0.02	1	
4. Responsibility	0.76	0.43	-0.37**	0.05	0.21**	1

N = 304; * p. <0.05; ** p. < 0.01

Results

Descriptive Statistics

Table 1 shows the means, standard deviations, and correlations between study variables in study 1. The descriptive statistics showed that 57% of the hurt condition participants attributed the CEO with intentionality for negative outcomes. In contrast, 12% of participants in the help condition attributed the CEO with intentionality for positive outcomes.

Regarding responsibility, in the harm condition, 92% of respondents held the CEO responsible, versus 59% in the help condition.

Main Effects of Outcome on Intentionality and Responsibility

To test the main effects of outcome on intentionality and responsibility evaluations, we conducted logistic regressions, ideally suited for testing main effects for dichotomous DVs in social sciences (Peng and So, 2002; Tabachnick, Fidell and Osterlind, 2001). The results showed satisfactory model fit, with negative outcomes leading to higher intentionality attributions ($\chi^2=69.3$, $B=2.24$, $p<0.01$). A second logistic regression showed a significant main effect of outcome on responsibility evaluations, with negative outcomes leading to higher responsibility evaluations ($\chi^2=44.76$, $B=1.98$, $p<0.01$). These results support H1 and H2.

Interactive Effects of Negative Affect on the Outcome-Attribution Relationship

To test the interactive effects we used PROCESS in SPSS, a platform especially designed for testing moderation models (Hayes, 2013). We found a significant interaction between negative affect and outcomes in predicting intentionality ($B=-1.22$, $p=0.03$), but not responsibility evaluations ($B=0.15$, $p=0.79$). Table 2 summarizes the model for this interaction effect for study 1 (and study 2).

Figures 2a and 2b depict interactive results under the two conditions, with negative affectivity as a moderator.

Table 2

Interactive Effects of Predictors and Outcomes on Intentionality and Responsibility Evaluations

Predictor	Criterion	
	Intentionality	Responsibility
	b	b
Study 1		
Outcome × Negative Affect	-1.22*	0.15
Study 2		
Outcome × Progressivism	-0.59	-1.89*

Note. The beta weights are reported after each step. * refers to a p-value of less than .05.

Figure 2a. *Interaction effects of outcomes and negative affectivity on intentionality evaluations*

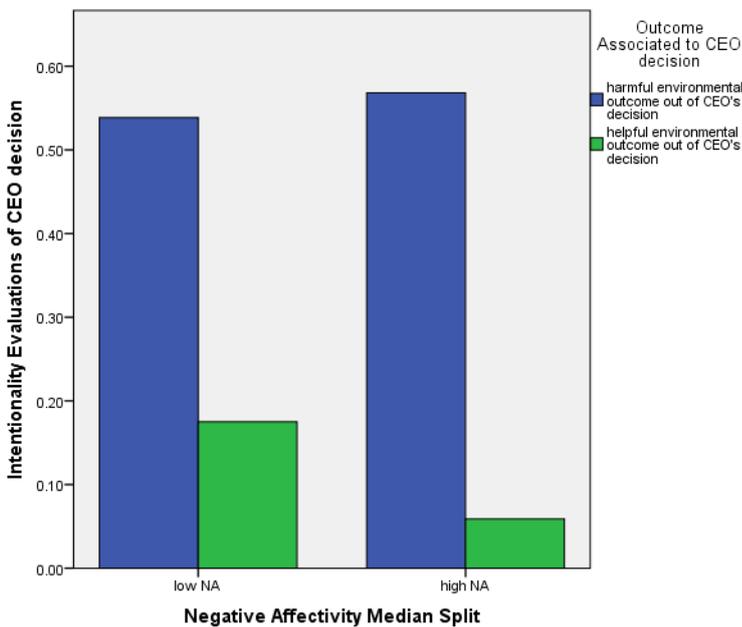
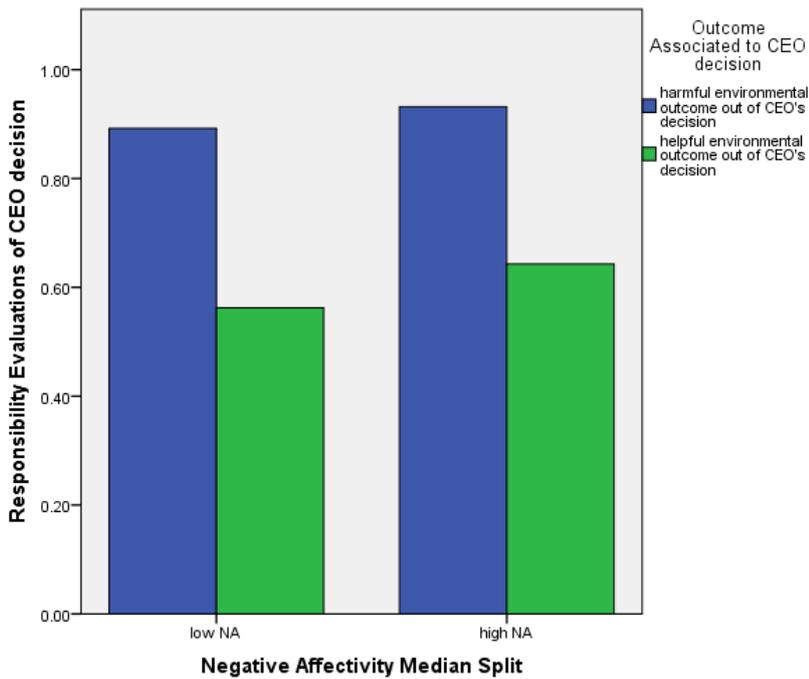


Figure 2b. Interaction effects of outcomes and negative affectivity on responsibility evaluations



Specifically, those high in negative affectivity attributed the CEO with higher intentionality for negative outcomes ($B=-3.07$, $p<0.01$) than those low in negative affectivity ($B= -1.68$, $p<0.01$). Those with high negative affectivity did not, however, attribute the CEO with higher responsibility for negative outcomes ($B=-1.89$, $p<0.01$, and $B=-2.06$, $p<0.01$, respectively, high and low NA). Further, no main effects of NA on intentionality and responsibility were found ($B=1.43$, $p=0.06$, and $B=-0.18$, $p=0.86$, respectively). Those results support H3 but not H4. Table 3 summarizes the statistics for the logistic model.

We decided to use logistic regression to test the direct effects and PROCESS to test the moderating effects, since PROCESS is particularly designed to test mediation and moderation models and not simple ones testing direct effects (Hayes, 2013).

Table 3

Study 1: Logistic Regression Analyses Predicting intentionality and responsibility evaluations (N=306)

<i>Study 1: Logistic Regression Analyses Predicting intentionality and responsibility evaluations (N=306)</i>		
<u>IV</u>	<u>DV</u>	
	Intentionality	Responsibility
Outcome	2.24**	1.98**
Negative Affect (NA)	-0.09	0.08
Cox and Snell R2	.2	.13
Nagelkerke R2	.28	.2
<i>Note.</i> The beta weights are reported after each step. † refers to a p-value of less than		
.10; * refers to a p-value of less than .05.		

Note. The beta weights are reported after each step. † refers to a p-value of less than .10; * refers to a p-value of less than .05. **refers to a p value of less than .01.

STUDY 2: EVALUATIONS OF INTENTIONALITY AND RESPONSIBILITY- MODERATING EFFECTS OF PROGRESSIVISM

Participants

Study 2 followed an identical experimental procedure as study 1. One hundred seventy-four students, 37% female, were drawn from a similar population to that for study 1.

Measures

Progressivism was measured using the Moral Foundations Questionnaire (Graham et al, 2011), which is designed to measure the five moral domains, *fairness, harm, in-group, authority, and purity*, via 30 questions (6 per domain) using a 5-point Likert scale.

Following Graham et al. (2011) definition of progressivism, we considered progressivism as an emphasis on *harm* and *fairness* as opposed to *in-group*, *loyalty* and *purity* and calculated each individual's progressivism score by following Graham et al.'s (2011) procedure of subtracting the latter three from the first two. Given that progressivism has been proposed as a formative construct formed by reflective indicators (Graham et al, 2011), the latter operationalization is consistent with research arguing that for avoidance of erroneous use of reflective measures, constructs' measurement should be driven by theory (Diamantopoulos and Siguaw, 2006). Thus, an alpha score is, by definition, not a suitable validity criterion of progressivism itself (Diamantopoulos and Winklhofer, 2001; Diamantopoulos and Siguaw, 2006) since alpha is used as a criterion of validity of reflective constructs (Nunnally et al, 1967; Churchill, 1979). Considering the latter and following Graham et al's (2011) definition of progressivism, we treated the construct as a formative one to better serve our theoretical objectives.

Table 4. Means, standard deviations, correlations and reliabilities in study 2

Variables	Mean	S.D	1	2	3	4
1. Outcome	1.52	0.49	1			
2. Progressivism	0.66	0.57	-0.15*	1		
3. Intentionality	0.34	0.47	-0.50**	0.18*	1	
4. Responsibility	0.75	0.44	-0.43**	0.14	0.23**	1

N = 174; * p. < 0,05 ; ** p. < 0,01

Results

Descriptive Statistics

Table 4 shows the means, standard deviations, and correlations between variables in study 2. Descriptive statistics showed that in the hurt condition, 58% of the participants assigned intentionality to the CEO for the negative side effect, while in the help condition, 11% assigned intentionality to the CEO. Concerning responsibility evaluations, in the hurt condition, 95% of respondents held the CEO responsible, as compared to 57% of respondents in the help condition.

Main Effects of Outcome on Intentionality and Responsibility

A logistic regression model exhibited a satisfactory fit ($\chi^2=43.57$, $p<0.01$). Outcome significantly predicted intentionality attributions ($\chi^2=49.0$, $B=2.43$, $p<0.01$), with negative outcomes leading to higher intentionality evaluations. A second logistic regression showed a significant main

effect of outcome on responsibility evaluations, with negative outcomes leading to more responsibility evaluations ($\chi^2=58.82$, $B=3.35$, $p<0.01$). These findings confirm H1 and H2.

Interactive Effect of Progressivism and Outcome on the Outcome-Attribution Relationship

Beyond the main effects of outcome and progressivism on intentionality and responsibility evaluations, we used PROCESS to test the hypothesized interaction effect. Progressivism interacted with outcome significantly in predicting responsibility ($B=-2.22.89$, $p=0.02$) but not intentionality ($B= -0.75$, $p=0.34$). These results support H6 but not H5. Table 2 summarizes the results of the PROCESS model for the interaction effect. Figures 3a and 3b depict the interactions between variables in study 2:

Figure 3a. *Interaction effects of outcomes and progressivism on intentionality evaluations*

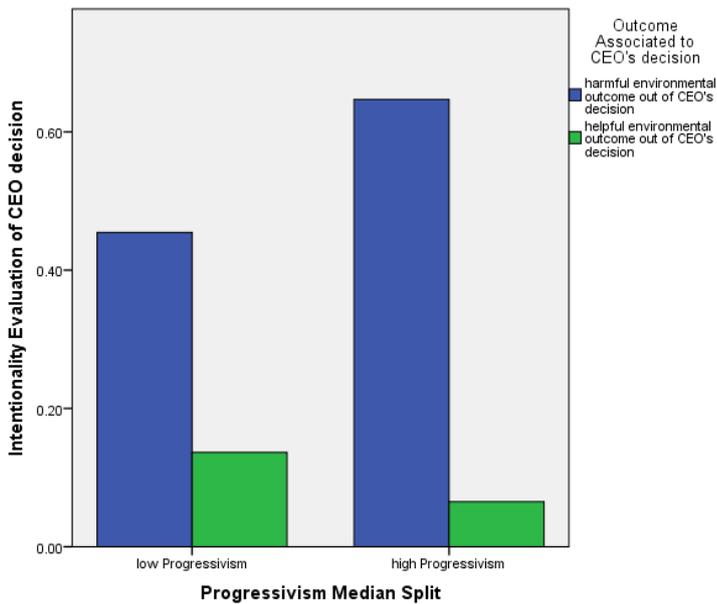
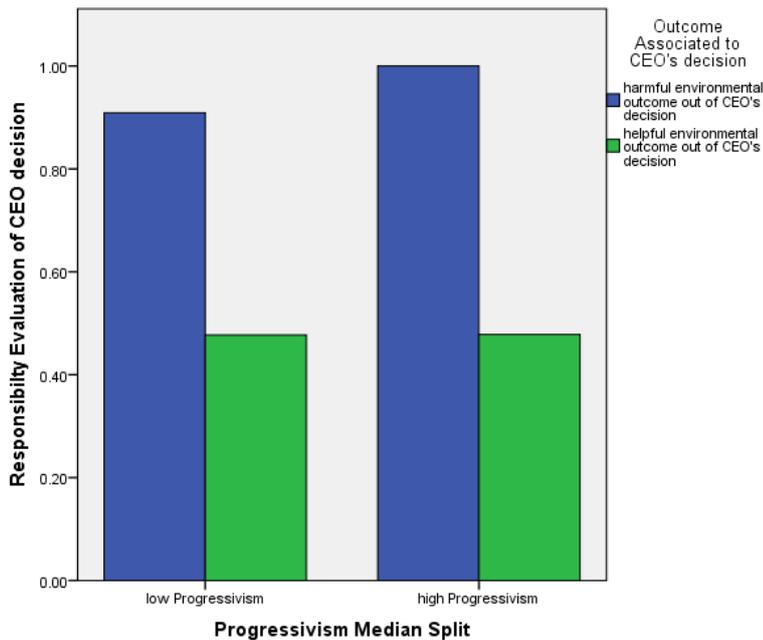


Figure 3b. Interaction effects of outcomes and progressivism on responsibility evaluations



Specifically, those high in progressivism attributed the CEO with higher responsibility for the production of negative versus positive outcomes ($B=-4.90, p<.01$) than those lower in progressivism ($B=-2.74, p<0.01$). However, the same did not hold for intentionality evaluations, where outcome effects were similarly significant across progressivism levels ($B= -2.76, p<0.01$, and $B=-2.09, p<0.01$, for high and low, respectively). Table 5 summarizes the statistics of the logistic model.

Table 5

Study 2: Logistic Regression Analyses Predicting intentionality and responsibility evaluations (N=174)

<i>Study 1: Logistic Regression Analyses Predicting intentionality and responsibility evaluations (N=174)</i>		
IV	DV	
	Intentionality	Responsibility
Outcome	2.43**	3.35**
Progressivism	.71*	.49†
Cox and Snell R2	.24	.28
Nagelkerke R2	.34	.41
<i>Note.</i> The beta weights are reported after each step. † refers to a p-value of less than .10; * refers to a p-value of less than .05.		

Note. The beta weights are reported after each step. † refers to a p-value of less than .10; * refers to a p-value of less than .05, **refers to a p value of less than .01.

DISCUSSION

Both studies revealed that outcome valence has a direct effect on intentionality and responsibility evaluations of ethically questionable organizational actions, with negative outcomes leading to higher inferences. Negative affectivity interacted with negative outcomes to predict intentionality but not responsibility evaluations. However, the inverse held true for progressivism, which interacted with negative outcomes to induce responsibility but not intentionality evaluations. As the first direct empirical test of these effects, these results were largely in line with our hypotheses, but the asymmetry between intentionality and responsibility was unexpected.

Our results reveal diverse dynamics guiding different aspects of moral evaluations—intentionality and responsibility-, of managerial wrong-doing, thus informing current business ethics debates around understanding the bases of moral evaluation of organizational activity (Fragale et al, 2009; Bauman, 2010; Robinson et al, 2013). Our results provide a complementary view to business ethics literature discussing intentionality as part of one's own decision making processes (Rest, 1986; Kohlberg, 1984; Barnett, 2001; Bowie, 1999a,1999b; Jones et al, 2005; O'Fallon and Butterfield, 2005) and focus on the underlying mechanisms guiding intentionality and responsibility evaluations of managerial ethical behavior (Wible, 2009; Bauman, 2010).

Our findings support Knobe's (2003) evidence that perceived outcome valence affects intentionality evaluations of managerial wrong-doing as well as organizational ethics literature citing actions' consequences as drivers of moral inferences broadly (Barron and Hershey, 1988; Paharia et al, 2009; Robinson et al, 2013). Moreover, unlike past research suggesting a bidirectional relationship between intentionality and responsibility evaluations (Wright and Bengson, 2009) and that intentionality guides responsibility inferences (Shultz and Wells, 1985; Knobe 2006; Ohtsubo, 2007; Wright and Bengson, 2009), our study showed that outcome valence directly affects responsibility inferences of managerial actions' negative consequences, offering new insights to business ethics literature discussing responsibility inferences of managerial wrong-doing (Reilly and Aquino, 2011; Paharia et al, 2009). These findings complement extant business ethics literature citing conceptual similarities between intentionality and responsibility in the process of ethical decision making (Mencl and May, 2009; Curtis, 2006) and propose novel insights on the different

ways that people think about intentions and responsibility when they make own ethical decisions as opposed to when they evaluate others' decisions and subsequent actions.

As a post-hoc observation, our respondents were more likely to say that actors were responsible for negative outcomes than that they acted intentionally. The latter might offer interesting directions for future research exploring attributions of relative responsibility versus intentionality, implying that responsibility might be stronger than intentionality evaluations and calling into question the idea that intentionality inferences guide those of responsibility (Knobe 2006; Ohtsubo, 2007). Broadly, our analysis offers a complementary perspective to business ethics literature (e.g., Rest, 1986; Bowie, 1999b) proposing that intentionality and responsibility evaluations of managerial actions are mainly driven by the consequences of those actions, whereas when individuals make own ethical decisions, they first develop intention and sense of responsibility and then perform a moral act with accompanying consequences (e.g., Rest, 1986; Bowie, 1999b).

Our results further suggest that distinct processes might underlie intentionality and responsibility evaluations of organizational activity, further supporting independence between the two. The latter is further reflected in the relatively low correlation ($r = 0.21$ and 0.23 , studies 1 and 2, respectively) between the two variables. Thus, regardless of their conceptual similarities, intentionality and responsibility seem to remain substantially different from each other, suggesting different dynamics driving each one.

Our findings demonstrate that people with high negative affectivity attribute higher intentionality to managerial actions' negative outcomes. This finding extends organizational ethics literature around affective states as antecedents of moral evaluations in organizations (Kish-Gephart et al, 2010; Paharia et al, 2009; Folger, 2001; Reilly and Aquino, 2011) and responds to recent calls for research on the effects of affective traits on ethically questionable situations (Gaudine and Thorne, 2001; Trevino et al., 2006). Further, our findings build on evidence that affect-driven bias influences intentionality evaluations (Nadelhoffer, 2006), applying these to the context of managerial wrong-doing. Our results also agree that facing moral decisions related to managerial wrong-doing activates morally-relevant emotions, leading to harsher moral inferences (Damasio, 1994; Haidt, 2003; Reilly and Aquino, 2011; Paharia et al, 2009).

Regarding intentionality, a similar effect was not found for progressives, despite evidence suggesting that harm sensitivity, central in progressives (Graham et al., 2009), heightens intentionality attributions (Wright and Bengson, 2009). With responsibility evaluations, however, a significant effect was found, the inverse of the NA effects. This supports that facing social *harm* and

unfairness heightens progressives' moral evaluations of organizational actors (Graham et al., 2009), even if they do not find the actions intentional, whereas affect-driven bias is more centered around evaluations of mental states. These findings extend literature linking perceptions of social unfairness and injustice, which are prominent in progressives, as well as moral inferences (Fragale et al, 2009; Reilly and Aquino, 2011).

The above asymmetry proposes that distinct mechanisms might drive intentionality and responsibility evaluations of managerial wrong-doing, revealing the complex nature of moral evaluations of organizational activity more broadly (Baumon, 2010; Wible, 2009; Robinson et al, 2013). Intentionality inferences seem to be highly linked to affective traits, given that people with high negative affectivity express harsher intentionality but not responsibility evaluations. Perhaps, those experiencing negative affect are not particularly concerned about attributing blame and promoting social justice values in situations of corporate wrong-doing, but are more focused on the actors' *mens rea* specifically. Indeed, evidence linking negative affectivity to inner cognitive states (Mor and Winquist, 2002) suggests that people under affective influence identify more with actors' inner motivations to perform an action and the psychological mechanism driving those intentions. Thus, considering that intentionality involves actors' inner motives (Malle and Knobe, 1997), whereas responsibility assesses involvement in action execution, negative affectivity is more likely to draw attention to the former.

Similarly, evidence suggests that responsibility inferences involve finger-pointing and identification of agents as capable of doing harm, whereas inferences of intentionality involve understanding of agents' inner motivation to act unethically (e.g. Gray et al., 2012). This difference between the two aspects of moral evaluation might explain why negative affectivity, as opposed to progressivism, predicts higher intentionality, as progressives are more concerned with identifying culpable organizational agents and assigning blame regardless of inner motives. Similarly, since responsibility is related to blame, and progressive thinkers care about social justice (Graham et al, 2009), it is not surprising that they judge organizational actors as responsible for producing social harm.

Surprisingly, given the conceptual link between responsibility and intentionality evaluations (Wright and Bengson, 2009), the low correlation between the two may suggest a weaker relationship than commonly thought. Intentionality evaluations seem to be an affect-driven cognitive process, whereas responsibility evaluations strongly affected by outcome valence, with this relationship influenced by socially formed moral attitudes (progressivism). If intentionality is normally

considered a “mental” phenomenon (Malle and Knobe, 1997) and responsibility more of a juridical or evaluative state (Wright and Bengson, 2009), it would likely stand to reason that in a market-driven society, laden by organizational wrongdoing, those sensitive to unfair treatment and harm would hold actors responsible for harm. The latter might explain why responsibility is less linked to affective states and more linked to social characteristics than intentionality evaluations.

This study contributes to the business ethics literature through its insights on behavioral ethics and moral evaluation. First, we transfer counterintuitive findings on intentionality from the moral psychology to the business ethics literature to extend current debates in the field (Fragale et al, 2009; Bauman, 2010; Reilly and Aquino, 2011; Robinson et al, 2013; Paharia et al, 2009) and complement business ethics literature focusing on intentions and responsibility as parts of individuals’ ethical decision making process (Kohlberg, 1984; Rest, 1986; Ajzen and Fishbein, 1977; Curtis, 2006; Barnett, 2001). Linking responsibility attributions directly to outcome valence, even when intentionality is not inferred, our study likely challenges explanations of intentionality focusing on mental qualities (Malle and Knobe, 1997/2001) and responsibility as primarily contingent on prior intentionality evaluations (Hill, 2006). Yet, some parallel remains between the two.

