

# **DOING GOOD IN BUSINESS**

**Examining the importance of morality in  
business contexts**

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# **DOING GOOD IN BUSINESS**

Examining the importance of morality in business contexts

**Onderzoek naar het belang van moraliteit in zakelijke contexten**

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## CHAPTER 1: GENERAL INTRODUCTION

*“It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest.” Adam Smith*

*“Capitalism isn’t immoral, it’s amoral” Bono, lead singer U2*

As the world is dealing with the COVID-19 pandemic, two competing thoughts are emerging about how businesses should/will behave in the new era. Some people, like the CEO of Ryanair, believe that Corporate Social Responsibility (CSR), corporate social or environmental activities that focus on outcomes beyond financial results (Aguinis, 2011; Rupp, Williams, & Aguilera, 2011), will be moved to the backburner as businesses will be forced to focus on profitability first just to survive. Others, like Paul Polman, ex-CEO of Unilever, believe in “building back better”, meaning that business should use this time to re-focus their efforts on CSR activities. CSR activities are deemed to be activities demonstrating ethical or moral concerns of businesses (Carroll, 2016), therefore effectively, those statements reason respectively against and for considering morality as a part of business decision making. While the situation of the global pandemic is exceptional, the arguments presented above seem to be a replay of an old debate about whether morality is important in a business context. Historically, based on the line of thinking from economics, an “economic person” was supposed to be selfish and focused on maximizing their own utility, which usually assumed to maximize economic benefits to themselves and presumably not considering the moral side of their actions (Kliver, Frazier, & Haidt, 2014). On an organizational level, a similar line of thinking of maximization of own utility led to the statements in the second half of the 20<sup>th</sup> century from the Economics Nobel Prize winner Milton Friedman, who proposed that ‘the social responsibility of a business is to increase its profits’. Recently most companies seemed to have embraced CSR activities (KPMG, 2017), thus

recognizing the importance of considering the interests of not only owners and investors but also other stakeholders such as employees, customers and the general community (Freeman, 1994). Yet, current evidence suggests that not all companies benefit equally from CSR activities in terms of stakeholders' support (Alves, 2009; Torelli, Monga, & Kaikati, 2012). This leads to a question of whether and why CSR activities, as corporate moral behavior, are important to different stakeholders. Moreover, it is necessary to examine when CSR "works" and is effective and when it is less effective and becomes more peripheral to people's evaluations.

I address those questions in the current dissertation by examining reactions to positive moral behavior in business contexts from a social psychological perspective. The aim of the current work is to shed more light on what happens when companies or individuals engage in CSR and how communications about CSR activities impact on reactions of relevant stakeholders. This dissertation draws upon social judgment and impression formation theories to explore the socio-cognitive processes that shape the reactions of different people to CSR communications. In the current chapter (Chapter 1) of this dissertation, I address the relevant theory and explain how the subsequent empirical chapters (Chapters 2,3,4,5) fit together.

Chapter 1 is structured as follows. First, I explain a relevant social psychological theory about key dimensions that determine people's evaluations and support for others. Second, building on Social Identity Theory, I present a general model outlining the relationship between CSR communications and stakeholders' support. After that, I expand the general model by proposing a number of key moderators and mediators that can help to explain the relationship between CSR communications and stakeholders' support. Finally, I test the boundary conditions of the proposed model by examining a number of additional theoretically relevant moderators.

The empirical chapters provide support for the proposed model. Namely, in Chapter 2, I demonstrate how morality vs. competence can be applied to people's perceptions of companies and how CSR communications affect stakeholders' support. I examine this in Western Educated Industrial Developed (WEIRD) and non-WEIRD countries (Henrich, Heine, & Norenzayan, 2010b), demonstrating that the mechanism applies in both contexts. Given that people rarely have neutral views of companies or other individuals, in Chapters 3, 4 and 5, I focus on how a priori images of morality vs. competence or relationships with companies impact on reactions of stakeholders' to CSR communications. In Chapter 3, I demonstrate how the a priori image of morality vs. competence of a company affects stakeholders' support as a result of CSR communications. I examine the mediating role of perceived motives for the relationship between CSR communications and stakeholders' support. In Chapter 4, I examine how a priori perceived morality vs. competence of a professional group of investors and business owners that was negatively stereotyped in the moral domain, impacts on reactions of this group to CSR communications, in particular, on motivation to engage in CSR as a moral behavior. In Chapter 5, I focus on environmental CSR communications to show that the mechanisms applicable to general CSR communications also work in the specific case of environmental activities. I look at the reactions of actual employees, who already have a certain a priori relationship with a company, which