Second, extending this approach to responsibility evaluations of managerial wrong-doing, we reveal similarities but also differences between the two constructs, suggesting distinct mechanisms guiding moral evaluations of corporate wrong-doing. Our study hopefully extends research examining underlying mechanisms driving different elements of moral cognition (e.g. moral courage, moral efficacy) (Hannah, Avolio and May, 2011), advancing theoretical understanding on factors guiding moral evaluations of organizational wrong-doing. Examining affective traits and social characteristics as moderators of intentionality and responsibility, we contribute to debates citing affect and harm sensitivity as drivers of moral attributions of organizational practice (e.g. Nadelhoffer, 2006; Haidt and Graham, 2007; Wright and Bengson, 2009; Paharia et al, 2009; Reilly and Aquino, 2011) and we draw implications for business ethics.

Some suggest that affect-driven bias guides intentionality attributions of negative consequences (Nadelhoffer, 2006), while others suggest that evaluative considerations and harm sensitivity shape intentionality evaluations even in the absence of affect (Wright and Bengson, 2009). Similarly, some evidence suggests an interplay of affect and harm sensitivity in guiding moral evaluations of managerial wrong-doing (Graham et al, 2009; Reilly and Aquino, 2011; Paharia et al, 2009). The current study intends to inform those competing explanations by focusing on specific

aspects of moral cognition and showing how affect and harm sensitivity differently affect managerial actions' outcomes' effects on intentionality and responsibility evaluations.

Limitations and Future Research

Building on our findings, future business ethics research should examine whether the effect of actions' consequences on moral attributions would change depending on *who* performed an action or *what* action was performed. Additionally, manipulating the circumstances under which decisions were made (e.g. under information limitations, time pressures, etc) would help build theory around how individuals imagine the action states of targets and evaluate the moral qualities of their decisions. Further, future research might explore whether the similarities between intentionality and responsibility extend to other dimensions of moral evaluation in organizational settings, such as punitiveness or global character evaluation. Moreover, the fact that respondents were more likely to attribute responsibility than intentionality speaks to the relative interdependence between the two variables. Since the exploration of this latter phenomenon was not part of our design, we encourage future research to further explore this relationship to understand why individuals seem to be more concerned about assigning blame than evaluating actors' mental states.

Further, since our current focus was to parallel and compare the effect of "contravening" personal factors on different aspects of moral evaluation, we did not study positive emotions. However, exploring the potential moderating effect of positive affectivity as well as discrete negative and positive emotions on different aspects of moral evaluations (beyond intentionality and responsibility) would provide broader evidence of affective biases guiding moral evaluations of managerial wrong-doing. To build on our findings, future research could treat negative emotions as an independent variable and prime anger or contempt by asking participants to recall situations of anger.

Further, even though some research cites that demographics might affect ethical intentions (Brouthers et al., 2008; Awasthi, 2008; Valentine and Rittenburg, 2007), our random assignment design relied on experimental control to successfully isolate the main effects (Silverman, 1977) of our interest. Also, given the newness of the Knobe effect and the fact that it has been hardly discussed in business ethics, we decided to replicate the Knobe design in order to study it as a basic phenomenon with the addition of affective and moral attitudinal moderators. However, future research could complement such methods by using surveys and include control variables as well as examine models with more variables to test the proposed relationships.

Further, our methodological choices were based on the nascent aspect of research in this area, and should be diversified in the future. For instance, although the MFQ (Graham et al., 2011) is a valid, internally consistent (Graham et al., 2009), multi-item formative instrument, little research exists on the progressivism variable per se, making it difficult to compare the current study with extant research. Particularly as a formative, theory-based scale, progressivism requires triangulation across many studies to establish validity, and at present this research line is in an early stage of development. Given its newness and the fact that in its current formative form, alpha wouldn't serve as a measure of the construct's validity (Diamantopoulos and Sigauw, 2006), future research could try to develop and use more reflective indicators. Nonetheless, our study hopefully contributes to the predictive validation of the construct, a key element of formative measurement (Diamantopoulos and Winklhofer, 2001). Similarly, we followed Knobe's (2003) experimental approach, describing a CEO scenario, ideally suited for the investigation of the business ethics phenomenon of our interest; thus establishing comparability but limiting generalizability across situational contexts. We decided to do so to also eliminate confounding effects and methods' variance caused by the new variables in our model.

In some cases (e.g., the dichotomous nature of the choice), more research is needed to catch gradations between levels of intentionality and responsibility. While dichotomous DV's are often well suited for ethical choices and judgments specifically (e.g. Barnes et al, 2011; Hannah et al, 2013; Moore et al, 2012), measurement issues regarding these two variables deserve further attention (Guglielmo and Malle, 2010). Additionally, given that we were gathering different samples with different theoretical intuitions, we didn't consider the collective moderating effects of negative affectivity and progressivism within the same model and sample, but tested them separately. Extending our findings, future research could treat those moderators as part of a more holistic model. In sum, while these methodological issues represent a logic of replication and incremental extension to new domains, future research should experiment with new ways of methodologically manipulating and measuring moral evaluations.

Managerial Implications

Demonstrating the effect of managerial actions' unintended outcomes on intentionality and responsibility inferences, our research provides managers with novel insights on how to enhance ethical decision making. First, knowing that unintended negative consequences are perceived as intentional and impinge upon moral evaluations, whereas unintended positive consequences are perceived as side-effects, managers might seek to be more considerate of their decisions' unintended

negative outcomes, under the assumption that intent will be assumed should consequences be negative. Excuses of lack of knowledge or intention are thus not likely to mitigate moral evaluations of managerial actions. Additionally, knowing that people high in negative affectivity will likely attribute intentionality to negative side effects, managers might focus on better addressing external stakeholders' demands, thus mitigating negative affect and reducing evaluations of intentionality. Similarly, knowing that progressives infer higher responsibility for managerial actions' negative consequences, managers should stress fairness and social welfare programs to enhance their ethical legitimacy and mitigate blame evaluations for unintended actions' consequences.

Considered globally, our findings provide managers with insights on the psychological and emotional bases guiding intentionality and responsibility evaluations of their unintended actions' negative outcomes. Such knowledge should be integrated in managers' ethical decision making processes to enhance their awareness of the relative weights of unintended actions' consequences versus stated intentions on the public's moral evaluations of their actions. If managers are aware that they are judged based on unintended negative consequences moderated by judges' moral emotions, they may develop socially relevant policies to reduce both intended and unintended negative outcomes, and enhance their moral awareness and ethical decision making overall.

CONCLUSION

We examined the distinct mechanisms guiding intentionality and responsibility evaluations of managerial actions' unintended negative consequences, to provide insights on moral evaluation of organizational wrong-doing. Our study transfers and extends evidence by Knobe (2003) to the business ethics literature to suggest the effect of outcome valence on responsibility evaluations and propose affective and psychological variables moderating those effects. We find that negative consequences heighten moral attributions of both intentionality and responsibility, regardless of managers' stated intentions. Our results also show that negative affectivity and progressivism interact with outcomes to shape intentionality and responsibility evaluations in distinct ways. Our findings provide counterintuitive insights as to the different bases people use when evaluating organizational wrong-doing (as opposed to when they make own ethical decisions) and open an avenue for future business ethics research to empirically explore those different patterns under diverse research settings. Suggesting that actions' unintended outcomes shape moral evaluations more than stated intentions, our findings should be considered by managers as enabling them to enhance their ethical decision making.

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Article 2

Running head: Indulgences and Corporate Malfeasance

Organisational Indulgences or Abuse of Indulgences: Can Good Actions Somehow Wipe Out Corporate Sins?

This second article of the current thesis was developed to further explore the findings of the first one. The current article extends the discussion of moral evaluation to the organizational level allowing to better understand the deeper motivations leading organizations to engage in ethical and unethical actions as well as the way individuals use good and bad organizational actions' consequences to assign intentionality to organizational ethical activity. The purpose of the current paper was to develop a conceptual framework of moral evaluation of organizational ethicality spelling out some crucial criteria that people use when evaluating intentionality of organizational moral actions. The particular research question that motivated the second article of the thesis is the following one:

What are the underlying motivations leading organizations to engage in both ethical (right-doing) and unethical (wrong-doing) activity and how do individuals use the consequences of organizational actions' to evaluate the underlying intentionality guiding organizational involvement in wrong-doing and right-doing?

Since the current article was published very early after its development, the I did not have the opportunity to present it in academic conferences. However, prior to publication, the current article had been presented in academic seminars where colleagues' and professors' comments provided interesting perspectives for its future development. Also, the reviewers' comments at *M@n@gement*, where the paper has been published, were particularly insightful in allowing me to produce an improved and publishable version of this paper.

This paper has been co-authored by Patrick O'Sullivan

Abstract

Assessment of the overall moral stature of organisations is notoriously difficult. This is partly of course because they are collective entities but also because they rarely present a clear-cut picture in respect of moral stance: we will typically find that while organisations engage in wrong-doing, they also engage in “right-doing”, often with a view to compensating in some typically unspecified way for their wrongdoing. The purpose of this conceptual paper is to bring a new perspective to understanding this somewhat paradoxical organisational behaviour. We suggest that by drawing in an analogical manner on the ancient Catholic conception of proper indulgences and abuses of indulgence, we can develop a fruitful way to understand compensatory right doing activity as well as a powerful normative tool for morally assessing such activity. This locates the paper firmly within the field of business ethics but it also yields some interesting insights regarding the motivations of certain organisational behaviours. We finally suggest that we can conceptualise an organisation’s activity in this respect along a kind of moral spectrum that stretches from pure organisational impostorism through abuse of indulgence to proper indulgence and we suggest some illustrations of these from well-known business cases.

Keywords: Indulgences; organisational wrongdoing; ethics; corporate social responsibility (CSR); organizational impostorism¹

¹ We are aware that we are creating here a new term, which we think is appropriate as a precise description of the phenomenon we are investigating. The term should not be confused with the psychological term *impostor syndrome*, which denotes a psychological condition. In fact impostor syndrome denotes a psychological condition of lack of self-esteem quite the opposite from what we are describing as Organisational Impostorism: it denotes people who are genuinely talented but believe themselves to be frauds. What we will describe here as Organisational Impostorism is actually a situation where an organisation is falsely posturing as morally upright when in fact it is not in reality behaving at all ethically.

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Article 2

Organisational Indulgences or Abuse of Indulgences: Can Good Actions Somehow Wipe Out Corporate Sins?

INTRODUCTION

‘Here’s to what matters’ says McDonald’s (Joseph, 2014) to respond to accusations of contributing to obesity problems worldwide (Robinson et al, 2005; Caterer and Hotelkeeper, 2003). With this slogan, the Ronald McDonald’s House Charities Foundation donates money to children’s hospitals to contribute to the lives of children in need (Joseph, 2014). Beyond its philanthropic activity, the company has launched Children’s happy meals with less fat and has increased its salad and fruit offering (Datamonitor, 2004), while it has also introduced mini-gyms in some of its restaurants (Business Insurance, 2006) to address customers’ concerns for a healthy lifestyle. However, McDonald’s still maintains its unhealthy food offering, and so it continues to be accused of wrong-doing by activists and customers. What motivates such inconsistent corporate behaviour and apparently contradictory ethical stances? Our discussion, aims to provide a novel lens through which such corporate profiles can be morally evaluated.

Recent research around the idea of restorative actions following corporate malfeasance, has shown that companies tend to do more good in one domain of their activity when they have previously done more bad in a different domain, with some variation across industries (Kotchen and Moon, 2012). However, while a certain body of literature empirically investigates organizational malfeasance and has identified factors leading organizations to perform unethical activities (e.g. Jones and Kavanagh, 1996; Trevino, 1986), little has been done to approach the issue philosophically and to try to decompose the elements of such immoral organizational behaviour and its relation with subsequent right-doing behaviour.

However, while the stream of corporate wrongdoing scandals (e.g., Enron, Worldcom, Barclays, Volkswagen among others) continues or even intensifies, we also witness the phenomenon of widespread philanthropic activity or other forms of morally praiseworthy activity by companies. Quite often, such philanthropic activity is performed *by the self- same companies* that have been accused of wrongdoing (Kotchen and Moon, 2012). When organizations with increased ethical activity are accused also of involvement in unethical practices, this raises the question of whether maintaining a well-developed ethical profile somehow provides a good “*alibi*” or excuse for organizations to be involved in wrong-doing. The current paper aims to understand the potential

motivation of organizations behind maintaining such apparently inconsistent ethical profiles and to assess it philosophically.

Aiming to explain this paradox, the paper seeks to develop a philosophical understanding, by analogy, of the fundamental motivation leading organizations to engage in actions of social compensation, like charitable donations or other philanthropy, following involvement in wrongdoing. In particular, since these right-doing actions are often engaged in by companies which are involved in greater evils, it would appear that the companies are involved in some kind of implicit logic of indirect compensation for wrongdoing done elsewhere. However, it is equally possible that the philanthropy and right-doing activities are intended to be little more than a diversionary public relations tactic designed to burnish corporate image and to distract attention from wrongdoings.

We suggest that in order to make more sense of all of this, we can draw on what we see as an intriguing analogy between such corporate “compensatory” actions, and the notion of “indulgences” of the Catholic church defined as “*the remission before God of the temporal punishment due for sins already forgiven as far as their guilt is concerned*” (Paul VI, 1967). We intend to transfer the old idea of indulgences (as also that of *abuse* of indulgences) to a contemporary market environment and thereby to make sense of the extent to which commitment to good actions can somehow wipe out the effect of unethical actions previously performed or continuing to be performed by organisations.

We use the term analogy with a certain philosophical trepidation knowing that it has generated quite a literature both in epistemology over the centuries (discussions of argument by analogy for the existence of God, etc.) and even recently in the management area (e.g., Oswick, Keenoy and Grant, 2002). We are proposing the term in a philosophically non-loaded manner. We use the term analogy to mean an equivalence of principle or of certain essential aspects between two phenomena but not of every singular detail between these phenomena. Thus, we simply argue that certain types of corporate good actions designed to offset evils generated elsewhere are *in terms of moral principle* essentially equivalent to ancient Catholic indulgences or more often to the abuse of such indulgences (as we shall define in detail below), even if the actions are not undertaken in a religious context or intended as a device to head off suffering in an afterlife.

The current paper contributes to the business ethics literature in various ways. First, we transfer the principle of indulgences into the contemporary market environment through philosophically analysing compensatory business practices following wrong-doing and decomposing the moral elements triggering such behaviour. In so doing, we enrich organizational level literature discussing the relation between good and bad corporate deeds (e.g., Kotchen and Moon, 2012;

Chatterji and Toffel, 2010; Muller and Kraussl, 2011) to understand such apparently inconsistent corporate profiles in terms of quest for indulgence. Secondly, through making the analogy of organizational moral practices with the principle of indulgences and the possible abuses of these, we propose a taxonomy of different types of indulgence-seeking corporate behaviour depending on the real intent involved in such acts and the consequences of those acts. Using the Catholic principle of indulgences as a prism allows us to identify the defining characteristics for this taxonomy. To illustrate our argument, we then describe real cases of corporate scandals and assess them critically in the light of the principle of true or abusive indulgences, as defined in our discussion.

Our reflection extends and hopefully will illuminate current debates on corporate malfeasance through transferring the idea of indulgences, a notion that has been largely understudied in relation to management, from the theological to the business ethics literature.

CORPORATE WRONGDOING and (COMPENSATORY) RIGHT DOING in RECENT ORGANISATIONAL LITERATURE

Organizational level literature has broadly discussed the relationship between good and bad organizational deeds, without a particular focus on the potentially indulgent nature of those. However, since organizations are made up by collectives of individuals, organizational misconduct often originates as unethical activity of individuals or small groups within the organisation (Greve et al, 2010). To that extent it will be possible to seek insights regarding good and bad corporate deeds using the prism of indulgences, a famous or indeed infamous practice of the mediaeval Catholic Church. While in its mediaeval incarnation it was mainly applied at an individual level, it could also apply to group actions in certain cases.

That we should be turning to what may seem a surprising source for illumination of business behaviour, namely to an ancient religious practice, in a secular age should not seem so surprising if we consider some strands of the existing CSR literature. Literature on historical CSR has discussed individual moral sense in respect of compassion and good deeds directed towards collective social welfare as an important attribute shaping organizational CSR (Roberts, 2009) and sees moral accountability as a reflection of managers' philosophical and religious backgrounds (Parker, 2014). Particularly, Parker (2014) provides a review of the 19th century British industrialists' (Owen, Salt, Lever and Cadbury) successful CSR practices to propose a connection between successful CSR and individual, moral convictions emanating from Christian religious beliefs associating faith with good deeds (e.g., Jenkins, 2002).

Evidence from Victorian England also associates industries' charitable practices more with Christian religious beliefs and altruistic attitudes than corporate reputation. Such accounts suggest

that contemporary CSR could also sometimes be driven by genuine good will to serve the society and not necessarily subordinated to the instrumental achievement of corporate financial objectives and reputation. It will be evident that the extensive discussions by Islamic scholars of the requisite features of morally responsible (*halal*) finance are also linking religious convictions with proper business practice; while in Thailand the increasingly influential discussion of the principles of a “sufficiency economy” draw directly on certain Buddhist ideas of moderation in all things (Middle Way)².

When dealing with the broadly defined area of organizational good and bad deeds, contemporary literature has however typically been more secular and cynical. For example, Yu and Yu (2011) found that spending on corporate lobbying allows organizations to cover corporate fraud for longer periods and that such spending is intensified in fraudulent as opposed to non-fraudulent periods. Corporate fraud literature also posits that ethical decision making and post-fraud CSR reflect acknowledgment of misconduct and intention to make up for previous fraudulent practices as well as in some instances a commitment to prevent future engagement in fraud (Rodgers, Söderbom and Guiral, 2014). Recent literature has also reported a positive association between tax avoidance and corporate CSR positing that firms with low CSR reputation tend to engage in CSR to restore their reputation (Watson, 2015).

In respect of organisational CSR focusing on firms’ philanthropic responsibilities (Schwartz and Carroll, 2003; Geva, 2008) beyond legal and economic ones, some studies have shown that socially irresponsible behaviour (i.e., activity negatively impacting stakeholders interests; Strike, Gao, and Bansal, 2006) in one aspect of organizational activity triggers socially responsible behaviour in other dimensions of CSR. Particularly, Kotchen and Moon (2012) investigated 3000 publicly traded US firms to conclude that firms engaging in socially irresponsible behaviour in areas related to human rights, environmental or social welfare (e.g., oil spills) invest higher in CSR in similar areas of activity to restore corporate reputation. Similarly, Chatterji and Toffel (2010) found that firms accused of negative environmental impact subsequently improved their environmental practices to compensate for the alleged wrong-doing. Conversely, literature argues that when highly publicized firms are accused of irresponsible corporate governance, they use CSR in another area of activity as an offset mechanism (Kotchen and Moon, 2012), thus suggesting a higher focus on restoring reputation as opposed to genuinely righting the wrong-doing.

² On Islamic financial principles and the prohibition of interest on loans see a variety of contemporary works such as KETTELL B (2011). On the principles of a sufficiency economy see O’SULLIVAN P ALLINGTON N & ESPOSITO M (2015), chapter 14; or AVERY G & BERGSTEINER H (2016) chapters 2 and 3.

Various other authors also view corporate philanthropy as a way to offset bad reputation and social irresponsibility and argue that it is used as an impression management (Perks, Farache, Shukla and Berry, 2013) and public relations tool to enhance firms' ethical profiles (Saiia, Carroll, and Buchholtz, 2003). Similarly, some literature argues that corporate philanthropy is instrumentally used to make the 'business case for CSR' (i.e., CSR purely motivated by profitability objectives). For instance, Walmart's significant contribution in Hurricane Katrina's relief operations contributed significantly to offset its reputation and long-term profitability for previous alleged unethical labour practices (Barbaro and Gillis, 2005). Last but not least, recent research has investigated an inverse relationship between good and bad corporate deeds suggesting that involvement in CSR provides organizations with the needed moral credentials to be able to engage in more CSI (corporate social irresponsibility) afterwards (Ormiston and Wong, 2013). In the context of our analysis (to be developed in detail below) this latter is what we will explain as prospective purchase of indulgence.

Schrempf-Stirling and colleagues (2015) recently provided a new perspective in the literature through discussing how corporate wrong-doing by previous generations of managers is dealt with by current managers. Even though our discussion is not concerned with the generation of the manager per se, it aims to enrich this line of thinking by proposing a new lens through which corporate efforts to right previous wrong-doing can be morally evaluated.

The above literature provides wide-ranging evidence of a relationship between ethical and unethical business practices. It thus appears that CSR is often regarded as intended to compensate for CSI either retrospectively or prospectively. In the light of the notion of indulgences (which we explain in detail below), we will argue by analogy that organizational involvement in right-doing following wrong-doing can be understood as *indulgence-seeking* behaviour on the part of organizations especially where no attempt is made at a precise cost benefit quantification of the offsetting CSR and CSI. However, in those cases where organisations take no steps to end or at least significantly to reduce the wrongdoing, what is often involved is not proper indulgence but rather a recrudescence of the ancient *abuse of indulgences* as clearly explained in the next section.

We will therefore argue that a very useful insight into the nature of the apparently paradoxical relationship between CSR and CSI can be found by seeing it through the lens of or as analogous to the Catholic conception of indulgence. Whether this offsetting CSR is used as an impression management mechanism or also involves genuine will to right the original wrongdoing will (as explained below) determine whether it is proper indulgence or abuse of indulgence. The latter will be directly relevant to our normative evaluation of the phenomenon since we take abuse of

indulgence to be a patent moral evil³. Our analysis will also lead us to suggest a possible taxonomy of different indulgent seeking corporate behaviours.

INDULGENCES: SOME PERSPECTIVES FROM MORAL PHILOSOPHY AND RELIGION

The original notion of Indulgences

We take as our starting point the theological discussion of indulgences that is the traditional Catholic position from which all of the subsequent controversy, abuses and discussion of indulgences has followed. The Catholic Church defines indulgences as “*the remission before God of the temporal punishment due for sins already forgiven as far as their guilt is concerned*’ (Paul VI, 1967). We now discuss the moral components of this ancient phenomenon to draw an analogy between the Catholic principle of indulgences and corporate involvement in both ethical and unethical practices. In so doing, we aim to discuss whether or not the implicit idea of moral compensation is in fact philosophically justified. Discussion of this latter point will require that we delve into some of the arcane detail of the theory and even theology of indulgences and of the *abuse* of indulgences.

Inherent in any such discussion of indulgences are the closely related Catholic doctrines of confession, forgiveness and temporal punishment. Through the sacrament of Penance or confession, the Church forgives sinners demonstrating genuine contrition for their wrongdoings (Jesson, 2002) and has developed various types of practice for such confession. For instance, *exomologesis* (i.e., contrition in the form of public confession) constitutes one of those practices and there is also the well-known act of private confession in a church confessional box to a priest. It is vital for forgiveness by the Church that the asserted contrition be *genuine*; that is be sincere and reflect a real state of sorrow or regret by the sinner; and real regret logically implies a resolve by the sinner not to repeat the same evil actions (Schaff, 1882). Insincere or merely perfunctory sorrow or regret, which does not include the intention to avoid the same sins in the future, is not genuine contrition and does not elicit forgiveness in confession.

Thinkers from the empiricist or positivist traditions might have difficulty with this concept of genuine contrition since it is entirely subjective and only the sinner can know for sure if their contrition is genuine. It is not something readily observable by another person nor can it reliably be established even by questioning the subject (since they might well lie). However, we would submit that every self-conscious individual knows in their mind and heart when an expression of sorrow is sincere and when it is merely perfunctory utterance of certain words which are not a true reflection

³ This is of course a normative moral judgment but we make it without apology just as one might judge murder or systematic deliberate dishonesty as wrong.

of sentiments felt. In the same vein, any person can also know if they really want to *try* to avoid repeating certain evil actions in the future even if sometimes they may be less certain of whether they will succeed: *the spirit may be willing but the flesh may be weak*. The key point is that the spirit be willing!

The Catholic position stresses that in view of the infinite forgiving love of God, guilt and the consequence of eternal punishment can be absolved even for very serious sins as long as the sinner genuinely repents. Thus, even when heavy sinners express true contrition and seek forgiveness through confession, once the forgiveness is accorded and thus eternal punishment absolved, they are only subject to a temporal (i.e. time-limited as opposed to eternal) punishment intended to provide compensation to a victim or satisfaction to God for the sin committed (Jesson, 2002). This temporal punishment is said to be a requirement of natural or divine justice. For example, in the case of a theft, once forgiveness of the sin of theft has been accorded in confession, the thief is still bound in natural justice to make restitution of the stolen goods.

Another idea of significant importance in the Christian religious tradition, is that of charitable donation or more generally doing “good works” or philanthropy (Bremner, 1996; Benbaji and Heyd, 2001). Such good acts are also encouraged in many other religions such as in Buddhism for example or in the Muslim *zakat*⁴, but it has a particular significance in Catholic Christianity that we now explore. Here charitable donation is considered to fulfil or “serve” the temporal punishment requirement, since it is intended to enhance others’ well-being and can compensate for previous wrong-doing. Since it is often not possible to make direct restitution for previous wrongdoing (for example in the case of murder), the temporal punishment requirement can then be met by more general charitable donations and good works. This is precisely the definition of indulgences in the Catholic doctrine, as cited above.

However it has always to be emphasised, that the temporal punishment *cannot* eliminate the guilt of sin⁵. The guilt of sin can only be eliminated through confession and acknowledgement of the wrongdoing committed accompanied by a genuine contrition involving repentance for the evil caused and a commitment not to repeat the evil in the future. Charitable donation and good works come into play only *after* acknowledgement of guilt and the genuine contrition; and they are

⁴*Zakat* is the requirement that any good-living Muslim should devote 2% of their wealth to helping and supporting those less wealthy than themselves.

⁵ On the strict Catholic doctrine in respect of indulgences, on the meanings of the various terms and on the church’s repeated condemnation of abuses thereof see Kent (1910) in the New Advent Catholic encyclopedia.

intended to fulfil only the natural justice requirements of temporal punishment and restitution (Kent, 1910).

There is thus no question of charitable donation and other good works leading prospectively or retrospectively to forgiveness of wrongdoing; they can only come into play in relation to the temporal punishment and they can at most generate an indulgence in respect of the temporal punishment/restitution requirements. Moreover they can become effective only when there is genuine contrition involving a commitment never to engage again in the wrongdoing for which they are meant to fulfil the temporal punishment (Schaff, 1882); and so proper indulgence could never be prospective. This latter requirement, as we will see, completely undermines the potential claim to “indulgence” or forgiveness that often motivates corporate donations and good works. To satisfy the requirement, businesses would need to truly repent for previously unethical behaviour and commit to never repeat it again in the future, while also engaging, where possible, in direct actions of offsetting the adverse effects of such behaviour.

To understand the logic of certain business activities today and draw parallels with the idea of indulgences, we can further draw on another historically significant aspect of the Catholic position: the *abuse of indulgences* (Kent, 1910; Schaff, 1882). Throughout the ages, it has proved highly tempting for people to fall into the belief that by spending enough on good works, sins can be forgiven often in advance even of the sin being committed. Unfortunately there have also been lower level church representatives (*quaestores* or brokers of indulgences)⁶, who encouraged such behaviours; in effect selling indulgences to elicit forgiveness of sins not only retrospectively but also prospectively. These practices were a perversion of the true position of the Catholic Church on indulgences and they were condemned by a series of Popes and Councils of the Church (Kent, 1910). They were rampant especially in the 13th and 14th centuries and were indeed the most prominent abuse in the Catholic Church which led Martin Luther in 1517 to initiate the Reformation with the 95 theses of Wittenburg (Schaff, 1882).

We will now review some examples of indulgences in medieval times and we draw a comparison with current organizational activity.

Organisational Indulgences in mediaeval times

The notion of indulgence is usually thought of in relation to individuals but given that, as we will argue later, certain activities of business organisations can be considered as analogous to indulgence

⁶ In Kent (1910) a detailed account of proper indulgence, the various types of abuse of indulgence and indulgence brokerage can be found.

seeking, it is interesting to see if in mediaeval times there were any instances of indulgences for organisations. Indeed, as a result of the connection between church and civil matters, mediaeval guilds were considered corporations with religious character due to their donations to the church and charitable giving, and thus were often granted indulgence by the Church. A notable example was that of the guild of merchants (founded in 1466 in Rostock) which was granted plenary indulgence by Sixtus IV (1471-84) once during their lives and once at the time of death. Then, in the early sixteenth century, Cardinal Raimund Peraudi granted a new indulgence of 100 days to the guild anytime they transferred a dead guild member to the grave or provided support to the brotherhood (Paulus, 1922).

Another similar medieval example is that of the Marksmen groups, whose defensive role was crucial in protecting the society and the church from hostile attacks. The latter, in combination with the fact that Marksmen groups were deeply religious, led the church to recognize them as religious groups and grant them indulgences (Paulus, 1922). Notably, in 1445, the Bishop of Merseburg granted them an indulgence of 40 days for their religious good works. Later, the Bishop Alexander of Forli granted an indulgence of 100 days to the group's members participating in the Marksmen's religious services.

However, as mentioned above, besides grant of true indulgences, incidents of abuse of indulgences were also widespread in mediaeval times. One of the main abuses of indulgence leading to the disillusion of Luther, was the indulgence given by Popes Leo X and Julius II to those that participated in the construction of St. Peter's in Rome, while indulgences were also traded for contribution to other good purposes (like construction of hospitals and bridges as well as participation in raids against the Turks). A notable example of an indulgence sold to medieval 'organizations' was that of Leo X's sale of indulgence to the Italian hospital S.Spirito in 1516, while indulgences were also sold to the hospital of Nuremberg in 1515 and of Strasburg in 1518 (Schaff, 1882). Another group oriented indulgence was initially sold by Alexander VI, in 1502 and later extended by Julius II, to finance the Christian knights fighting against the Russians.

It may also be noted that in a remarkable bridge between the ancient abuses and our own times, the Sicilian Mafia to this day believes itself to be "protected" against divine eternal punishment for its wrongdoings by the payment of generous sums of money to the local clergy and bishops in Sicily. This practice would appear to date from some obscure papal bull of the Middle Ages but in a contemporary work on the Sicilian mafia and its diverse activities by Andrea Camilleri (Camilleri, 1993), it is shown that the Sicilian mafia still engage in this practice of generous donation to the church which they appear to see as some kind of insurance against eternal damnation. It has to

be said that the contemporary belief is based more on superstition rather than a tenable religious position, since the Church while gladly accepting the donations does not of course today officially grant such indulgences. There is also of course a poignant parallel between such superstitious seeking of protection against divine punishment and the protection rackets for businesses, which over much of Italy to this day represent the mainstay of mafia revenues.

The above provide evidence on the practice of indulgence in mediaeval ages and allows us to draw parallels with current organisational practice. We see organisational practice as the resultant of collective choices made by individuals (without however falling into a methodological individualism), and thus very likely to be motivated by similar considerations as individual actions (Greve et al, 2010). We propose to apply the concept of indulgences in business to organizational as opposed to individual engagement in right and wrong-doing, an approach which seems at once logical and can provide a new perspective to the extant literature.

Indulgences in current organizational practice

When discussing organizational engagement in both ethical and unethical activities, the question arises of whether organizational attempts to right previous wrong-doing reflect attitudes of compensation intended to offset the wrongdoing, and thus in effect the idea of indulgences. However in the light of the concept of indulgences, there is a key philosophical clarification to be entered if the analogy is made: before there can be any question of indulgence, there has to be contrition and a genuine resolution to avoid the wrongdoing in the future; a bit of mere green-washing for example is certainly not enough.

It is of course possible that when organisations seek to compensate for some wrongdoing in one area of activity by good works in another, they are thinking somehow in a utilitarian manner (Mill and Bentham, 1987). That is to say that they are thinking in terms of a felicific calculus of pleasure and pain, in which they would argue that the net impact of their good and bad actions is such as to generate a net increase in human happiness; and so that they are, in utilitarian terms, morally good organisations. Undoubtedly, that kind of utilitarian thinking is in some cases vaguely in the mind of managers engaging in compensatory philanthropy (Kotchen and Moon, 2012). However, upon examination, it is not very plausible. Rarely if ever do organisations carry out an actual cost-benefit analysis to measure exactly the overall net happiness impact of their activities through compensatory philanthropy. Measurement by companies of their net carbon footprint or net global warming impact might represent to a degree an exception to this but it relates only to a company's

impact on the environment: global warming gas (CO₂ etc) emissions (Wright, Kemp and Williams, 2011)⁷.

In most cases, organisations do not and probably dare not measure the overall impact of their activities. Could for example philanthropic activity by tobacco firms (or generous donations to the European Commission)⁸ ever compensate for the health ravages caused by long-term smoking or for tobacco-related healthcare costs?

The latter suggests that the goal of organisations who seek to offset or to distract attention from their wrongdoings, generated in one area by charity and good works in another area is not so much a utilitarian compensation as some kind of grant of indulgence from the society in which they are operating. Thus, the parallel with the classical Catholic conception will be very evident, the key difference being that now it is not the Church that is asked to grant the indulgence but the society at large (public opinion) or its government (as with the tobacco lobby in the EU). However, embarrassingly for the companies or organisations that seek the indulgence of society, the parallel is typically not with indulgences as properly understood and practised but with the *abuse* of indulgences.

As explained above, essential to the grant of an indulgence is the prior forgiveness of the wrongdoing, which presupposes genuine contrition and resolution not to repeat the wrongdoing. When contemporary companies and organisations engage in philanthropy, they rarely have the slightest intention of correcting the initial wrongdoing which triggers the philanthropic attempt to gain indulgence. There may be some noble exceptions where socially responsible companies not only compensate generously victims of industrial accidents or pollution but also put in place strong safeguards intending to avoid similar events in the future. Where the latter is the case, we can say that such corporate behaviours reflect genuine intentions to right previous wrong-doing, and thus *are cases of proper indulgence*.

However, when a company simply continues with the same harmful activity, with no real effort to eliminate the social harm involved, hoping somehow to compensate this by “good works” elsewhere, this is precisely the *abuse of indulgences* (i.e., payment in order to obtain forgiveness retrospectively or even prospectively without any intention to right the initial wrong). As such, it deserves in our view to be condemned with the same moral fervour as Martin Luther had condemned

⁷ For theoretical discussion of the calculation of carbon footprint see Wright, L.; Kemp, S.; Williams, I. (2011). "Carbon footprinting: towards a universally accepted definition" in *Carbon Management* 2 (1): 61–72. For an idea of how companies can in practice go about calculation of this there are a number of NGO applications for doing this: see for example <http://www.myclimate.org/?gclid=CIHqsrOR48sCFTUo0wodd4kBaw> accessed 28 March 2016.

⁸ In a very interesting exposé carried out by France 2 Television « *Cash Investigation* : the Tobacco lobby in Europe » aired 07 October 2014 it was revealed that the giant tobacco firm Philip Morris pays millions of euros annually into the EU budget in a secret deal which the programme revealed but which the Commission had sought to keep confidential.

the abuses of indulgences by certain elements in the Catholic Church at the time of the Protestant Reformation⁹. We suspect unfortunately that this is probably the most typical type of indulgence seeking syndrome to be found in contemporary business if for no other reason than its ease of adoption (really eliminating wrongdoings that are endemic to an existing business model often being much more challenging for an organisation). But this is at this stage a conjecture which could be empirically investigated in future studies using our proposed framework of analysis.

The NUANCES of CORPORATE INDULGENCE SEEKING in PRACTICE

A framework for practical identification of indulgence syndromes

We turn now to discuss practical examples of contemporary company actions to illustrate the relevance of the indulgences analogy for understanding and evaluating corporate right-doing and wrongdoing behaviour. We will first distinguish a number of different theoretical scenarios as a framework for understanding the various possible cases, before suggesting that corporate actions can be conceived on a spectrum that runs from outright insincere posturing (which we will label as *organisational impostorism*) through abuse of indulgence to proper indulgence. It will be evident from what we have already seen above on the distinction between proper indulgence and abuse of indulgence that central to the distinction is the question of the intention of the actor(s) in question.

Evaluating current corporate activity using the prism of indulgences we propose that a *proper indulgence* arises when the wrongdoer has repented for a previous bad act and sincerely intends not to repeat it in the future. A wrongdoer seeking proper indulgence moreover intends to engage at least in good actions if not direct compensation of those who have been wronged. Further, we argue that an *abuse of indulgence* arises when the intention not to repeat the same or a similar wrongdoing is not present¹⁰, even though the wrong-doer may demonstrate a genuine interest to benefit the societies it influences though engagement in right-doing in other areas of activity. Hence it is clear that the

⁹ It is worth remarking that the Catholic church at the Counter-Reformation Council of Trent (intermittently held between 1545 and 1563) stung by the criticisms of Luther and all too aware that serious abuses were rampant decreed that « In granting indulgences the Council desires that moderation be observed in accordance with the ancient approved [custom](#) of the [Church](#), lest through excessive ease [ecclesiastical discipline](#) be weakened; and further, seeking to correct the abuses that have crept in . . . it [decrees](#) that all criminal gain therewith connected shall be entirely done away with as a source of grievous abuse among the [Christian](#) people; and as to other disorders arising from [superstition](#), [ignorance](#), irreverence, or any [cause](#) whatsoever--since these, on account of the widespread corruption, cannot be removed by special prohibitions—the Council lays upon each [bishop](#) the [duty](#) of finding out such abuses as exist in his own [diocese](#), of bringing them before the next [provincial synod](#), and of reporting them, with the assent of the other [bishops](#), to the [Roman Pontiff](#), by whose authority and [prudence](#) measures will be taken for the welfare of the [Church](#) at large, so that the benefit of indulgences may be bestowed on all the [faithful](#) by means at once [pious](#), [holy](#), and free from corruption”.

¹⁰ Indeed an abuse of indulgence would also arise if even though the intention to refrain from wrongdoing in the future is present the wrongdoer refuses to compensate those wronged directly where this is possible. However this is not the key case for our purposes here and would, we conjecture, in practice be unusual.

crucial distinction between proper and abusive indulgence hinges entirely on the intentions of the wrongdoer after a past misdeed.

However, deciding and morally evaluating whether a particular company is seeking proper indulgence or merely abusing the indulgence notion becomes a major challenge, given that establishment of the intentions of actors in any practical situation can hardly be based on external observation. Indeed even interviewing actors as to their intentions may not help, since actors may often lie about their intentions (especially when actions impact on company reputation).

Considering that actors might declare false intentions leads us to distinguish a third possibility concerning corporate right-doing after wrongdoing. It would be possible not only that a company might not intend to refrain from repeating the wrongdoing, but also that they had no real intention even to do some compensatory good deeds. Their commitment to do good things could be entirely perfunctory, superficial or false. This involves entirely insincere posturing by the company in respect of right doing and we will call this position *organizational impostorism*. An example of *organizational impostorism* would be *green-washing*, which has been extensively discussed and researched in the environmentalist literature as well as in ethics of marketing. (see Hamman and Kapelus, 2004 for a definition).

Thus, we recognise a third possibility (beyond the simple contrast of proper vs. abusive indulgences) in respect of corporate right-doing after wrongdoing, namely *organisational impostorism* (although strictly speaking in this last case there is *no* right-doing after the wrongdoing). Moreover further reflection suggests that since human actions may often have a multiplicity of motives, we need to think of these cases as key markers along a spectrum of intention and motivation of right-doing after wrongdoing that stretches from organisational impostorism (at the lowest end of the scale in terms of moral worth) through abuse of indulgences to proper indulgence (highest end of the scale).

If this spectrum can seem like a promising conceptualisation of the whole phenomenon of corporate right-doing after wrongdoing and if we are to use it in practice to make moral assessments, there remains the practical question of how we are to observe intentions of corporate actors. Given the longstanding role of intentionality in the discussions of moral philosophy and its centrality to the moral evaluation of actions in for example the work of Kant, it is not surprising that the definition and observation of intention have been the subject of considerable attention in moral philosophy.

Malle and Knobe (1997) argue that to evaluate the intention of an action one must consider the actor's skills, desire to achieve a goal, beliefs about the action, degree of awareness of the action, etc. But the challenge remains how to observe all of this empirically. We would propose that one possible way would be to look at the *consequences* produced by the actions under study. To have an

intention to accomplish an action is to will the consequences of that action to be actualised and indeed for the intention to be sincere the actor *must* carry out the practical actions that realisation of the willed consequences requires. Otherwise, the actor is only paying lip service to the declared intention which in that case is not genuine if not non-existent.

Knobe (2003) for example proposed explicitly that we judge an action's intentionality based on the consequences it brings about. While this approach may seem ambiguous or confusing to those who would see moral theories as being either deontological or consequentialist, we are not at all shocked by the idea that *both* intention and consequences may be relevant to the moral evaluation of actions. The dichotomy is arguably a false one since in the first place an intention implies a will to bring about a future state of affairs and so a set of consequences. Moreover as suggested above, intention is non-existent unless associated with a set of actions which can reasonably be expected to bring about the practical consequences that are willed in the intention.

In the light of what we have said regarding the attainment of intended consequences as an indicator of intentionality, we propose to make a comparison between declared organisational intentions and actual observable moral behaviours and their consequences. Failure of willed consequences to materialise may not always imply absence of intention to produce the consequences, since the world is full of uncertainty and surprises which can prevent the desired consequences from being realised. "*The best laid schemes o' mice an' men gang oft a-gley*" (Burns, 1785). However, where consequences and proclaimed intent coincide, we can confidently presume the presence of intention. Conversely, when the willed consequences expressed in intentions/proclamations fail to be realised, we must at least be very sceptical as to the expressed intention. Indeed, unless there is some very good practical reason to explain why an actor failed to attain the willed result, we must presume that the intention simply was not present. This is what Malle and Knobe (1997) are referring to when they emphasise that having an intention implies *inter alia* having information and a set of beliefs regarding the way to attain the intended goals of actions.

From all of these considerations and the definitions that we have provided above with regards to each type of indulgence seeking behaviour, we are led to propose a conceptualisation of corporate right-doing after wrongdoing as a spectrum of possibilities ranging from *organizational impostorism* through *abuse of indulgences* to *proper indulgence* (see Table 1). It will be interesting for purposes of an ethical appraisal of companies engaged in right-doing after wrongdoing to locate them conceptually on a spectrum. We attempt to do so in a few high profile illustrative cases below. For ease of reference when discussing the cases, we conceptualize our spectral taxonomy on Table 1. On this table we would suggest that as we move from left to right, we are moving downwards on a scale of moral worthiness or ethicality.

Table 1 summarises key features of the points along the spectral conceptualization of the phenomena that we study. The first column of our table specifies the criteria that we identify for each indulgent seeking attitude, while the final row of the table (in bold capital letters), is meant to be read independently of the rest of the content and refers to our moral evaluation (moral worthiness) of the various types of indulgences as identified above.

<i>Criteria of Indulgent Seeking behavior</i>	<i>Proper Indulgence</i>	<i>Abuse of Indulgence</i>	<i>Organisational Impostorism</i>
Repentance for previous wrong-doing	The organization shows genuine repentance for the previously committed wrong-doing and intention directly to compensate for the wrong-doing if possible.	The organization doesn't show true repentance for the previously committed wrong-doing nor does it intend directly to compensate for this.	The organisation hasn't genuinely repented for the previously committed wrong-doing nor does it intend to compensate for this.
Intention to repeat unethical actions	The organization shows genuine intention not to repeat the same unethical actions again.	The organization is likely to re-engage in the alleged wrong-doing.	The organization re-engages in the alleged wrong-doing.
Willingness to produce positive societal returns through actions of compensation and other CSR	The organization has the genuine will to produce and typically actually produces positive societal benefits through actions of compensation and other CSR.	The organization however demonstrates genuine intention to produce positive societal benefits elsewhere through philanthropic activity and other CSR and typically succeeds in actually doing so in practice.	The organization lacks any intention to produce positive outcomes with the aim to benefit the society and typically doesn't actually produce any. If the organization engages in CSR or philanthropy at all, it is for reputational purposes only.
DEGREE of MORAL WORTHINESS	HIGH	MEDIUM	LOW

Table 1: *Taxonomy of indulgent seeking behaviours*

We will now give some illustrative examples of how certain companies engaging in right-doing after wrongdoing can be evaluated using our framework. These are not intended to be detailed case studies but rather broad illustrations of how different companies can be located at clearly different points on

our conceptual spectrum. Future researchers may be able to use such a framework to locate many other companies than those discussed in our examples.

ILLUSTRATIONS: LOCATING CORPORATIONS INVOLVED IN INDULGENCE SEEKING BEHAVIOUR ON THE SPECTRUM

The purpose of this subsection is not to present what we might call methodologically a detailed case study analysis but rather to give some concrete examples of the previously proposed spectral taxonomy of indulgence seeking organizational behaviour. We will simply delve into some readily available secondary data regarding 3 well known and well-documented business cases in a purely illustrative way to substantiate and demonstrate the applicability and analytical pertinence of our previously proposed taxonomy.

The first case that we discuss is the Siemens bribery scandal, which was revealed a few years ago. We discuss the company's response to the scandal and the major cultural restructuring that it implemented to respond to the accusations. We present the Siemens case as an example of *proper indulgence* by clearly showing how this case associates to the definition of *proper indulgence* as provided in the above taxonomy. Further, we present the Shell case of environmental pollution and we mention the steps that Shell took as a response to the accusations that it received upon revelation of the scandal. We present this case study as an example of *abuse of indulgence* by clearly identifying in the case the characteristics corresponding to this category, according to the criteria that we have identified in the above spectral taxonomy. Last but not least, we discuss the BP case of environmental pollution as well as the company's responses to such accusations and we explain why we consider it to be an example of *organisational impostorism*.

Siemens: an apparent case of *Proper Indulgence*

A widely known case of involvement in corporate malfeasance is that of Siemens. Siemens was caught and accused of offering bribes of millions of euros to "*phoney consultants' contracts, false bills and shell firms*" to win contracts (Gow, 2008; Dietz and Gillespie, 2012). Corruption in the form of bribes to governmental officials had started soon after the WWII (when bribery could still legally be deductible as an expense) and soon became deeply engrained in the company's culture, as a way to sustain business operations. The company's top executives, supervised the internally encouraged bribing system and some of them later admitted: "*It was about keeping the business unit alive and not jeopardizing thousands of jobs overnight. We thought we had to do it, otherwise we'd ruin the company.*" (Steinberg, 2013). The latter led US Justice Department officials to consider bribery as Siemens' business model and shows how such corruption had become a fully rationalized and institutionalized company practice.

However, when this behaviour was publicly disclosed, the company was confronted with public outrage and a damaged reputation. The eventual court verdicts required Siemens to pay thousands of millions to national governments to settle lawsuits. However, following those disclosures, the company showed remorse and willingness to cooperate with the US and other Justice departments through conducting exhaustive internal audits intended to uncover the roots of the problem and take corrective action (Steinberg, 2013). Siemens' cooperative response to the bribery scandal, led the tax authorities to reduce the fine from 2.7 billion to 800 million (Steinberg, 2013). Notably, the company started the internal audits soon before the external ones were completed and put in place remediation processes, the results of which it disclosed to the prosecutors. The company's cooperative efforts were well regarded by the public eye as a genuine intention to change culture, eradicate bribery and compensate for the wrong-doing.

Additionally, in the frame of this investigation, Siemens sued a number of its top management executives accused of the bribery incidents (Miller, 2008), demonstrating thereby acknowledgement of wrong-doing and willingness to change policy. To better tackle the bribery scandal and set strong foundations for change, Siemens hired a new CEO, Peter Löscher. Löscher introduced mechanisms intended to change the company's culture and communicated to all Siemens employees the need to do so (Löscher, 2012; Steinberg, 2013). By making significant structural changes, streamlining company operations and placing emphasis on reinforcing company values and customer relations, Löscher soon managed to achieve significant cultural change (Löscher, 2012).

Notably, the new CEO encouraged all employees to confess previous personal involvement in wrong-doing and rewarded them for showing remorse, while he fired the ones falsely admitting lack of involvement in bribery. The latter led employees to recognize the huge negative impact of bribery on the company's healthy functioning and to refuse governmental officials' monetary requests (Steinberg, 2013). In his effort to maintain rightful and respectful relations with Siemens' customers, Löscher took measures to strengthen customer relations. Internally, he introduced training programs and hotlines for employee and customer assistance as well as amnesty programs intended to support the big-scale cultural change that he was envisaging. He also put strategic emphasis on the newly developed environmental portfolio intended to push forward the company's sustainable business practices.

At the same time, Siemens had also been heavily active in CSR projects involving charitable donation and disaster relief of populations in need (Siemens website), following the alleged wrongdoings. For instance, the company has developed the *Caring Hands* initiative, encouraging employee participation in charitable donations, volunteerism and disaster relief operations. In that way, Siemens ensures employee active engagement in enhancing the living standards of the

societies, within which the company operates. The company also supports financially various charities (e.g. charities fighting children liver disease, etc.), to provide financial and psychological assistance to underprivileged parts of the population (Siemens website).

In a nutshell, Siemens is an example of a company that has gone through severe accusations of wrong-doing, which it has acknowledged and has put in place serious mechanisms intended to wipe out the negative impact of its previous malpractices. As characterized by analysts '*This is a company that went very wrong but after much commitment and hard work is starting to get it right*' (Steinberg, 2013). Siemens's efforts to compensate for the alleged wrong-doing have been recognized by various stakeholders. A representative of Amnesty International that closely followed the Siemens case, said: "*There is a sea change.... There are new processes, new people, and new procedures, but that does not make a difference in the world unless there is a change in culture.*" As it has been admitted by internal and external company stakeholders '*cultural change is exactly what has been accomplished*' (Steinberg, 2013). Most analysts therefore appear to agree that Siemens has truly admitted the previously committed wrong-doing and has expressed a clear commitment not to repeat the same corrupt wrongdoings again together with a willingness to engage in compensatory CSR.

Siemens has also made concerted efforts to cease bribery and corruption in its business processes especially in less developed countries (Dougherty, 2008; Dietz and Gillespie, 2012) and to the best of our knowledge the company hasn't been accused of similar wrong-doing, since. The fact that Siemens also engages in "good works" with tangible positive effects (Steinberg, 2013) demonstrates apparent intention not to repeat similar scandals in the future.

Evaluating the Siemens case through the prism of our spectral taxonomy, we can identify in it all of the above identified characteristics of *proper indulgence*. Siemens appears to be a company that recognized its engagement in wrong-doing and responded to this through major cultural restructuring and multi-faceted right-doing. The latter demonstrates a genuine repentance and intention to compensate for the wrong-doing and not commit to similar unethical deeds in the future. Also, considering its involvement in CSR and other socially beneficial programs, Siemens produces positive results for the communities it operates, thus also satisfying the third requirement of our definition of proper indulgence. The latter taken together suggest that in terms of our taxonomy, Siemens is an apparent case of *proper indulgence*.

However, it is of course prudent to maintain one's reservations in making this judgment, since given the complexity characterizing organizational practices of such giant corporations, the need to satisfy certain organizational interests could easily lead the firm to re-engage in corrupt behaviour in the future. However, for the moment Siemens would appear to be maintaining a

successful, strict anti-corruption stance, demonstrating thereby a true intention not to repeat similar wrong-doing in the future.

Shell: an apparent case of *Abuse of Indulgence* in Nigeria

Another case reflecting indulgence seeking behaviour is that of Shell, one of world's largest oil production companies with international reach. A crucial hub for Shell's production activity is Nigeria, where the company first set up its operations in 1958. Since then, the company has been claiming a vital role in the country through engagement in economic, social and political matters. However, during its long activity in the area, Shell has many times become object of public scrutiny and has been put in the spotlight for wrong-doing. Overall, the company has had a controversial ethical profile especially with regards to oil pollution (Hennchen, 2014).

Specifically, following two major oilspills in Ogoniland in 2008 and 2009 (Hennchen, 2014), the company was accused of incompetence to function according to internationally recommended safety measures, for inadequate maintenance of its pipelines as well as ineffective remediation causing environmental pollution beyond internationally accepted standards (UNEP 2011, p. 12). Notably, in August 2011, the company's acknowledgement of involvement in those oil-spills, due to failure of equipment, sparked public outcry on the part of activists, the media and other stakeholders. The latter didn't just impact on the company's reputation but also led activists to demand that the company's licence to operate in the region be revoked (Standard, 2011).

Shell partially accepted the claims while it also accused the state of failure to tackle refining and oil theft causing detrimental social and environmental consequences. The company's acceptance of certain claims was already interpreted as a sign of recognition of wrong-doing and a will to assume accountability for it. At the same time, the financial indemnification that was imposed by the court on the company served as a kind of compensation for those two oil spills, in the spirit of restoring social justice, while it was also recognized that it was not enough to compensate for decades of environmental pollution and wrong-doing (Hennchen, 2014). Notably, the head of the Centre of Environment and Human Rights in Port Harcourt mentioned *'We are happy with the news that Shell could be forced to clean up the environmental devastation it has caused and to pay more than \$400 m in compensation. But our jubilation is overshadowed by more than five decades of environmental and social injustice yet to be addressed.* (Naagbanton, 2011).

Later, in 2013, Shell was brought before the Hague district court, for accusations related to 5 other oil spills. Finally, 4 of those were attributed to the Nigerian government's inability to tackle criminal activities in the region (Hennchen, 2014). This was welcomed by Shell representatives who corroborated that oil spills are caused by criminal activity and oil theft (Okonedo, 2013), while they confirmed that the company's CSR programme is especially designed to tackle proactively any kind

of social and environmental damage. Activists however interpreted this response as an excuse intended to cover the company's poor provision for equipment maintenance.

Along the same lines, leaked documents have brought to light evidence that Shell's environmental and socially directed actual practices are not in line with the CSR commitments outlined in the company's official CSR framework (Vidal, 2012; Browne, 2006). For instance, Shell has been accused of bribing governmental officials as well as being involved in some pronounced cases of human rights violations (Leader et al, 2012), for which it accepted to pay to resolve the dispute. Even though the company never accepted those accusations (Royal Dutch Shell, 2009a), the fact that it consented to pay to settle the dispute was interpreted as a sign of guilt by concerned stakeholders (Hennchen, 2014).

However, the above significantly contrast with the company's reputation as a leader in CSR initiatives ranking it 20th in sustainable initiatives worldwide (Corporate Knights, 2010). Similarly, Shell has been the first oil company to support the Declaration of Human Rights while it has been awarded the 2011 British-American Business Channing Corporate Citizenship Award for involvement in out-standing CSR initiatives (Hennchen, 2014). In the absence of organised governmental responses (Ite, 2004; Ite, 2007), in Nigeria, many stakeholders attest to the company's crucial role in the region. Notably, a member of NGO NIDPRODEV stated that: '*Communities cannot survive without Shell's provision of socio-economic services, because the Government is not doing anything and thus they ask Shell to stay or come back*' (Hennchen, 2014).

Shell has been active in community development projects in the region since 1937. The company's CSR strategy has evolved over three phases reflecting different levels of social involvement (Ite, 2007). Until 1998, Shell superficially engaged in community assistance programs. In the period 1998-2004, the company engaged in more structured community development programs, which were at times characterized by inadequate control. However, since 2004, Shell has laid out a promising and highly monitored Sustainable Community Development (SCD) agenda focusing on economically and socially empowering local communities through partnerships with local stakeholders (NGOS, international organizations, governmental bodies, etc). Shell is also investing large amounts of its profits in the necessary equipment and infrastructure, to ensure equal provision of health and social care to all community members without any discrimination, in the extended Niger delta area, where people are often effectively excluded from medical care.

Shell's latest efforts to right previous wrong-doing through the SCD programs have been both internally and externally motivated. At an internal level, Shell is continuously improving its practices as a result of internal audits, while at an external level, Shell is realizing its social responsibility to act in favour of the communities in need through putting in place mechanisms

intended to make up for the absence of organized governmental responses (Boele et al., 2001b). Similarly, the company has integrated in its policy NGOs concerns and criticism in a way to better respond to their needs (Grayson and Hodges, 2004). Through inviting stakeholders' active participation in company workshops and becoming subject to open evaluation, Shell seeks to address stakeholders needs (Shell International, 2002), reflecting an intention to correct past malpractices related to the environmental and social impact of its wrong-doing in the extended area of the Niger Delta.

Considering Shell's increasing involvement in sustainable community development projects like construction of schools, etc. and unlike its previous unsuccessful sustainability efforts, since 2004, Shell seems genuinely motivated to make up for the adverse effects of its past malpractices. The latter demonstrate a somehow genuine effort to actively contribute to social welfare. However, even though Shell seems to have conducted an effort to restructure its CSR agenda, the company is still often accused of not delivering on its promises and of committing similar unethical behaviours, like inability to abide by international regulations of environmental protection (Zalik, 2004; Frynas, 2005), inadequate change efforts and poor social reach. Friends of Earth (FoE) have repeatedly accused Shell of not satisfying its social commitments and of using CSR as a way to secure access to communities and continue its unsustainable practices (FoE, 2005). Moreover, successful implementation of the Shell SCD programs depends on various external and internal factors beyond genuine good will, such as legislation, company culture, bureaucracy, governmental regulations etc.

Thus, for the latter reasons, even though the company has demonstrated true intention to stop repeating its past unethical practices, it is still often accused of repeating previous wrong-doing. Similarly, the fierce criticism that Shell has received by the public sphere for involvement in governmental official bribes (Hennchen, 2014), leads us to think that such practices might have imbued the company's culture broadly with regards to achieving governmental favouring.

All the above suggest that even though Shell has taken a number of measures demonstrating genuine intention to make up for past allegations, it still often engages in misconduct. The latter is especially true considering that Shell remains accused of some residual environmental irresponsibility in the Niger delta area. Some analysts characterize Shell efforts as purely cosmetic (Zalek, 2004), while others also argue for the company's intent to drive serious changes in its operations and positively impact on the society (Grayson and Hodges, 2004; Ite, 2007). More recent accounts also acknowledge that Shell represents a notable example of how an organization strikes a compromise between conflicting demands to effectively respond to external pressures (Hennchen, 2014). Whatever the motivation, it remains true that Shell has engaged in some real right-doing

(Nwachukwu, 2011), while not directly or completely addressing the original wrong-doing (or even repeating the wrong-doing).

Evaluating Shell's practices in light of our proposed taxonomy, the company can be seen as an example of a company moving across our proposed spectrum as time passes. This is to say, that in the '90s, when the company's compensation efforts were perceived as purely cosmetic, Shell could be seen as being nearer to a case of organisational impostorism (here expressed through greenwashing in effect). However, considering that under increased stakeholder pressure, Shell has initiated the SCD sustainable program intended to meaningfully compensate for the damages of its past unethical activity, we argue that Shell is currently located somewhere in between *abuse of indulgences* and *proper indulgence*, probably closer to the former. Thus, we argue that Shell reflects roughly a case satisfying the characteristics of *abuse of indulgences*, as identified above, whereby the company keeps with business as usual in respect of the wrong-doings and doesn't demonstrate genuine repentance for the previous malfeasance. The company nonetheless demonstrates a genuine will to enhance societal welfare broadly by engaging in social activities producing positive returns for the involved communities.

BP: an apparent case of *Organisational Impostorism*

As seen above, at the lowest end of the moral continuum lies *organizational impostorism*, which we have defined as purely perfunctory, impression-driven organizational behaviour lacking the underlying motivation to bring about any significant lasting and sustainable socially beneficial results. A well-documented case illustrating such an impostor behaviour is that of BP (Beyond Petroleum; ex British Petroleum: De Wolf and Mejri, 2013). In its long history, the petroleum giant has experienced a string of accusations of damaging the environment through its oil spills (in 1965, 2005, 2010), culminating with the major incident of the 2010 Deep Water Horizon oil spill, in the gulf of Mexico, which killed 11 people and caused irreparable environmental damage in the coast of Louisiana (De Wolf and Mejri, 2013; Griggs, 2010). Besides the considerable social and environmental impact caused by the oil spills (notably the 2005 spill claimed 15 deaths and 175 injured), the latter have also had adverse economic impact, in particular in the tourism, oyster harvesting and fishing sectors of the inflicted regions (Alijani, Mancuso, Omar and Ordogne, 2010). In addition to the external impact, BP oil spills have also damaged the company's ethical reputation with ethical investors stating that the company ranks low in environmental awareness among other big multinationals (De Wolf and Mejri, 2013). The public's response to BP environmental misconduct was expressed by product boycott, lack of trust in the company's activities and the worst reputation in the US, while BP also faced litigations from a number of NGOs like the Animal Welfare Institute (De Wolf and Mejri, 2013).

In response to the environmental and reputational damage, in 2000 (well before the Deep Water horizon incident), BP initiated an elaborate PR strategy, intended to enhance the company's environmental reputation. Notably, the company introduced a new logo with a green and yellow sun and was renamed to 'Beyond Petroleum' (in lieu of British Petroleum), while it also invested more than \$200million in its PR and marketing campaign (Mejri and De Wolf, 2013). The company's green communication strategy led it to be awarded consumer prizes for social responsibility and rank among the most socially responsible firms in the US, while many believed that the company had really started changing culture. Beyond the communication tools, BP also introduced new renewable energy sources and technologies that allowed it to pursue more environmentally friendly activities while it was also among the first companies to release a sustainability report.

However, considering the DeepWater Horizon oil spill, in 2010 -which followed the purportedly green PR and production strategy- it can clearly be suggested that BP was not really motivated to stop committing the environmental crimes it had been accused of. Particularly, following the 2010 spill, BP was too slow to respond, thus demonstrating that the firm hadn't learnt from its past history and still completely lacked an emergency plan in case of engineering and machinery failures (Griggs, 2010). Since of course accidents can always happen, it is the absence of a detailed damage limitation plan in the event of pollution accidents, which suggests that BP did not really have the intention to correct its irresponsible behaviour with regards to damaging oil spills. This led analysts and many of the public to view BP as a clear example of green-washing (Mejri and De Wolf, 2013), using green marketing as a way to mislead the public without demonstrating any genuine will to right the previous wrong-doing or to produce any positive environmental impact. (Green washing as already mentioned in above is one clear example from the area of environmental responsibilities of what we have called *organizational impostorism*).

BP initially tried to accuse other parties of the spill, while BP's CEO, Tony Hayward, didn't show any apologetic intentions but rather characterized it as a negligible accident given the huge size of the ocean. Notably, BP took 5 days to start responding to the leakages and deliberately announced less amounts of oil spilling in the ocean than was actually the case (1000 barrels a day in lieu of 5000), while also legally bound its employees not to disclose any kind of information to the public eye (Mejri and De Wolf, 2013). Later, the company initiated an elaborate PR strategy expressing apology to the public, showing the former CEO apologizing for the spill, while soon after, it changed CEO, to disassociate its reputation from the hated figure of Tony Hayward. However, BP's post-spill communication strategy was often evaluated as an effort to displace responsibility to other actors, like engineers and contracting parties, without really taking full responsibility of the blame. The

company also showed false ‘photo-shopped’ pictures of coast cleaning, thus causing further public outrage and leaving no room for doubt as to its green-washing intent (Mejri and De Wolf, 2013)!

As a result of the huge damage it caused in different levels, BP was repeatedly sued and agreed to pay high amounts of money to settle lawsuits. Notably it had to pay \$5billion in claims, \$2.6billion to support the local fish market as well as \$105million for provision of health services to the impacted regions, while also committing to provide 21-year medical consultation to the victims (Mejri and De Wolf, 2013). However, even 5 years after the spill, the company hasn’t yet managed to make up for the adverse effects and analysts estimate that it will still take a long time until the coast fully recovers (theguardian.com). BP’s overall idling behaviour seems to represent a focus on profit over safety revealing lack of genuine effort to compensate for the wrong-doing caused by the oil spills.

Considering the BP case and the company’s attempts to deal with the post-oil spill reputational damage, it is clear that BP has focused its efforts more on marketing a repentant corporate image than actually taking measures to ensure structural changes towards environmentally friendly operations. Notably, even after the 2010 major spill, an evaluation of the response plan developed by BP (Griggs, 2010) showed that the plan lacked a clear explanation of how exactly the company would use available equipment to prevent or respond to future potential spills; in particular in the event of another incident at a big distance from the coast.

Considering the above, we would argue that the BP case combines all the characteristics of what we defined above as *organisational impostorism* (here expressed through greenwashing behaviour). That is to say that not only the company lacks genuine will to right previous wrong-doing but also any intention to really benefit the societies that it is involved with. BP doesn’t demonstrate any genuine repentance for the previous wrong-doing but rather appears to engage in some superficial right-doing which intends to market a socially responsible profile, while in fact keeping with business as usual.

FUTURE RESEARCH

We certainly hope that our research provides a fresh perspective to organisational literature and practice, on corporate wrongdoing and right doing as well as CSR and CSI, by extending the concept of and moral debates on indulgences from the individual to the organizational level and from the mediaeval religious setting to that of contemporary business organisations. The study thereby opens an avenue for future research to further explore the idea of indulgences in a contemporary organisational context as well as to identify potential factors leading organizations to engage in any one of the three types of the identified indulgence seeking behaviours.

An obvious avenue for future research could be to test empirically our theoretical reflections across different organisational and country settings, thus drawing a map of indulgent seeking behaviours across organisational environments. Since our study remains purely conceptual and focuses on moral evaluation of and not quantification of corporate moral behaviour, it was not our intention to propose quantifiable measures of corporate behaviour. However, our conceptual reasoning could be used by future researchers to develop appropriate measures of the different corporate indulgent seeking behaviours identified on our spectral framework, and in the light of which corporate ethical and unethical behaviour could be morally evaluated.

Moreover, future research could empirically try to explore how such organisational behaviour is perceived by the concerned populations as well as the extent to which indulgent seeking behaviour on the part of organizations manages to compensate (in the eyes of the relevant public) for the wrong-doing previously performed. The latter could be done through interviewing victims of corporate malfeasance in areas that have been affected by the adverse effects of organisational malpractices. Future research could also investigate whether wrongdoing and compensatory right-doing tendencies are different in developed vs. developing nations, in particular since developed countries' institutional contexts are often more regulated than developing country ones, thus limiting organisational ability to engage in socially harmful activities while pursuing profits.

One other dimension of our argument that future research could develop is the question of *who* is granting the indulgence, if we accept the application of the indulgence analogy in the contemporary business context. In other words, one could explore in depth *from whom* the organisations are seeking approval for right doing following wrongdoing: is it the general public, the mass media or social networks (not necessarily the same as the general public), boards of directors (especially supervisory boards in the German 2 board system) governments or even religious authorities in certain states. In this paper we have deliberately left that question open contenting ourselves with a vague notion of organisations seeking somehow approval at the 'court of public opinion'.

CONCLUSION

In this article we have sought to bring together two areas of thought that rarely intersect, namely the contemporary theory of organizations and the old mediaeval Christian discussions of *indulgences*. Reflecting on the subtleties of that ancient debate, we examine the Catholic idea of *indulgences* and that of *abuse of indulgences* and we draw parallels with aspects of current business activity. In our philosophical reflection we have identified three types of indulgence-seeking

behaviours in which contemporary organisations engage, in order somehow to right previous wrongdoing: *organisational impostorism*, *abuse of indulgences* and *proper indulgence*. Whereas proper indulgences involve repentance and the resolve not to repeat the wrongdoing for the sin to be absolved and indulgence to be granted, much current organisational practice rather parallels the *abuse of indulgences*, that is to say that the wrongdoer seeks retrospectively or even prospectively to ‘buy’ forgiveness with no resolve to refrain from the wrongdoing in the future and so no real repentance. Organisational behaviour in these contexts is often not motivated by any intention to abstain from similar wrong-doing in the future but only by an intention to produce some positive returns to the society through *right-doing elsewhere*, while keeping with business as usual. The latter is unambiguously analogous to the ancient abuse of indulgences; and we have argued that it deserves to be evaluated with the same moral opprobrium as the ancient abuse of indulgences in the Catholic Church.

We also propose a framework regarding the degree of ethicality present in organisational behaviour in respect of indulgence and abuse of indulgence. We have suggested a conceptual spectrum, which we visualize in table 1, that runs from pure insincere posturing or *organisational impostorism*, reflecting deceptive public relations where there is no attempt to amend for previous wrongdoing, through *abuse of indulgences*, where the organisation engages in some real right-doing while continuing with business as usual to the case of *proper indulgence*, where the organisation not only engages in right-doing but also endeavours to ensure as far as possible that the original wrongdoing is eliminated and not repeated.

It is worth-remarking in conclusion that indulgence seeking behaviour and abuse of indulgences can also be found in the non-governmental organisation (NGOs) sector. Despite intense and undoubted involvement in various charitable and social enhancement projects, Gibelman and Gelman (2000) argue that in some cases, NGOs also commit to more or less unethical practices in ancillary areas of their activity. Examples of NGOS that have been publicly accused of involvement in unethical practices such as embezzlement of public money, fraud and bribery are the Bavarian Red Cross in Germany, the Association of Cancer Research in France and the Women’s Royal Voluntary Service in England (Gibelman and Gelman, 2000). It would appear that insofar as such, NGOs are apparently insouciant regarding such activities as Gibelman and Gelman expose that they view them as forgivable given the extensive and genuine charitable work they are doing elsewhere. This again exemplifies indulgence seeking reasoning; and if the NGOs persist in the wrongs identified, it is indeed *abuse of indulgence*.

Considering the above mentioned examples of diverse organizations engaging in right doing behaviour following wrong-doing as well as empirical evidence citing intensified engagement in CSR following involvement in CSI (Kotchen and Moon, 2012), we can see that the principle of indulgences, and particularly that of *indulgence abuse* is alive and has been transferred wholesale even if unwittingly into today's market environment. We would argue furthermore that the abuse of indulgences deserves the same unambiguous moral condemnation as it received in the late mediaeval period; while organisational impostorism is plainly immoral reflecting blatant dishonesty and deception.

In conclusion, we believe that the spectral conception of organisational behaviour in the aftermath of wrongdoing, which we have outlined in this article, could prove to be a very fruitful tool for future research across cultures and organisations of all kinds in Business Ethics and in organisational theory. Locating organisations on this spectral framework could also be a merciless way of revealing and evaluating their moral stance.

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Article 3

Running head: cognition, Institutions and CSR

Similar threats, different strategies: “Glocalized” CSR reactions to cognitive framing of institutional pressures: A Construal level theory perspective

The current article (third article of the current thesis) was motivated by the need to discuss the phenomenon of interest from a managerial cognition perspective and draw conclusions on whether actions' consequences are cognitively processed by managers when they make ethical decisions. The current article uses construal level theory to develop propositions on the mechanisms of meta-cognition guiding managerial ethical decision making across different contexts. Through a conceptual discussion of the related theories the current article confers globally that the way managers cognitively process unfamiliar as opposed to familiar institutional contexts leads them to make more ethical decisions whose consequences are benefiting the local context. The main research question that the current article intended to answer is the following one:

How does managerial cognition guide ethical decision making with regards to socially benefiting behavior?

The current paper has been presented in the academic conferences European Group for Organizational Studies (EGOS) and Latin American Group for Organizational Studies (LAEMOS) as well as in academic seminars and has received insightful comments by colleagues and professors. Following a rejection in a previous version of this article, I am currently revising the article for re-submission to *M@n@gement*.

I am the sole-author of this article.

Abstract

Recent research has made efforts to transfer the debate around firms' strategic choices from the organizational to the individual level and draw links between certain elements of managerial cognition and environmental institutional complexity in driving firms' strategic choices. Extending those debates to CSR, the current paper discusses how CSR choices can be shaped by a dynamic interplay between managers' cognitive construal levels and the institutional environment, thus adding new perspectives to CSR conceptualizations as a multi-level phenomenon. In so doing, the current paper develops a conceptual understanding of how construal levels shape managerial ethical decision-making across home and host country institutional contexts, offering novel insights in an area of managerial cognition that literature hasn't discussed yet with regards to CSR.

Keywords: construal levels, managerial cognition, institutional environment, CSR

- **Conference Presentations**

June 2016 **European Academy of Management (EURAM)**, Paris, France

Emmanouela Mandalaki: *Similar threats, different strategies: “Glocalized” CSR reactions to cognitive framing of institutional pressures: A construal level theory perspective*

April 2016 **Latin American and European Meeting on Organizational Studies (LAEMOS)**, Viña del Mar, Chile

Emmanouela Mandalaki: *Similar threats, different strategies: “Glocalized” strategic reactions to cognitive framing of institutional pressures: A Construal Level Theory Perspective*

- **Journal Submissions**

August 2015 Submission at the Journal of Business Ethics

Sept 2015 Submission rejected on the basis of lack of thorough conceptual development.

The paper has been significantly revised since this rejection. The introduction of the construal level theory as an alternative lens of exploring managerial cognition was added as a result of reviewers’ comments and my need to engage in a deeper conceptual discussion around the phenomenon of interest.

Article 3

Similar threats, different strategies: “Glocalized” CSR reactions to cognitive framing of institutional pressures: A Construal level theory perspective

INTRODUCTION

Literature suggests that firms' strategic choices are highly motivated by their need to enhance their legitimacy (e.g. DiMaggio and Powell, 1983; Jamali, 2010; Suchman, 1995). A part of firm strategy which has long been viewed as a legitimacy enhancement mechanism is corporate social responsibility (CSR) (e.g. Jamali, 2010; Griesse, 2007a; Fombrun, 2005). However, the fact that CSR is linked to positive returns to the society implies that CSR might not only be motivated by legitimacy concerns but also by managerial will to do the right thing for the society without immediate returns. Particularly, literature suggests that CSR can also be triggered by factors different than legitimacy, like for instance performance concerns (Wood, 1991; Aupperle, Carroll, and Hartfield, 1985), stakeholder satisfaction concerns (Jenkins, 2005), or the Kantian perspective reflecting genuine managerial will to do the morally good thing for the society (Bowie, 1999).

Regardless of the underlying motivation, most of CSR literature has focused on organizational level decision-making, leaving the question of managerial cognition potentially driving CSR choices, only partially attended (Basu and Palazzo, 2008). Most importantly, most CSR literature explores single factors driving CSR choices, disregarding the fact that CSR can be driven by an interplay of internal and external organizational factors. Recently, Aguilera and colleagues (2007) proposed that CSR is as a multi-faceted phenomenon affected by a number of different factors simultaneously playing at different levels of analysis. However, even though the latter model takes a multi stakeholder perspective towards CSR, it doesn't discuss the role of cognition on the latter.

Putting the focus on individual cognition has been particularly important because it allows one to disentangle cognitive explanations behind organizational reactions to institutional pressures (e.g., Stubbart, 1989). Over the last decades, research has offered informative accounts on the cognitive micro-foundations guiding managers' strategic choices broadly (e.g., Schwenk, 1988; Stubbart, 1989; Zilber, 2002; George et al, 2006; Iederan, 2011). Lately, literature also made efforts to transfer this debate to CSR and discuss how perceptions of environmental tensions shape managerial CSR choices (Basu and Palazzo, 2008). Considering firms' increasing participation in CSR practices in both home and host country institutional contexts, the latter seems particularly

crucial as it might help explain salient underlying mechanisms guiding firms' local vs. global CSR choices across home and host country contexts. Additionally, exploring cognitive mechanisms guiding managerial choices puts the manager in the center of the decision making process and provides interesting insights on managerial practice that organizational level analysis often fails to offer.

Contributing to this line of inquiry, the current article takes a multi-level perspective considering an interplay of cognition and institutional context, intending to unfold possible cognitive explanations behind managerial CSR choices, across institutional contexts. I use the construal level theory (CLT) framework (Trope and Liberman, 2010) to discuss the way in which institutional events shape and are shaped by managers' cognitive construals in turn affecting their CSR choices, across home and host country contexts. Using the main assumptions of construal level theory, I argue that exposure to host country contexts shapes managers' construals at higher levels of abstraction leading managers to make more ethical CSR choices benefiting the local context as opposed to ones purely concerned with feasible implementation.

In so doing, the current study adds cognitive explanations on multilevel conceptualizations of CSR (Aguilera et al, 2007) and extends current debates on the role of cognition in shaping managerial CSR choices (e.g., Basu and Palazzo, 2008; George et al, 2006), thus broadly responding to recent calls for more research on factors driving CSR reactions to institutional pressures (Jamali, 2010).

PERSPECTIVES ON CSR

Literature argues that managerial CSR choices (i.e. philanthropic, legal, and ethical responsibilities of companies, Carroll, 1991, 1999) can be guided by different forces. One such force can be stakeholder related, that is CSR is adopted as a response to stakeholder demands for the accommodation of salient social issues raised by NGOs, lobbyists, or the government (Jenkins, 2005). According to a different view, CSR can be performance driven, that is managers translate external expectations and performance objectives (e.g. profitability) to concrete actions (Wood, 1991) and choose those CSR practices that allow them to effectively achieve their performance objectives. Alternatively, some scholars view CSR as extrinsically motivated; a legitimacy and reputation enhancing mechanism intended to satisfy NGO and other legal requirements (Fombrun, 2005; Spar and La Mure, 2003). The latter is in line with the basic assumption of institutional theory arguing that organizational responses to institutional changes are efforts taken in the pursuit of legitimacy (Matten and Moon, 2008), (i.e. the "generalized perception or assumption that the actions

of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” - Suchman, 1995: 574).

However, ethical perspectives around CSR argue that CSR can often be distant from mere legitimacy or performance enhancement concerns but rather intrinsically motivated by managers' moral values (Davis, Schoorman, and Donaldson, 1997). The latter is in line with the Aristotelian perspective of virtue ethics (Solomon, 1993) and the Kantian perspective of duty ethics (Bowie, 1999) arguing that CSR practices demonstrate firms' genuine intention to implement their social responsibilities towards the communities within which they operate. According to the Kantian perspective, managerial practices are motivated by the genuine good will to maximize societal returns for the involved stakeholders rather than achieve mere economic objectives like profit maximization (Altman, 2007). In that view, the Kantian logic argues that when managers are confronted with moral dilemmas, they should disengage from satisfying their personal interests and rather apply general moral principles promoting universally correct behavior (Smith and Dubbink, 2011).

The original Kantian perspective discussing the principles of managing stakeholders (Evan and Freeman, 1993) was later converted to what is today known to be 'stakeholder theory' (Marens, 2010) emphasizing the significance of pursuing those CSR practices that satisfy stakeholders' needs across host and home country contexts. According to that view, locally relevant CSR practices in line with local stakeholders' demands are highly preferable to global CSR practices for meeting local expectations in host country environments (Brammer and Pavelin, 2005).

The above perspectives on CSR can be paralleled with different eras in the CSR history. In its initial conception, CSR practices pursued by companies were paralleling what is known to be as 'lower level business case' and was perceived as a need to merely abide by local institutional regulations without demonstrating any genuine good will to benefit the society. In its next incarnation, CSR developed to another level, what came known as the 'business case for CSR'. The latter demonstrates more complete company efforts to combine profitability objectives with social demands through adding value to products and services offering and developing more responsible ways to address local concerns. In this CSR conception, company profitability is often linked to CSR investments favoring the environment or other social issues. In its third generation, CSR advanced further to take the form of a public dialogue between companies and various affected and influential stakeholders. In this conception, CSR demonstrates a more dynamic and thorough social drive informing firms' CSR practices, whereby firms realize the importance of partnering with local

entities to help accommodate social issues (Zadek, 2002). Such CSR efforts are not instrumentally driven by legitimacy or profitability enhancement but rather meaningfully intend to benefit the local context through engagement in public dialogue and communication with various stakeholders.

The above mentioned incarnations of CSR are pursued by firms across country contexts. However the need to consider the particularities of institutional requirements and stakeholder pressure becomes more and more relevant in the current business environment. What is usually the case is that across CSR motivations, the careful selection of locally and globally informed CSR choices becomes crucial in firms effort to be legitimate as well as benefit the society.

Recent research has made attempts to understand the factors affecting managerial globalized (i.e., home and internationally informed) versus localized CSR (i.e., CSR informed by the local needs) choices across country contexts (e.g. Jamali, 2010; Kostova, 1999). Particularly, it has been suggested that institutional theory explains firms' globalized CSR strategies (e.g., Matten and Moon, 2008), whereas stakeholder theory (e.g. Brammer and Pavelin, 2005) explains focus on localized CSR strategies, in host country contexts. Institutional theory places emphasis on institutional forces exerting pressure on firms to follow isomorphic actions through the adoption of universal CSR principles (global CSR), whereas stakeholder theory stresses the importance of the local context and the necessity to consider local stakeholders' interests through the adoption of locally-relevant CSR practices. However, the two theories are not necessarily oppositional, since in various cases they complement each other. The latter is especially true in situations where firms have to reconcile host and home country institutional tensions requiring them to adopt both global and local CSR practices.

Literature on CSR has discussed how multinational companies deal with CSR issues (Donaldson and Dunfee, 1999; Snider, Hill and Martin, 2003) as well as how certain firms respond to particular country institutional contexts (e.g., Kapelus, 2002; Jamali, 2010). Similarly, literature has provided some perspectives on how institutional factors as well as national cultures affect firms' CSR initiatives (Maignan, 2001; Gjølborg, 2009). However, most of the literature on CSR takes a single-level of analysis perspective and focuses on the exploration of particular factors affecting CSR, disregarding the fact that CSR can be affected by a simultaneous interplay of different factors lying at different levels of analysis.

Along those lines, recent research argues that CSR can be affected by a multitude of factors extending from the internal to the external organizational sphere and offers a multi-level perspective explaining the complex dynamics shaping firms' CSR choices (Aguilera, Ruth and Williams, 2007). Particularly, Aguilera and colleagues (2007) argue that CSR is shaped by internal and external

pressures such as employees, NGOs, governments and various others influential and affected stakeholders.

Although informative, the above literature accounts disregard the crucial role of managerial cognition guiding firms' strategic choices (Stubbart, 1989). However, putting the focus on individual managers' perception of the institutional context and considering the latter in light of CSR conceptualizations as a multi-level phenomenon can be particularly important for explaining managerial CSR choices across institutional contexts (Bazu and Palazzo, 2008). In the current paper, I see CSR as a multilevel phenomenon (Aguilera et al, 2007) and study how managerial cognition as an individual level factor cooperates with institutional complexity to guide managerial ethical decision making with regards to CSR.

COGNITION, STRATEGIC CHOICES AND CSR

Over the last decades, organizational scholars have introduced in the above debate the role of "culture and cognition" as developed by Thornton and Ocasio (2008) as well as the idea that the institutional context crucially guides behavioral and structural choices (Meyer and Rowan, 1977; Zucker, 1977). As proposed by Meyer and Rowan (1983, p.84), the institutional context is made up by the "rules, norms, and ideologies of the wider society". Also drawing on Deephouse and Suchman's (2008) definition, institutions are made to support consistency in social behaviors informed by 'normative systems and cognitive understandings assigning meaning to social exchange thus enabling self-reproducing social order' (pp. 4-5). Considering the latter, it is obvious that there is a worth-exploring connection between cognition and institutional context.

A growing body of literature links cognition with attitudes and behaviors and posits that the cognitive schemas that individuals use to interpret their environment shape subsequent courses of action (Ghoshal and Moran, 1996; Pfeffer, 2005). Similarly, Cyert and March (1963) argue that managers' ethical decision making in the context of organizations is highly biased by their cognitive schemas and values. Responding to the need to disentangle cognitive explanations behind institutionally-driven managerial choices (e.g. Hoffman, 1999; Robson et al, 1996; Zucker, 1977), a burgeoning body of literature has started drawing links between managerial responses to diverse environmental events and human cognition (e.g. George et al, 2006; Basu and Palazzo, 2008; Iederan, 2011).

Particularly, George et al (2006) used the assumptions of prospect theory, to explore how organizational responses to institutional pressures are shaped by decision makers' framing of institutional pressures as legitimacy - related losses or gains. They suggested that when decision

makers perceive legitimacy losses of resources, they are more likely to undertake risk-seeking behaviors, reflected in non-isomorphic institutional reactions, in order to prevent this loss, whereas when they perceive legitimacy gains of resources, they will be more likely to undertake risk-averse behaviors reflected in isomorphic institutional reactions.

However, little has been done to explore similar dynamics with regards to CSR choices, which according to the above accounts can also satisfy legitimacy enhancement objectives (Fombrun, 2005; Jamali, 2010). It was only recently that Basu and Palazzo (2008) made an effort to depart from the traditional content-based CSR model and discuss CSR managerial reactions from a managerial sense-making perspective. Their model places emphasis on the internal organizational and managerial processes giving rise to CSR reactions and explains that the way managers act, react and think under conditions of institutional ambiguity and complexity is of crucial importance for understanding the nature of their CSR activities. Similarly, Hahn et al (2014) recently looked into the effects of different types of cognitive framing –business case vs. paradoxical framing- on managerial sense-making to understand how this can affect the way managers make choices on sustainability issues.

The above line of research has provided informative insights around the cognitive mechanisms driving managerial strategic choices as well as more specific CSR choices and proposes cognition as a major driver of managerial choices. Considering the latter, and taking a multi-level perspective on CSR, I argue that cognition would crucially guide the way decision makers react to perceived environmental pressures to make CSR choices. To add to the latter line of inquiry, I discuss institutional complexity in respect of an area of cognition which has been largely understudied with regards to CSR; that of construal levels.

To do so, I adopt a constructivist epistemological approach (in line with Kant and Habermas) based on the assumption that beyond being partially determined by larger institutional dynamics, the interpretation and knowledge of objects and events is based on meanings deriving out of individuals' social interactions with their environment and not positively imposed by empirical prejudice. My argument unveils the importance of considering individual cognition as a mechanism driving CSR choices and enhancing ethical decision making overall.

Construal levels and CSR

Construal level theory (CLT) (Trope and Liberman, 2003, 2010) argues that objects and events can be represented at different levels of cognitive abstraction. High construal levels reflect abstract and more schematic representations of events that are independent of the context (Alter et al,

2010). Such representations are more related to future abstract and superordinate goals than present proximal situations and they stress outcome desirability. On the contrary, lower levels of construal represent context-dependent interpretations of events or objects with concrete features (Stephan and Liberman, 2010) and emphasize outcome feasibility. Namely, higher levels of construal stress the significance of answering ‘why’ questions behind certain choices, whereas lower levels of construal are more concerned with answering ‘how’ questions (Liberman and Trope, 1998). For instance, taking the example of doing sports every day, a state of high construal stresses *why* this is important (e.g.: keeping fit and healthy) whereas a state of low construal stresses *how* and what procedure one follows to implement this task. Literature argues that construal styles affect a wide range of attitudes and behaviors (e.g., Fujita, Eyal, Chaiken, Trope, and Liberman, 2008) as well as the way people cognitively process the different features of objects or events (e.g., Henderson, Fujita, Trope, and Liberman, 2006; Alter and Oppenheimer, 2008).

CLT argues that the levels of abstraction that one uses to construe environmental events largely depend on the perceived psychological distance between the person and the event. Particularly, distant objects are construed at higher levels of abstraction than less distant objects (Liberman and Trope, 1998). This is to say that when events are perceived as psychologically distant, they shape high construal level cognitive states, whereas when events are perceived as psychologically proximal or familiar they shape low construal level cognitive states. The dependence of levels of construal on psychological distance has been further studied with regards to temporal, spatial and social distance (Liberman, Sagristano, and Trope, 2002; Liberman and Trope, 1998; Fujita, Henderson, Eng, Trope, and Liberman, 2006).

Similarly, construal level theory argues that high construal levels demonstrate a focus on the main cause motivating an event, whereas low construal levels demonstrate a focus on the consequences of events (Rim, Hansen and Trope, 2013) and that high construal levels drive high level, superordinate and idealistic choices as opposed to low construal levels that drive more pragmatic choices (Danziger, Montal and Barkan, 2012).

In the previous section, I have argued that firms’ CSR strategies can be motivated by different factors like performance, stakeholder and legitimacy concerns or pure/genuine interest to do the right thing for the society at large. In other words, CSR can be seen either as an instrumental mechanism aimed at legitimacy enhancement or as an idealistic practice aimed at positive societal returns, beyond personal economic objectives. However, regardless of the underlying motivation,

managerial choice to pursue CSR is a strategic choice which by definition aims at some long-term returns.

Considering the above, choice to drive CSR in the first place is driven by an abstract and long-term cause that managers aim to achieve out of introducing CSR practices in their strategic planning, reflecting outcome desirability as opposed outcome feasibility. Thus, I argue that the choice to pursue CSR at large reflects cognitive operations at higher levels of construal because it is driven by a distant underlying cause answering to the question of ‘why pursue CSR’, demonstrating desire to reach a certain outcome. Thus:

Proposition 1: *Managerial choice to pursue CSR at large is driven by a higher cause and reflects high construal level operations.*

The above proposition argues that ethical decisions are mainly represented at high levels of cognitive abstraction. However, literature argues that different behaviors and objectives are cognitively categorized at different levels of abstraction (Carver and Scheier, 1990). Similarly, given that levels of abstraction lie along a continuum and not a bipolar taxonomy (Alter, Oppenheimer and Zemla, 2010), different CSR motivations might be represented at different levels of abstraction. For instance, to address legitimacy concerns, firms strive to become isomorphic with their local context through the adoption of concrete institutional reactions (mimetic, normative, and coercive, Matten and Moon, 2008), in line with the demands of any given institutional context.

The latter might imply that legitimacy driven CSR choices reflect pragmatic, context-dependent concerns directly associated with concrete mechanisms allowing for the achievement of such explicit objectives. Drawing on the main assumptions of CLT, it follows that CSR driven by legitimacy concerns would be represented at lower construal levels, reflecting low levels of cognitive abstraction. Similarly, CSR motivated by performance considerations (Wood, 1991) is also more instrumental in nature, since it involves an evaluation of CSR expectations against concrete CSR practices chosen to achieve performance objectives. Thus, according to the main assumptions of the CLT framework, performance considerations are also represented at lower levels of abstraction.

On the other side, CSR driven by genuine good will to produce positive societal returns, consistent with the Kantian perspective, demonstrates an idealistic more abstract choice prioritizing societal welfare over profit-maximization. In this case, CSR is motivated by higher level abstract goals, significantly more distant from concrete executional practices. According to recent research, idealistic higher level concerns are prominent at higher levels of abstraction while more pragmatic ones are represented at lower levels of cognitive abstraction (Danziger et al, 2012). Thus, it stands to

argue that the idealistic objective to do the right thing for the society as a CSR motivation would be represented at higher levels of abstraction, not directly translating to concrete actions.

However, CSR can potentially be motivated both by idealistic and pragmatic choices reflecting more abstract or more concrete causes respectively. Thus, based on the above rationale, depending on the relative weight of each one of those different motivations, different levels of managerial construal operations would be more prominent in managerial cognition. Having argued that idealistic, higher cause-oriented choices, answering the question of ‘why’, demonstrate higher levels of construal, whereas pragmatic choices closely linked to ‘how’ questions demonstrate lower levels of construal (Danziger et al, 2012) sets the ground for the development of the 2nd proposition:

Proposition 2: *Depending on the motivation behind CSR choices (managerial good will, performance considerations or a mixture of the two), different levels of construals would be more prominent in managerial cognition, such that when CSR is mainly driven by performance concerns as opposed to genuine moral will, lower construal level operations would be prominent, whereas when CSR is mainly driven by genuine moral will as opposed to performance concerns, higher construal level operations would be prominent.*

The above proposition suggests that CSR motivation accordingly shapes managerial construal levels at different levels of abstraction. However, the latter disregards the complexity characterizing CSR choices under conditions of institutional complexity. Literature argues that in order to better meet the expectations of their institutional environment as well as satisfy the motivation behind their CSR agenda (Gjølberg, 2009), firms can opt for different types of CSR strategies –local or global- (e.g., Jamali, 2010). In the following section, I will elaborate on those different types of CSR and will discuss those in light of the CLT framework, to discuss the mechanisms arising from the dynamic interplay between institutional context and managerial construal levels in driving managerial CSR choices. In so doing, I intend to show how institutional context shapes construal levels and how in turn the institutionally shaped construal levels guide managerial choices with regards to CSR. Through this argumentation, I aim to draw implications for managerial practice and discuss the importance of institutional context and cognition in enhancing managers’ ethical decision making.

Globalized vs. localized CSR and Construal Levels

As mentioned above, recent research has made attempts to understand the factors affecting global vs. local CSR choices of firms acting in host country contexts (e.g. Jamali, 2010; Griesse, 2007b). The political risk literature suggests that firms are confronted with a wealth of challenges in

the diverse institutional contexts within which they operate, often requiring a localized approach (Brewer, 1983; Jain and Nigh, 1989). Among others, factors like governmental processes, diversity in the major issues faced by firms in different country contexts, and access to local resources have an impact on firms' strategies and the decision of globalization versus localization reflected in their CSR strategies (e.g., Vachani, 1995; Brewer, 1992).

For instance, in a study investigating operations of international petroleum firms in Peru and Colombia, Moser (1998) found that the two countries had different governing principles in terms of governmental support and regulations. Such differences between the two local institutional contexts made it hard for foreign firms to apply their universal principles, thus leading them to adjust their CSR strategies accordingly to match the local requirements. The latter and other similar examples suggest that international firms and their local subsidiaries are required to respond differently to multiple conflicting environmental forces across institutional contexts, urging for either more globalized or more localized CSR strategies, in the pursuit of legitimacy. Under such circumstances, managers are left with the difficult task to decide what would be the best CSR approach to follow.

There are different views on the ideal choices to be made in such cases, that is whether firms should adopt strategies reflecting a global CSR approach, or develop a local CSR agenda, taking into consideration their local stakeholders' needs (Muller, 2006). However, as said above, CSR does not necessarily constitute an instrumental objective of gaining legitimacy but can also reflect genuine motivation to act in the favor of the society at large (Bowie, 1999), or a mixture of the two.

In the above discussion, I have argued that that the choice to implement CSR strategies regardless of motivation represents a more abstract goal globally answering to the question of 'why do CSR', thus relating to high construal levels, with subtle gradations across motivating factors. Literature argues that abstract goals lead and take priority over more concrete goals and standards. In this hierarchical goal context, achievement of higher more abstract goals requires cascading down across more explicit values and objectives and concretizing the actual policies to be implemented for the achievement of the higher goals (Vallacher and Wegner, 1987; Carver and Scheier, 1990).

Thus, to be able to achieve the higher goal motivating their CSR strategy, managers need to specify concrete values at the next lower levels of abstraction enabling them to finally specify the policies and choices for achieving their higher CSR objectives. Such concrete policies can take the form of global or local CSR practices depending on which are the strategies that allow managers to achieve their CSR objectives in any given context. Thus, both local and global CSR strategies may reflect alternative executional choices that managers can make to drive their underlying motivations,

in a given institutional context, since they both answer to the question of ‘how to achieve the objective behind CSR’, which according to construal level theory is represented at lower levels of abstraction. Having said this, I argue that it is mainly the motivation behind choosing either type of CSR strategy that determines whether managers operate in high or low levels of construal (in line with proposition 2) and not the type of CSR practice itself (whether it is local or global). Thus:

Proposition 3: *Both global and local CSR choices are represented at low levels of abstraction, since they reflect concrete executional mechanisms driving higher order CSR goals.*

The above proposition argues that at the very operational level, both global and local CSR reflect low levels of cognitive construal operations. However, a growing body of CLT argues that construal levels are shaped to a great extent by situational factors (Watkins, 2010). As mentioned above, one of the main assumptions of CLT is that psychological distance shapes the way that individuals perceive and interpret situations as well as the cognitive representations they give to objects and events (Liberman and Trope, 1998). Particularly, Trope, Liberman, and Wakslak, (2007) argue that when individuals perceive high spatial, temporal and social distance towards an object or event they tend to represent it at higher levels of construal, as opposed to smaller distance that shapes cognition at lower construal levels. In other words, objects or events perceived in proximal distances are given more concrete forms in individual cognition and are processed at lower construal levels as opposed to objects or events perceived as future, spatially and psychologically distanced, which are given more abstract forms.

Considering the above, given that CSR practices pursued in host country contexts represent highly distanced events for managers coming from different country contexts, it is logical to argue that such practices are perceived as psychologically distanced and are thus represented at higher levels of construal. On the other side, based on the above rationale, CSR practices pursued in home country contexts would reflect more proximal representations for home country managers, because they constitute well-learned practices pursued in spatially, socially and psychologically proximal environments. Thus, I would argue that pursuing CSR in host country contexts increases the perceived psychological distance and shapes international managers’ cognition at higher construal levels, since it requires managers to operate at higher levels of abstraction to be able to deal with the novel CSR requirements. Conversely, I argue that pursuing CSR in home country contexts reflects psychologically proximal and familiar events represented at lower levels of abstraction and thus shapes managerial cognition at lower construal levels. Thus:

Proposition 4: *Exposure to host country contexts requiring the adoption of local CSR practices causes managerial cognition at higher construal levels as opposed to exposure to home country familiar CSR practices that causes managerial cognition at lower construal levels.*

The above argument so far discusses different types of CSR actions- global vs. local- in light of construal level theory as well as the way that perception of host and home country contexts and local vs. global CSR as psychologically distanced or proximal events shapes managerial cognition at different construal levels respectively. To further disentangle the impact of cognitive construals on CSR choices, it might help to understand how the above discussed environmentally shaped cognitive states, reflecting low vs. high construal levels, in turn shape the type of CSR choices made by managers across institutional contexts.

As mentioned above, as a result of varying institutional expectations and/or managerial will to produce good societal returns, CSR is implemented differently across home and host country contexts (Jamali, 2010; Perez-Batres, 2010, Gjølborg, 2009). However, considering the multitude of factors affecting different aspects of organizational strategy, it would be hard to predict the exact composition of CSR strategies that managers from different firms would opt for across different institutional contexts. Considering the psychological distance that managers from different countries perceive across institutional contexts along with the underlying CSR motivation driving their choices, helps to understand the way in which this area of managerial cognition interplays with institutional dynamics to shape managerial CSR choices.

As argued above, operating at higher levels of cognitive abstraction reflects managerial focus on CSR choices reflecting higher level objectives of doing the right thing for the society. On the other side, managers motivated by more operational concerns answering ‘how’ questions would be more likely to operate at lower levels of abstraction. Then, depending on whether those managers operate in host versus home country contexts, they would have to follow different strategies to achieve their CSR objectives. This is to say that both global and local CSR strategies could be equally pursued by managers, across contexts, depending on the higher objectives they aspire to bring about across country contexts as well as on how their construal levels are shaped as a result of the perceived psychological distance.

According to proposition 2, managers operating in host country contexts, who are genuinely motivated to bring about positive societal returns, operate in higher construal levels as opposed to managers mainly motivated by performance concerns. Having argued that higher construal levels relate to more abstract, distanced and idealistic considerations as opposed to more pragmatic ones

(Danziger et al, 2012; Rim et al, 2013), it would be logical to assume that in the context of host countries, international managers operating at high levels of abstraction would be more likely to pursue those CSR practices that are represented at their high level of cognitive operations and enable them to reach their desirable objectives in a local level. Drawing from literature arguing the importance of local CSR for the accommodation of local salient issues (Bird and Smucker, 2007), it would be logical to assume that those managers would choose local as opposed to global CSR, which at the same time involve perceptions of higher psychological distance, since they reflect novel as opposed to well-learned routines. Thus, I argue that in the context of host countries, international managers operating at high construal levels, would be more likely to pursue local CSR practices, allowing them to reach the desirable outcomes they envisage for benefiting the local context.

On the other side, international managers in low construal levels operating in host country contexts and thus mainly motivated by performance and legitimacy enhancement concerns (as per proposition 2) are more likely to choose those CSR strategies that are represented as more proximal and less psychologically distant to them, consistent with their low levels of cognitive abstraction. Given that for those managers, global, home country CSR practices are more familiar as opposed to host country ones, it follows to argue that in host country contexts, international managers in low construal levels would opt for familiar CSR strategies with concrete features that can easily address their operational concerns of how to do CSR and they would develop those local (host country) ones that would allow them to address their legitimacy concerns. Thus, those managers' CSR agenda would be more likely to load on well-known CSR practices as opposed to new ones, while new ones would only be pursued to the extent that they would drive legitimacy concerns, with no real intention to bring about a lasting positive impact in a local level.

Having said the above, for both high and low construal level international managers operating in host country contexts, local CSR practices would reflect new unknown practices. However, based on their inner drive to really benefit the society as opposed to just perform the most feasible practices, I argue that managers would make more or less effort respectively to try to familiarize themselves with local CSR practices and make them part of their CSR agenda. In that sense, in host country contexts, CSR strategies pursued by low construal level international managers would be less appropriate locally from an ethical standpoint and thus more likely to not be informed by the local context. On the other side, I argue that CSR strategies pursued by international managers with higher construal levels in host country contexts would reflect higher ethical responsibility with regards to the local context and would thus be more likely to be informed by local principles. Thus:

Proposition 5: *In the context of host countries, international managers operating at high levels of construal are more likely to pursue CSR strategies loading higher on their local (host country) component, whereas international managers operating at low levels of construal are more likely to pursue CSR strategies loading higher on their global (home country) component.*

However, the above discussion disregards the strategies that managers would pursue in the context of their home country depending on their construal level operations. As argued above, different motivations or mixtures of motivations reflect different levels of construals characterizing managers' cognitive mechanisms. Thus, for instance, idealistic local managers operating in the context of their home country would be more likely to motivate their CSR choices by the big idea of 'why' to do CSR, as opposed to more operational 'how' questions representing lower levels of abstraction. On the contrary, local managers driven by both idealistic and pragmatic choices would tend to operate at respective construal levels depending on the relative weight of their different motivations. Last but not least, local managers mainly motivated by legitimacy concerns would be more likely to opt for well-learned CSR practices addressing their outcome feasibility and performance concerns.

Thus, high construal level managers would probably be more likely to pursue locally (in their home country) those CSR strategies addressing superordinate concerns for the wider business context as opposed to ones of feasible implementation. Those managers would probably be motivated to pursue locally the practices that can produce positive consequences for their society no matter how familiar they are with those. In that sense, they would be more likely to inform their CSR strategy with both local and global practices to the extent that the latter are necessary for the accommodation of salient local issues, regardless of the high psychological distance they might involve. The latter would be consistent with their high levels of construal associating with idealistic choices vs. pragmatic considerations.

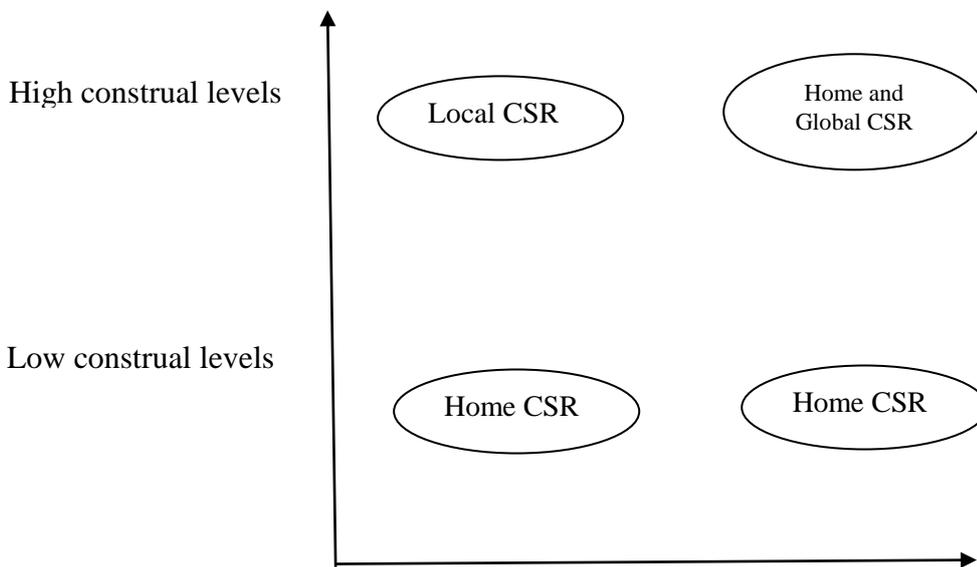
On the other side, as argued above, home country managers operating at lower levels of construal would be more concerned about the operational questions guiding their CSR strategy, and would be more likely to pursue concrete, context-dependent and psychologically proximal CSR strategies. The latter would allow them to be viewed as legitimate as opposed to produce higher positive returns in the wider society of their home country, consistent with their low construal level cognitive state. Similarly, the latter would address their outcome feasibility as opposed to outcome desirability concerns, in line with their low cognitive abstraction levels. Thus, those managers would

be more likely to follow well learned CSR practices addressing their ‘how’ concerns, in their home country context. Thus:

Proposition 6: *In the context of their home country, managers operating at high construal levels are more likely to pursue the mixture of those local and global CSR strategies allowing them to effectively address local issues, whereas managers operating at low construal levels are more likely to pursue CSR strategies loading higher on well-learned home country component.*

Figure 1 depicts the conceptual model.

Figure 1: *CSR strategies pursued at different construal levels across institutional context*



In the above propositions, I have demonstrated the way in which the institutional context shapes and is shaped by managers. Host country institutional contexts across home and host country contexts. Using the main assumptions of construal level theory and perspectives on CSR, my argument stresses that exposure to host country institutional contexts shapes managerial cognition in high levels of abstraction and this in turn leads managers to make more ethical choices considering the local context. On the other side, I argue that remaining in home country well-known contexts shapes managerial construal levels at lower levels directing managers’ attention towards feasibility and reputational concerns lacking motivation to genuinely enhance ethical decision making.

I will now present a few case studies as illustrations of the main logic of the argument that I develop above. Through those case studies, I intend to show that as a result of their interpretation of

the local environment as psychologically distant, managers of international firms activating in host country contexts, tend to develop higher construal levels that lead them to make more ethical CSR choices intended to benefit the host societal contexts within which they operate.

CASE STUDY ILLUSTRATIONS

Norwegian Salmon Producers

Cermaq-Marine Harvers

Upon entry in the Chilean context, Cermaq-Marine Harvers Salmon Producer was accused by Chilean NGOs and the media for lack of high quality working standards and salaries (Huemer, 2010). Such accusations led the company's CEO, Geir Isaksen, to reevaluate the particularities of the local context and shaped his interpretation of it. *'In Chile we must be Chileans'* the CEO characteristically said following those accusations and he decided to develop a new locally informed CSR program called 'Cermaq Passport to Sustainable Aquaculture'. The new CSR strategy included diverse sustainable practices ranging from environmental to social and product requirements. The CEO's phrase stresses the importance of local perception when acting in host country contexts and shows that as a result of his interpretation of the local context, the CEO decided to develop locally relevant CSR practices, which he then decided to diffuse and locally implement in various Cermaq subsidiaries across the globe. Particularly, the firms' CEO stressed that imposing Norwegian practices in Chile is challenging and ineffective if one wants to benefit the host societies locally but also gain the necessary legitimacy in a local level. In other words, the CEO realized that it was crucial to understand the Chilean interpretation of the European way of doing business and tried to integrate this logic into the company's local CSR strategy, in order to accommodate and enhance legitimacy in a local level as well as address local social issues.

Interpreting the latter case in light of the current article's central argument, the above example illustrates that as a result of his exposure to a new institutional context, characterized by different dynamics and pressures from local stakeholders, the CEO cognitively perceived the new context as psychologically distant, an emotional state that led him to cognitively represent it in a more abstract way. Explaining this psychological phenomenon in light of construal level theory, the latter led the CEO to distance himself from operational concerns and rather focus on higher order questions of benefiting the local context. By recognizing that in Chile one has to be Chilean, the CEO admits in fact that he takes a step back from his common practice (i.e., how things are done in Norway) and focuses on the big idea related to the local context. Interpreting the CEO's attitude in light of the papers' main argument, we understand that as a result of the increased psychological

distance felt in the new context, the CEO represented his the latter in a more abstract level stressing the question of *why* it is important to benefit the new context (Chilean). This in turn led him to cascade down to more concrete levels of execution of the higher objective involving the adoption of local CSR policies intended to really benefit the Chilean context.

The present case study stresses the importance of local perception when managers are exposed to new institutional contexts. It particularly demonstrates that when international firms' managers enter new host country markets, they perceive higher psychological distance that shapes their cognitive mechanisms at higher levels of construals, in turn leading them to represent the local context in more abstract terms. As argued above, according to construal level theory's main assumptions, high construal levels drive more idealistic objectives in turn leading managers to specify concrete policies enabling them to attain those objectives. Particularly, in this context managers would opt for more local CSR driven by the good will to genuinely help the local context. Thus, in line with the above propositions, the present example illustrates that exposure to host country institutional contexts shapes high construal cognitive states leading managers to make more ethical and locally relevant CSR choices intended to genuinely benefit the society.

EWOS Salmon Producer

The example of another Norwegian salmon producer, EWOS, demonstrates the local practices that the CEO took as a result of his interpretation of the new institutional context and the increased stakeholder pressure he perceived in the new context. To respond to those public concerns, EWOS offered its employees competitive salaries and social coverage contracts, beyond the average Chilean standards. At the same time, to contribute to the accommodation of social issues like unemployment, the CEO decided to not automate the feed packing task of the value chain, which would be in line with its business objectives of cutting costs, but rather employ lower paid workers for this position. However, while maintaining manual packing in the value chain was positively accepted in the Chilean context, this practice could not have been implemented in Norway, where this task is regarded as a "lower-status" work (Huemer, 2010). This practice helped the company address employee concerns with regards to various issues and enhance employee satisfaction, thus also enhancing legitimacy in a local level.

Again, the latter case study illustrates the way that institutionally shaped interpretations of events shape managerial CSR choices. This example reflects the conflicting dynamics managers are confronted with in their effort to deal with host and home country requirements and the way in which

cognitive representations of home versus host institutional country contexts leads managers to pursue different CSR practices in different country contexts (host vs. home) in order to address local issues.

In particular, exposure to the Chilean context increased the perceived psychological distance and shaped the CEO's cognition at higher levels of abstraction, a cognitive state that led him to pursue local strategies driving higher order objectives to really benefit the society. The present examples thus illustrates the paper's main argument (propositions 4, 5 and 6) citing that exposure to new institutional contexts shapes managers' cognitive construals at higher levels of abstraction and that this cognitive state in turn leads managers to enhance their ethical decision making through CSR choices intended to genuinely benefit the local context. Thus, exposing managers to new institutional contexts leads them to make more ethical choices, translating to more locally meaningful CSR as opposed to general global CSR (often merely intended to address feasibility and reputational concerns).

The Case of Dupont in Brazil

DuPont is one of the major international companies producing gunpowder chemicals and notably the main supplier of US government's arm forces during WWI. Throughout the years, the company has expanded its operations internationally and has been required to adjust its ways of functioning to address local concerns across the institutional contexts it operates (Griesse, 2007a). DuPont practices and experience throughout the years illustrates the importance of considering both local and global context requirements in the CSR choices firms develop across contexts. Thus, it aligns with CSR perspectives arguing the importance of engaging in a public dialogue with local stakeholders in order to find ways to address local issues while at the same time satisfying international CSR requirements.

Given its global reach and the fact that the company engages in an area of activity -chemicals production- that can have severe effects on environmental contamination, DuPont has been in the eye of public scrutiny internationally throughout the years and has been required to abide by universal/global CSR requirements across contexts beyond any other additional local CSR practices that the company chooses to develop in any host country context (Griesse, 2007). Particularly, DuPont had been required to abide by the National Environmental Policy Act imposed by the US, obliging the company to set environmental protection thresholds for its waste disposal and other environmental contamination policies. Similarly, following increasing concerns for chemical contamination, the Canadian government introduced the 'Responsible Care' program, intended to enhance chemical companies' awareness towards the necessity of adopting socially responsible

practices in their operations across institutional contexts. DuPont was one of the first companies to adopt the 'Responsible Care' initiative and abide by its requirements regardless of institutional context. By recognizing the importance of developing an organized agenda of socially responsible business practices, DuPont committed internationally to take all the necessary measures to minimize toxic waste, employee accidents, and abuse of natural resources among other commitments (Dupont, 2006a).

In its international expansion, one of the major markets for DuPont giant is Brazil, where the company has been maintaining operations since 1937. Given its particular institutional context and local requirements for environmental protection in the local context, Dupont had to adjust much of its global principles to the local context. The experience of Dupont in Brazil illustrates a good example of how managerial cognitive interpretation of a new institutional context leads a company to combine global and local requirements in its CSR agenda in order to meet conflicting and complementary demands arising from the forces of global responsiveness versus local integration. Particularly, as a result of the interpretation of the Brazilian context and the local guidelines, Dupont's CSR in Brazil demonstrates the company's effort to adapt its global 'Responsible Care' plan commitment in the local context. To do so, the company has stressed the safety dimension, and takes measures to ensure that its employees are aware of all the necessary safety measures they need to know to drive the company's operations. Dupont's strategy demonstrates the company's willingness to deeply read and understand the local context; one that lacks education around safety and where a big part of the population lives under dangerous conditions. This interpretation led DuPont to emphasize the safety principle as a necessary policy, among many others, contributing to the overall goal of benefiting the local context.

Another policy which was particularly stressed by the company in the Brazilian context was that of diversity and inclusion given Brazil's long history of discrimination against the African-Brazilian populations, who have been effectively excluded by national educational schemes and equal employment opportunities in the favor of the social elite. Interpreting those local issues in light of the universal CSR requirements that it has to achieve, Dupont introduced an educational scheme providing training to social minorities thus preparing them for employment at the company's operations. By doing so, DuPont manages to meet the dual objective of tackling social discrimination and unemployment in the local Brazilian context while at the same time meeting universal requirements imposed by the international schemes it has been required to abide by. At the same time, DuPont engages in a number of other local CSR practices intended to directly tackle local

issues, like for instance its effort to enhance education through the development of science programs for school students (Griesse, 2007a, 2007b).

Considering the example of DuPont in light of the current article's main argument, one understands that DuPont is an example of a company whose managers' interpretation of the global and local contexts has led it to develop the necessary CSR practices to respond to local requirements while at the same time satisfying its global commitments. With regards to the motivation leading the company to engage in CSR practices, it is clear that as most companies, DuPont is driven by the dual objective of maintaining a legitimate profile in both global and local levels while at the same time demonstrating the genuine will to respond to local burning issues. Interpreting the Dupont case in light of the above argued propositions justifies DuPont's efforts to combine universal and local CSR policies, reflecting different CSR motivations as well as an effort to satisfy complementary and/or conflicting global and local demands through different CSR choices (local or global); depending on managers' interpretation of each context as psychologically distant or more proximal.

In particular, the company's choices reflect that in its effort to achieve legitimacy across country contexts, the company pursues its global CSR agenda across contexts, while it also adjusts its CSR locally in any new institutional context to achieve its objectives of adequately satisfying local contexts' concerns (proposition 2). For instance, as shown above, exposure to the new institutional context of Brazil led Dupont's managers to pursue locally relevant CSR intended to specifically benefit the local context. Such managerial choices might have been the result of the high psychological distance perceived in the new context which led managers to cognitively represent the latter in more abstract levels.

The above is in line with the current papers' main argumentation arguing that exposure to new contexts shapes cognitive states at high levels of abstraction motivating managers to pursue more idealistic CSR goals locally. Further, the development of higher order CSR goals in the new psychologically distant context, urged managers to cascade down to more concrete levels of abstraction in order to concretize the CSR policies needed to achieve their higher CSR objectives. In this cognitive process and consistent with the above reasoning, managers opt for either global or local CSR practices (or both), which are represented at lower levels of abstraction since they are meant to serve feasibility concerns (proposition 3) of how to drive the higher order CSR objectives developing in managerial cognition (as a result of managers' exposure to psychologically distant host country contexts).

Much like the above, the current case illustrates that exposure to new contexts leads managers to enhance their ethical decision making through focusing on local CSR intended to benefit the local context.

TNCs in South Africa in Apartheid Era

Last but not least, another notable example of how exposure to local contexts leads managers to become more ethical and concerned with how to genuinely help the local context, is that of TNCs' response to the particularly vulnerable social context of the Apartheid era in S. Africa. During the Apartheid era in South Africa, institutional rules promoting social discrimination were widespread, requiring companies to employ socially disadvantaged individuals in a social context favoring social discrimination. In this context, many international firms took a step back to this institutional requirement and decided to shut their operations altogether denying in that way to implement practices promoting discrimination against socially under-privileged workers (Bird and Smucker, 2007). Such managerial reactions demonstrate that exposure to the new psychologically distant context led international firms' managers to focus on higher order 'why' questions aiming to address desirability concerns as opposed to feasibility ones of ease of execution.

Even more, to do so in this case, managers didn't even opt for local CSR since they interpreted locally imposed CSR rules as not ethical enough to satisfy their higher order CSR objectives. Thus, managers chose to depart from those rules and rather withdraw their operations from the S. African context putting an emphasis on local social benefit over company profit. The latter managerial choices demonstrate a clear attitude towards genuinely and thoroughly participating in the battle towards socially benefiting the local context, which in line with the central reasoning of this article. In line with CLT and the paper's argumentation, this managerial attitude can be seen as the result of managers' high levels of cognitive abstraction driven by the psychologically distanced context they were exposed to.

The present example of how various TNCs responded to the local institutional requirements of the Apartheid era in S. Africa demonstrates a quite counter-intuitive response on the side of the TNCs which however reinforces and illustrates the article's main reasoning. In particular, the above examples shows that exposure to host country contexts reflecting higher psychological distance leads managers to focus on higher order, idealistic objectives represented at higher levels of cognition thus driving them to make CSR choices intended to genuinely benefit the local society. Through choosing to not abide by the institutional contexts requirements, TNCs managers committed to a moral breach

which in fact reflects a genuine ethical choice to really benefit the local context, since they did so in their effort to eradicate social discrimination in the S. African society.

Even though it seems counter-intuitive that not abiding by local requirements can genuinely help a local society, the above case clearly demonstrates that those managerial choices were intended to achieve higher level CSR objectives, following managers' exposure to a new psychologically distant local context that shaped their cognition to higher construal levels. The latter is in line with the article's main reasoning, illustrating that exposure to new institutional influences shapes managers' cognitive construals in higher levels leading them to make more ethical choices for the local context overall.

DISCUSSION

In the current study, I discuss managers' CSR choices in light of construal level theory (Trope and Liberman, 2010) to disentangle cognitive mechanisms guiding managerial CSR reactions across country contexts. My conceptual discussion supports and extends literature citing managerial cognition as a significant factor driving managerial strategic choices (Schwenk, 1988; Stubbart, 1989; Zilber, 2002; George et al, 2006; Iederan, 2011; Basu and Palazzo, 2008) and takes a multi-level perspective towards CSR to propose an interplay between individual cognition and institutional environment shaping managerial CSR choices. In so doing, the current study also informs recent research viewing CSR as a multi-level phenomenon (Aguilera and colleagues, 2010) and extends the latter by offering additional cognitive explanations behind CSR choices.

Considering CSR as an expression of varying motivations ranging from legitimacy enhancement and performance or stakeholder concerns (Fombrun, 2005; Wood, 1991; Aupperle, Carroll, and Hartfield, 1985) to genuine good will to produce positive returns for the society (Bowie, 1999), the current study uses the main foundations of construal level theory to discuss such CSR motivations in light of varying levels of managerial cognitive abstraction.

First, I propose that CSR itself is a choice reflecting high level construal operations and I argue that different CSR motivations are represented at different levels of abstraction reflecting different levels of construal. I then discuss local vs. global CSR choices that managers pursue across home and host country contexts to argue that either choice reflects low levels of abstraction since either practice requires the development of concrete practices and mechanisms intended to serve higher causes behind CSR. Altogether, my 2 first propositions suggest that the superordinate choice to pursue CSR reflects cognitive operations at higher levels of abstraction, with gradations dependent on the pragmatic vs. idealistic nature of the cause. My argument suggests that such idealistic choices

then cascade down to more concrete features reflecting lower levels of abstraction (global or local CSR) to allow managers to achieve their higher objectives.

Further, I use the main assumptions of the construal level framework to argue that perception of institutional context, as psychologically, spatially or temporally distanced, shapes managerial construal levels at different levels of abstraction in turn leading managers to choose CSR strategies laden on local or global component (differently benefiting the context) in line with the perceived psychological distance that those choices reflect to them. Given that local host country CSR involves higher psychological distance choice, for managers coming from abroad, which at the same time serves higher level objectives of producing positive societal returns in a host country context, I argue that managers at high construal levels operating in host country contexts, would be more likely to pursue more ethical CSR strategies intended to really benefit the local context. Conversely, international managers operating at lower levels of abstraction would be more likely to pursue familiar and easy to execute CSR practices with a low ethical component, in host country unknown contexts, since those are represented at lower levels of abstraction and reflect lower psychological distance.

My argument follows the same rationale to discuss the strategies that managers would be likely to pursue in their home country contexts as a result of their construal level operations. I particularly argue that managers at higher construals would be more likely to pursue ethical CSR choices in the context of their home country, as opposed to managers at low construal levels.

In the current study, I use the construal level theory framework to contribute to current debates discussing the role of cognition in shaping managerial CSR choices (Basu and Palazzo, 2008). My discussion uses the fundamental assumptions of construal level theory to explain varying CSR motivations and argues that the perceived psychological distance across different contexts – home vs. host country- shapes managerial cognition at different construal levels and that this in turn shapes managerial CSR choices in different ways across country contexts. In so doing, the current study demonstrates an interesting multi-level interplay between managerial cognition and institutional context in shaping each other, in turn driving different managerial CSR choices across country contexts.

My argument suggests that exposing managers to unfamiliar environments shapes their cognitive construals at higher levels of abstraction leading them to make more ethical choices in the local contexts they operate. Thus, I argue that exposing managers to new host country contexts helps companies to enhance their ethical decision making overall.

MANAGERIAL IMPLICATIONS

In terms of managerial implications, the above conceptual argument proposes that when managers are exposed to host country contexts, the perceived psychological distance causes managers to operate at higher levels of cognitive construals that lead them to make more ethical CSR choices -with local relevance-. If considered by international firms the above conceptual framework can help them make international expansion choices with ethical relevance across local host country contexts.

Considering that as per the above reasoning, international managers entering new psychologically distanced market contexts tend to be more ethical, the human resources departments of international firms can recruit managers with little familiarization with the host country contexts, where firms plan to expand, if they want to enhance their ethical decision making and overall ethical profile across new country institutional contexts. The latter might seem counter-intuitive. It however stresses the importance of considering managerial psychology and cognition before making business decisions with an ethical component across country contexts.

In particular, what is deduced by the above is that if firms want to enhance their ethical standing through locally relevant and socially beneficial CSR in host country institutional contexts, they should recruit for international assignments managers that are unfamiliar with the particularities of the host country institutional context. In such situations, the increased psychological distance that managers will perceive in the new host country contexts, will shape those managers' construal levels at higher levels of abstraction, driving more idealistic goals as opposed to feasibility pragmatic concerns. Thus, those managers will be more likely to make more ethical CSR choices in the local context as opposed to choices driven by feasibility or mere reputational concerns.

Turning attention to managerial psychology and in particular to the way in which managers' cognitive construal levels guide subsequent CSR choices, firms can become more responsive to host and home country institutional contexts thus enhancing their ethical decision making overall. Considering that high construal levels drive ethical choices, if companies want to enhance their ethical profiles and lead their managers to make more ethical CSR choices across home and host country contexts, they should expose them to new environmental influences that increase their levels of cognitive construals.

DIRECTIONS FOR FUTURE RESEARCH

The current study contributes to current debates around the role of cognition in driving firms' CSR choices across country contexts, pointing to the varying levels of cognitive construals reflected in different CSR motivations. Further, the current study discusses the way that context and cognitive construal levels shape each other to guide managerial CSR choices. Those propositions open an avenue for future research to empirically confirm the proposed dynamics across diverse country settings and further explore how other areas of human cognition might guide managerial choices.

Future research could also try to empirically test the proposed dynamics across country contexts and probably identify differences across the CSR choices made by managers in developed vs. developing countries. The latter would allow future researchers to use the proposed propositions to extend the debate by considering specific characteristics of the institutional context which are likely to shape different aspects of managerial cognition and in turn managerial choices with regards to CSR.

CONCLUSION

Marrying the construal level theory framework with CSR choices across home and host country institutional contexts, the current study sees CSR as a multilevel phenomenon shaped by factors playing at different levels of analysis and proposes an interplay between institutional context and psychological cognitive mechanisms guiding managerial choices towards CSR, across institutional contexts. Particularly, the current paper associates different motivations behind CSR with different levels of construal and conceptually discusses the different CSR choices that local vs. international managers are likely to make as a result of the effect of perceived psychological distance on their cognitive construal state. The current study proposes that host contexts are perceived as more distant psychologically for foreign managers and thus give rise to more abstract representations translating to more unfamiliar but locally benefiting CSR choices, whereas home contexts are perceived as more proximal psychologically and thus give rise to more concrete representations translating to more mundane CSR choices without particular moral relevance. The present study stresses the existence of a dynamic relationship between country institutional context and cognitive construals in shaping managerial CSR choices in different ways and suggests that if firms want to enhance their overall moral profiles across country contexts, they should expose their managers to psychologically distanced environments increasing their cognitive construals. The current study opens an avenue for future research to further explore cognitive foundations driving managerial choices and potentially confirm such predictions in an empirical context.

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Chapter 4. Results and Discussion

Introduction to Chapter 4

The current chapter provides an overview of the principle and more specific results of the current doctoral thesis, which have been presented in detail in chapter 3. The current thesis intends to shed light on the cognitive mechanisms guiding unethical managerial decision making and its accompanying consequences as well moral evaluation of the latter. Exploring the latter dynamics, the current thesis intends to make a significant contribution to nascent business ethics debates in the field.

A substantial body of business ethics literature focuses on ethical decision making models and explores the processes that managers and individuals follow when making ethical decisions. However, even though business ethics literature discusses heavily intentions and judgments as parts of one's own ethical decision making process (Rest, 1986; Kohlberg, 1986), very little is known about how individuals evaluate intentionality of others' ethical actions and in particular those of managers. However, given that managerial and organizational ethical activity affect the welfare of the society overall and that evaluations of managerial ethical activity affect the public image of managers and organizations, understanding the driving factors of individuals' moral evaluations of organizational activity as well as whether those can be anticipated by managers helps better understand the bases of moral evaluation broadly and provides insights on how managerial ethical activity can be improved.

To contribute to the latter debate, the current thesis is built on three studies which together intend to answer the overarching research question of how individuals use managerial and organizational moral actions' consequences to evaluate intentionality as well as what are the underlying cognitive mechanisms driving managers and organizations to commit to unethical activity producing certain consequences. Answering the latter research question promises to provide complementary insights to current business debates exploring factors affecting managerial cognition with regards to ethical decisions as well as moral evaluations of the latter on the basis of their accompanying consequences.

In particular, the first part of the current thesis is built on an experimental study identical to Knobe (2003) and intends to answer the first question of how affective and moral-attitudinal personal factors guide individuals to use managerial actions' consequences to morally evaluate the underlying intentionality and responsibility behind their moral activity. At a second level, having answered the first research question, the second article is built on a conceptual and philosophical discussion of the bases of moral evaluation or organizational activity and extends the focus of the first one to the organizational level. In particular, the second article answers the question of what are the underlying motivations guiding organisational involvement in ethical and unethical actions as

well as how the intentionality component of such behaviour is evaluated by the public based on those actions' positive or negative consequences.

Having conducted the two first studies revealing a heavy dependence of managerial activity's evaluations on actions' consequences, the third paper of the current thesis focuses on managerial cognition to understand whether managers' moral actions' consequences can be 'anticipated' through the cognitive processes that are evoked in managerial cognition when managers are exposed to different institutional contexts. Considering the three studies together, the current thesis discusses the role of consequences in evaluations of managerial ethical activity as well as how those consequences can potentially be cognitively driven by managers.

In the current chapter, I will first present the global research findings of this thesis and I will then move to a more detailed presentation of the specific findings of each research article.

Main Results of the current thesis

The current thesis intends to confer conclusions on how managerial actions' consequences can affect moral evaluations of managerial and organizational intentionality as well as whether and how such consequences can potentially be linked to managerial cognition. In particular, the current thesis discusses how intentionality is attributed to managers and organizations with regards to their actions' consequences and goes further to managerial cognition to explore the mechanisms guiding managers to commit to actions with certain consequences (in turn guiding the way they will be evaluated by the public). To be able to provide a deeper analysis of how managers cognitively process their environment to make ethical decisions as well as how evaluations of ethicality are attributed to organizations and managers based on their ethical actions' consequences, the three research articles explore the phenomenon across different levels of analysis (individual, organizational and multilevel), thus providing complementary perspectives on the study of moral evaluations of organizational ethicality.

Combining the findings of the three articles, what is conferred is that moral evaluations of managerial and organizational ethicality depend on actions' consequences and are underlined by certain affective and moral attitudinal personal characteristics of the judger. In particular, what is conferred through the first study is that different aspects of moral evaluation – intentionality and responsibility- depend on different factors and are thus significantly more different than commonly thought on the way they function. While both are affected by actions' negative consequences, intentionality evaluations appear to depend on affect while responsibility evaluations appear to depend on harm sensitivity for damages that managers and organizations cause in the society through their ethical decisions. What is conferred in particular is that moral evaluations of intentionality and

responsibility don't depend on evaluations of the actors' mental qualities before performing an action but are rather dependent on the outcomes of their ethical actions. The latter is quite counter-intuitive and offers novel perspectives to current business ethics debates discussing evaluations of intentionality as dependent on actors' mental qualities (Malle and Knobe, 1999).

At a second level, the current thesis deals with ethicality on an organizational level and explores the underlying motivations leading organizations to engage in ethical actions following involvement in unethical activity. In so doing, the current thesis dives deeper in the question of intentionality and explores different facets of organizational ethicality by making the comparison between organizational right-doing and wrong-doing. Consistent with the findings of the first article, the second article concludes that organizational intentionality for involvement in unethical activity is judged on the basis of the consequences of organizational actions and thus involvement in right-doing following wrong-doing demonstrates an intention to make up for the negative consequences produced by an action, since managers know that they will be judged negatively for the negative consequences produced by their actions.

Thus, as a general finding the two studies attest to the significant role of consequences as a major criterion for evaluating organizational ethicality with regards to intentionality and responsibility and provide insights on the nature of different aspects of moral cognition. Looking closer to the specific findings of each study, study 1 confirms and extends the 'Knobe effect' (Knobe, 2003) by revealing the dependence of moral evaluations of intentionality and responsibility on actions' consequences. In particular, study 1 is built on an experimental methodology identical to Knobe (2003) design and finds that much like intentionality, responsibility evaluations of managerial wrong-doing depend on actions' outcomes. To further understand the underlying motivations leading individuals to evaluate intentionality and responsibility based on the consequences of actions, the first study includes affective and moral attitudinal moderators in the model.

In so doing, the results of the first study demonstrate different bases guiding different aspects of moral evaluations. In particular, intentionality evaluations are found to depend on affective processes and particularly negative affectivity, while responsibility evaluations are found to be dependent on individuals' evaluative considerations about the harm caused out of a certain action. The first study sheds light to the different nature of commonly conflated aspects of moral judgments - intentionality and responsibility- and speaks to the relative independence between the two, unlike past literature citing bi-directional relationships between the two (Wright and Bengson, 2009).

Having found the above dynamics on the bases guiding intentionality and responsibility evaluations of managerial ethicality, the second study of the current thesis extends the debate conceptually. In particular, the second part of the current thesis extends the focus of moral

evaluations from the managerial to the organizational level and discusses organizational motivation to engage in right-doing following involvement in wrong-doing. Thus, in this second study the focus of the discussion is extended to different facets of organizational ethical activity – right-doing and wrong-doing- thus providing a more complete view of the phenomenon of interest. In particular, and consistent with the findings of study one, the conceptual discussion of study two confers the conclusion that individuals base their evaluations of intentionality on the consequences of the right and wrong actions judged. Specifically, this second study draws on the principles of indulgences of the Catholic church to develop a conceptual framework based on which organizational intentionality can be evaluated on the basis of the consequences of organizational right-doing and wrong-doing.

What is found is that when organizations do not demonstrate a genuine will to make up for the wrong-doing but only engage in right-doing in a superficial level, they are judged as intentional for the repetitive wrong-doings. On the other side, when organizations that have engaged in wrong-doing demonstrate a genuine will to make up for this wrong-doing through subsequent repetitive right-doing, individuals appear more lenient in their moral evaluations of intentionality and acknowledge organizations' genuine will to make up for the wrong-doing. The study confers that evaluations of genuine intention to make up for the wrong-doing largely depend on the consequences of the right and wrong actions judged and not on actors' mental qualities, since hardly can ever anyone be sure that organizational actors will tell the truth regarding their inner motives.

Thus, through engaging in a conceptual philosophical discussion, the second paper extends the findings of the first one and confers the conclusion that actions' consequences guide evaluations of the underlying intentionality assigned to organizational wrong-doing and subsequent right-doing. In so doing, the second paper develops a framework delineating the criteria that people use when evaluating organizational ethicality and names them with regards to their indulgent seeking component.

Last but not least and to be able to provide a more complete view of the phenomenon of interest, I developed the third study which intends to shed light on the role of managerial cognition in making ethical decisions and shaping those decisions consequences. In so doing, this study builds on the findings of the two previous studies discussing the dependence of moral evaluations on actions' consequences, and intends to explore whether managers are able to cognitively anticipate their ethical actions' consequences and thus potentially guide their cognition towards producing more positive societal outcomes; knowing that those outcomes will be used as bases of evaluation of their ethical activity and their overall ethical profile in the society. To do so, the third study builds a conceptual discussion using the foundational assumptions of the construal level theory of meta-cognition positing that exposure to different contexts creates cognitive perceptions of high or low

psychological distance affecting individuals' further behaviors and decisions.

Building on the main principles of this theory, the third study develops propositions suggesting that managers exposed to unknown environments reflecting high psychological distance are more likely to make ethical decisions with positive societal consequences as opposed to managers exposed to environments that they feel more familiar with. Thus, as a conclusion of those propositions, the third article confers that managerial cognition is likely to guide (albeit not always intentionally) ethical decision making and the accompanying consequences produced out of managers' ethical activity thus showing linkages between managerial cognition and actions' consequence. The latter implies that managers have the ability to shape their public image's evaluations through the way they cognitively process their environment provided that they are able to control the often unconscious cognitive environmental representations guiding their future behaviours.

The following table illustrates the above mentioned and shows the specific findings of each one of the two studies of the thesis.

Article	Results
1	<p>Objectives: The objective of the first study is to explore the different bases guiding different aspects of moral evaluations of managerial ethicality and in particular intentionality and responsibility.</p> <p>Results: What is found is that both intentionality and responsibility depend on the consequences of the actions' judged as opposed to actors' stated intentions and that intentionality evaluations are driven by affect while responsibility evaluations are driven by judges' moral attitudes and in particular their evaluative considerations about the harm caused by certain actions.</p> <p>Those findings speak to the relative independence between intentionality and responsibility and shed light on the different bases guiding different aspects of moral evaluations of managerial ethicality.</p>

2	<p>Objectives: Adding on the findings of the first study, the objective of the second study is to extend the previous findings to an organizational level and discuss the influence of actions' consequences on intentionality evaluations of both wrong-doing and right doing. In so doing, the second article intends to develop a framework of moral evaluation of organizational ethicality and identify specific criteria that individuals use when evaluating organizational ethicality.</p> <p>Results: The conceptual discussion developed in the second study leads to a conceptual framework delineating organizational ethicality activity with regards to its indulgent seeking component. In particular, what is found is that organizations' ethical and unethical actions' outcomes and the frequency in which they are produced reflect the underlying motivations guiding organizational activity and thus play a crucial role in the way individuals evaluate organizational ethicality and in particular intentionality. This conceptual framework provides an alternative view to organizational ethicality and allows for the re-consideration of this phenomenon with the use of different lenses and in particular the concept of Indulgences of Catholic Church. The below table presents the exact conceptual framework developed in study 2.</p>			
	<i>Criteria of Indulgent Seeking behavior</i>	<i>Proper Indulgence</i>	<i>Abuse of Indulgence</i>	<i>Organisational Impostorism</i>
	Repentance for previous wrong-doing	The organization shows genuine repentance for the previously committed wrong-doing and intention directly to compensate for the wrong-doing if possible.	The organization doesn't show true repentance for the previously committed wrong-doing nor does it intend directly to compensate for	The organisation hasn't genuinely repented for the previously committed wrong-doing nor does it intend to compensate for this.

			this.	
	Intention to repeat unethical actions	The organization shows genuine intention not to repeat the same unethical actions again.	The organization is likely to re-engage in the alleged wrongdoing.	The organization re-engages in the alleged wrongdoing.
	Willingness to produce positive societal returns through actions of compensation and other CSR	The organization has the genuine will to produce and typically actually produces positive societal benefits through actions of compensation and other CSR.	The organization however demonstrates genuine intention to produce positive societal benefits elsewhere through philanthropic activity and other CSR and typically succeeds in actually doing so in practice.	The organization lacks any intention to produce positive outcomes with the aim to benefit the society and typically doesn't actually produce any. If the organization engages in CSR or philanthropy at all, it is for reputational purposes only.
	DEGREE of MORAL WORTHINESS	HIGH	MEDIUM	LOW
3	Objective: The objective of the current article is to explore the ways in which managerial cognition can affect managerial decision making and its accompanying consequences and whether thus this knowledge can be used by organizations to improve their managers' decision making and their overall public image.			

Results:

The conceptual discussion developed in the third study led to the development of the following six propositions discussing the role of managers' cognitive construals on their subsequent ethical decisions and the accompanying consequences going with those decisions. What is conferred is that managers operating in higher construal levels are likely to make more ethical decisions than managers operating in lower construal levels and that if this knowledge is integrated by managers, it will allow them to anticipate their actions' consequences and thus enhance their ethical decision making overall.

Proposition 1: Managerial choice to pursue CSR at large is driven by a higher cause and reflects high construal level operations.

Proposition 2: Depending on the motivation behind CSR choices (managerial good will, performance considerations or a mixture of the two), different levels of construals would be more prominent in managerial cognition, such that when CSR is mainly driven by performance concerns as opposed to genuine moral will, lower construal level operations would be prominent, whereas when CSR is mainly driven by genuine moral will as opposed to performance concerns, higher construal level operations would be prominent.

Proposition 3: Both global and local CSR choices are represented at low levels of abstraction, since they reflect concrete executional mechanisms driving higher order CSR goals.

Proposition 4: Exposure to host country contexts requiring the adoption of local CSR practices causes managerial cognition at higher construal levels as opposed to exposure to home country familiar CSR practices that causes managerial cognition at lower construal levels.

Proposition 5: In the context of host countries, international managers operating at high levels of construal are more likely to pursue CSR strategies loading higher on their local (host country) component, whereas international managers operating at low levels of construal are more likely

	<p>to pursue CSR strategies loading higher on their global (home country) component.</p> <p>Proposition 6: In the context of their home country, managers operating at high construal levels are more likely to pursue the mixture of those local and global CSR strategies allowing them to effectively address local issues, whereas managers operating at low construal levels are more likely to pursue CSR strategies loading higher on well-learned home country component.</p>
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Discussion of the results

The results of the above thesis shed light to the different mechanisms guiding individuals' moral evaluations of managerial and organizational wrong-doing based on the produced consequences of managers' actions as well as the cognitive factors guiding ethical decision making and evaluations of the latter. In particular, what is drawn from the three central studies of this thesis is that intentionality evaluations of managerial and organizational ethicality depend heavily on the consequences of the actions judged and not necessarily on the actors' stated intentions or mental qualities.

Based on this finding, which is empirically proven in the first article of the current thesis, the second study develops a conceptual discussion intended to philosophically analyse the inner motivations guiding organizations to commit to right-doing and wrong-doing based on the belief that evaluations of their actions largely depend on those actions' consequences. Using some illustrative case studies allows to attest to the dependence of intentionality evaluations on actions' produced consequences as well as develop a conceptual framework of moral evaluations of organizational ethicality. Having conferred the above, the thesis moves to the third study intending to explore the way in which managers cognitively process their context and how this cognitive processing is potentially able to affect their ethical decision making and its accompanying consequences.

In particular, the first article of the current thesis confers that the dependence of evaluations of managerial intentionality and responsibility on actions' consequences is guided by specific emotional –negative affectivity- and moral –progressivism- personal characteristics of the judger. The latter reveals that evaluations of a certain state of affairs and in particular the specific consequences produced by ethical actions are dependent on the emotional and moral profile of the judger and that judgers characterized by negative emotions and sensitivity to social injustice produced by organizational actions are very likely to attribute harsher moral evaluations to the actors

committing to those actions. Those findings confirm recent literature citing a dependence of moral evaluations, and in particular intentionality ones, on actions' consequences (Knobe, 2003) as well moral philosophy literature citing a dependence of moral evaluations of intentionality and responsibility on affective states (Wright and Bengson, 2009; Nadelhofer, 2004) and sensitivity to harm and unfairness (Graham et al, 2009; Haidt, 2001).

Through the above findings, the current thesis provides a complementary perspective to business ethics literature discussing intentionality and judgment as inherent components of one's own ethical decision making process (Rest, 1986; Kohlberg, 1984; Ajzen and Fishbein, 1992) and extends nascent business ethics research discussing intentionality evaluations of managerial wrongdoing through shedding light on the underlying mechanisms guiding such evaluations (Wible 2009; Bauman, 2010; Robinson et al, 2013).

Further what is conferred by the second article of the current thesis is that in evaluating the morality of actions based on those actions' consequences, individuals in fact detect and evaluate organizations' indulgent seeking attitudes guiding commitment to ethical or unethical organizational actions. The latter is to say that individuals perceive organizations as concerned about their actions' produced consequences and evaluate organizational tendencies to make up for negative consequences through the production of positive ones. The latter implies that organizational actions are at least partly driven by the anticipated consequences they are likely to produce since organizations likely act on the belief that their actions' consequences will affect the evaluations of the public's intentionality.

On the other side, considering the explosion of organizational scandals disclosed in the news and the fact that the same organizations that are involved in such scandals are often involved in subsequent right-doing intended to the production of social welfare, what is conferred is that such attitudes reflect an indulgent seeking component guiding organizational ethicality. Based on this conceptual framing, the second article of the current thesis develops an analogy between organizational ethicality and the principle of Catholic indulgences of the Catholic church discussing the way in which commitment to good social deeds allows organizations to make up for and/or 'buy out' the negative reputation produced by the unethical activity they have previously committed to.

Through the analysis of this analogy, the current thesis develops a conceptual framework allowing for the evaluation of organizational ethicality through novel lenses. This framework is based on the analysis of the underlying factors guiding evaluations of organizational ethicality and suggests that ethical and unethical actions' consequences reflect the underlying intentions and indulgent seeking attitudes motivating organizational activity and can thus be sufficient criteria to morally evaluate organizations.

The above framework contributes to organizational literature debates exploring the relationship between right-doing and wrong-doing (e.g., Kotchen and Moon, 2012; Muller and Kraussl, 2011) and make a significant contribution to it through proposing indulgent seeking attitudes as a novel lens through which organizational ethicality and in particular organizational intentionality driving ethical actions can be evaluated. Similarly, given that indulgent seeking attitudes have only briefly been discussed in the marketing literature through the ‘forgiveness effect’ (Hwang, 2013), the current conceptual framework transfers those debates to the business ethics literature and analyses the phenomenon in an organizational as opposed to an individual level of analysis. In so doing, the current framework extends current debates in the broader field of management literature and makes a particular contribution to the business ethics one through proposing indulgences as a motivator of organizational behaviour’s consequences and a criterion based on which organizations’ moral intentions can be evaluated by the public.

Last but not least, to further draw linkages between managers’ moral actions and the public’s moral evaluations, the current thesis moves to the third article which discusses processes of managerial meta-cognition affecting the way in which managers interpret their context and how such interpretations guide their subsequent ethical choices and thus the consequences of their actions. Doing so allows to draw further links between the manager as an individual and the consequences of his/her actions and confer conclusions on whether managerial cognition can affect the consequences of actions in turn affecting the way managers will be evaluated by the public (given that action’s consequences are used for ethical evaluation of organizational and managerial activity).

The third article of the thesis contributes to debates seeing ethical decision making as a multilevel phenomenon affected by an interplay of different factors, among which managerial cognition and the surrounding institutional environment (Aguilera et al, 2010), and provides significant insights on the power of cognition in indirectly affecting managers’ moral evaluations. What is conferred is that managers exposed to institutional environments reflecting high psychological distance tend to form high construal levels which guide ethical choices with positive societal consequences whereas managers exposed to familiar institutional contexts reflecting lower psychological distance tend to make ethical decisions with less social relevance whose consequences are less benefiting for the society overall. The latter leads to the conclusion that managerial cognition and the way it is shaped by different institutional contexts is able to anticipate and influence managers’ ethical actions’ consequences; a major factor guiding moral evaluation of managers’ ethical activity. Thus, if managers are conscious of the way their cognition shapes and is shaped across different environments, in turn guiding their ethical decisions, they could use it to potentially enhance their ethical decision making.

Conclusion

Conclusion

How are managerial and organizational actions' consequences used by individuals to guide their evaluations of managerial and organizational intentionality and how do they link to managerial cognition? This is the broad research question that the current thesis intends to answer through the three studies presented above. Going beyond the traditional idea that ethical evaluations depend on actors' stated intentions and mental qualities (Malle and Knobe, 1999), the current thesis builds on the Knobe 'effect' (Knobe, 2003), citing a dependence of managerial intentionality evaluations on action's consequences. Doing so, the current thesis provides novel perspectives on the mechanisms guiding evaluations of organizational ethicality broadly as well as discusses how those can also link to managerial cognition, thus underlying managerial ethical decision making.

In the theory section of the current thesis, the main theories that motivated the current research are mentioned, while in the later parts of the thesis, I analyse the methodological choices and epistemological position of the current doctoral dissertation as well as the main and more specific results of each study. Through the development of those three studies and the explanation of the results, the current research manages to explore different facets of evaluation and development of organizational intentionality and provide answers to the overarching research question.

With the development of those studies, the current thesis manages to transfer moral philosophy debates to the business ethics literature and explain the underlying mechanisms guiding individuals' evaluations of managerial and organizational wrong-doing. What is conferred is that through a process of evaluation of a current state of affairs brought about as a result of organizational activity, individuals proceed to inferences of organizational actors' intentionality. In particular, the study confirms a heavy dependence of intentionality evaluations on action's consequences and extends those to responsibility evaluations to confer conclusions on whether the bases guiding different aspects of moral evaluation are similar or not.

To do so, in the first part of the current thesis, I draw heavily on recent moral philosophy debates on moral emotions to identify underlying personal mechanisms guiding individuals' moral evaluations of intentionality and responsibility. In particular, I focus on an affective personal characteristic, negative affectivity, and a moral attitudinal one, progressivism, to confer conclusions on the moral and emotional mechanisms guiding distinct moral inferences and in particular intentionality and responsibility.

The findings of the first experimental study show that the bases that people use to evaluate intentionality and responsibility are distinct in nature, with intentionality being driven by affective mechanisms and responsibility by moral attitudinal characteristics. In particular, in evaluating intentionality, judges seem to evaluate actions' consequences through identifying with

actors' psychology and inner intentions whereas in evaluating responsibility, judges seem to use consequences to identify culpability in actors' actions and assign blame. The latter findings reveal different dynamics guiding distinct aspects of moral evaluations and open a way to a more thorough conceptual discussion on how individuals use the consequences of actions to confer moral evaluations of organizational wrong-doing.

Having discussed the above mechanisms, the current thesis extends those findings to an organizational level to develop a conceptual framework discussing the detection of indulgent behaviours in the way individuals use consequences to assign intentionality to organizational actors' ethical behaviours. In so doing, the second article of the current thesis cites a dependence of evaluations of organizational ethicality on actions' consequences and develops a conceptual framework proposing indulgences as a novel lens through which organizational intentionality can be evaluated.

In particular, using the principle of Indulgences of the Catholic Church, the current thesis proposes a novel perspective to evaluations of organizational ethicality. In this conceptual discussion, I propose that in developing evaluations of organizational intentionality, individuals evaluate the relative consequences of organizational right-doing and wrong-doing and the extent to which organizational actors keep repeating the wrong-doing of which they have been previously accused, to confer evaluations of the extent to which organizations demonstrate a genuine will to make up or not for the previously committed wrong-doings.

Using good and bad organizational actions' consequences as a central criterion for moral evaluation of organizational ethicality, the latter discussion results in a conceptual spectral framework proposing three different types of potential indulgent seeking attitudes, *proper indulgence*, *abuse of indulgence* and *organizational impostorism*. The latter framework contributes to current business ethics debates through uncovering the underlying motivations leading organizations to engage in right-doing following wrong-doing as well as the way individuals use the consequences of organizational wrong-doing and right-doing to confer assignments of organizational intentionality.

Having discussed actions' consequences as a major element guiding evaluations of managerial and organizational intentionality, the current thesis approaches the phenomenon of interest on the side of managerial cognition and attempts to see whether managerial cognition can affect and control the consequences of the managers' ethical actions and thus potentially the way in which those actions are evaluated by the public. In particular, the third article of the current thesis is built around a conceptual discussion drawing heavily on the main principles of construal level theory citing a dependence of cognitive representations of environmental events on individuals' perceived

psychological distance in any given context (Liberman and Trope, 1998).

Using the main assumptions of construal level theory, I argue that managerial cognition is affected by the psychological distance that managers perceive in the different environments where they operate and this in turn affects their ethical decisions. In particular, the third study argues that when managers perceive high psychological distance, they are more likely to make ethical decisions benefiting the local context while when they are perceiving low psychological distance, they are more likely to make ethical decisions with less consideration to the social consequences of their actions and thus more likely to harm the local social context.

Through the developed propositions, the third article of the thesis shows that managerial cognition can guide the consequences of ethical managerial decision making. Considering the latter in light of the results of the two first studies of the current thesis, citing a dependence of moral evaluations on organizational actions' consequences, the third article shows that if managers are able to program and control their cognition towards making more ethical choices, they can enhance the positive consequences produced by their ethical actions and thus enhance their moral profile and gain more positive moral evaluations by the public.

The different projects of the current thesis have been presented in various academic seminars and conferences such as the Academy of Management conference, the European Academy of Management, the European Group for Organizational Studies (EGOS) and the Latin American group for Organizational Studies (LAEMOS) and have ignited interesting academic discussions among evaluators and colleagues. Moreover, two of the three articles have been submitted to academic journals and have been accepted for further consideration by the Editors. In particular, the first paper of the current thesis is currently under revision in *Business Ethics Quarterly* while the second one was recently published in the international journal *M@n@gement*.

The following part of the conclusion is organized as follows: First, I present the theoretical contributions as well as the managerial implications of the current research and then proceeds to the discussion of the limitations and avenues for future research.

Theoretical Contributions

The current research contributes to current business ethics debates on moral evaluations of organizational and managerial ethicality and in particular intentionality through transferring recent findings from the moral philosophy to the business ethics literature. To do so, the current thesis explores the underlying factors guiding individuals to confer ethical evaluations to organizational actors based on their actions' consequences as well as develops a conceptual framework capturing the way in which individuals evaluate organizational intentionality based on the indulgent seeking component guiding the production of certain consequences in the societies in which organizations

operate. Last but not least, the current thesis discusses the way by which cognitive mechanisms are likely to guide the production of certain ethical consequences to draw conclusions on the way in which managers can probably anticipate how they will be evaluated by the public.

At a first place, the current article completes business ethics debates discussing intentionality and judgment as inherent to one's own ethical decision making (Rest, 1986; Kohlberg, 1984) and focuses on moral evaluation of other actors' ethical decisions and behaviors as well as the exploration of the factors guiding such evaluations. In particular, extending the Knobe 'effect' (Knobe, 2003) to the business ethics literature, the current thesis attests to the dependence of intentionality evaluations on actions' consequences and transfers this finding to responsibility evaluations, thus informing nascent debates in the field (Robinson et al, 2013; Bauman, 2010; Wible, 20019). Further, exploring the underlying mechanisms guiding the dependence of intentionality evaluations on actions' consequences and building on literature citing an affect driven-bias underlying intentionality evaluations of others' actions (Nadelhoffer, 2004; Wright and Bengson, 2009), the current thesis cites emotional and moral-attitudinal personal characteristics as main drivers of managerial actions' intentionality and responsibility evaluations. In so doing, the current thesis contributes to nascent business ethics debates (Bauman, 2010; Robinson et al, 2013) through transferring insights (on the underlying mechanisms guiding intentionality and responsibility evaluations of managerial and organizational actions) from the moral psychology to the business literature.

Furthermore, developing a framework for moral evaluation of managerial wrong-doing, the current thesis contributes to current organizational debates on the relation between organizational right-doing and wrong-doing (Kotchen and Moon, 2012; Muller and Kraussl, 2011; Rodgers, Söderbom and Guiral, 2014) and proposes indulgence-seeking attitudes as a new lens through which organizational intentionality can be evaluated on the bases of organizational actions' consequences. Through the development of the latter conceptual framework, the current thesis proposes a novel lens through which organizational ethicality can be evaluated and provides new perspectives on the mechanisms guiding moral evaluation of organizational ethicality.

Last but not least, the current thesis takes a multilevel perspective to the question of managerial ethicality and discusses cognition as one of the many factors guiding managerial decision making and its accompanying consequences. In so doing, the current thesis contributes to nascent debates viewing CSR and ethical decision making as a multilevel phenomenon (Aguilera et al, 2010) and adds further insights to current literature citing cognition as a major factor guiding ethical decision making (Stubbart, 1989). In so doing, the third article completes the results of the two first ones through conferring that managers are able to cognitively anticipate and affect the consequences

of their ethical actions; which will act as criteria of their moral evaluations by the public.

Managerial Implications

Beyond the above mentioned theoretical implications, the findings of the current thesis also have significant implications for managers and organizations. In particular, through confirming and extending the effect of actions' outcomes on evaluations of managerial and organizational intentionality, the current thesis provides new insights to managers and organizations as per the factors guiding the evaluations of the intentionality triggering their ethical activity. Knowing that such evaluations depend on actions' consequences as opposed to managers' stated intentions, managers can be more considerate towards the consequences of their ethical actions and thus inform their ethical decision making on the bases of the potential produced consequences.

In other words, knowing that they will be seen as having intentionality or responsibility for the production of actions producing negative consequences, managers can start making ethical decisions with minimal negative societal consequences in order to not be seen as intentional. Thus, taking into consideration the findings of the current thesis, managers can enhance their ethical decision making overall and make decisions whose actions can enhance social welfare broadly.

Further, knowing that the comparison of the consequences produced by organizational wrong-doing and right-doing is likely to guide evaluations of indulgent seeking attitudes motivating organizational behavior as well as the broader evaluations of the intentionality guiding managerial and organizational actions, will help managers enhance their ethical decision-making. Hopefully considering those findings will lead managers to develop more consistent ethical policies in their overall strategy through minimizing ethical behaviors causing societal harm and intensifying repetitive involvement in initiatives enhancing social welfare overall.

Last but not least, considering the results of the third paper suggesting that managerial cognition interplays with institutional context in shaping CSR choices and ethical decision making as well as its accompanying negative or positive consequences, organizations can select the right profile of managers for their international expansion plans such as to enhance their positive impact and ethical reputation in the societies within which they operate. In particular, knowing that familiar contexts shape cognition in a way that leads managers to make less ethical decisions while unfamiliar institutional contexts are cognitively processed to lead managers to make decisions with more positive societal consequences, organizations can select, for international assignments, managers with little familiarity with foreign contexts to enhance their positive societal impact and overall reputation in the institutional contexts across which they operate.

Further knowing that managerial cognition guides the production of certain social consequences –positive or negative- across different institutional contexts, managers can try to

understand and ‘program’ their cognition in order to become more conscious of their ethical decisions and their accompanying consequences, given that those consequences will later be used by the public to evaluate intentionality of managerial ethical activity.

Taking into account the findings of the current thesis globally, promises to allow managers and organizations to enhance their ethical decision making through paying particular attention to the anticipated consequences of their ethical decisions. In that way, organizations can manage to minimize societal harm and injustice caused by unethical activity and enhance their positive impact in the societies within which they operate, thus enhancing also their ethical evaluations by the public.

Limitations and Future Research

As explained above, the current thesis intends to shed light on the mechanisms guiding individuals’ evaluations of managerial and organizational intentionality. Beyond the significant findings, which as mentioned above offer different contributions to management research and practice, some limitations remain. A detailed mention of the limitations of each research article of this thesis has been mentioned in the relevant sections of each article. Here, I will provide some general limitations which might be observed throughout my methodological and theoretical choices in my effort to answer the overarching research question at stake as well as the sub-questions of each article.

First, the first study of the current thesis has been built on the same experimental design as the original Knobe study (2003) thus not offering a significant empirical contribution per se, beyond the theoretical and managerial ones it provides. However, given that the phenomenon of interest, the Knobe effect, has only been proposed in moral philosophy literature so far (Knobe, 2003) and its exploration remains nascent in the field of business ethics, I considered it crucial to repeat the same Knobe experimental design in order to make sure that the study through its methodological design is able to answer the research question at stake and transfer the phenomenon of interest in the field of business ethics. Besides the fact that replicating research findings with the use of different samples is itself of some value, in this case the replication of the same experimental design is not just limited to the replication of the exact same phenomenon, since the study extends the original Knobe findings to other aspects of moral evaluation (beyond intentionality), in particular responsibility.

Further, the use of novel concepts whose analysis has been limited in organizational literature might require the validation and extension of those findings across different study contexts. The latter will also ensure validity of the constructs (in particular progressivism) across study contexts as well as test the practical application of the concepts (indulgent seeking attitudes) in the business world. However, through the use of novel constructs and concepts, the current research manages to extend nascent debates in the business ethics field as well as provide novel perspectives through

which organizational ethicality can be evaluated. In so doing, the current thesis opens avenues for future research to further explore underlying factors guiding the effects of actions' consequences on intentionality evaluations of managerial and organizational ethicality.

For instance, to confirm and build on the current findings, future research could develop new experimental designs or surveys to identify more factors guiding evaluations of intentionality and responsibility of managerial wrong-doing. What is more, building on the conceptual discussion around the indulgent seeking component guiding organizational practice as well as the role of managerial cognition in guiding ethical decision making, future researchers could try to empirically confirm the existence of such tendencies through the conduct of interviews in real business contexts. The latter would succeed to evaluate the application of the proposed conceptual frameworks in a real business context as well as extend those to account for other factors actually guiding the ethical decisions of managers and organizations as well as the way those are evaluated by the public.

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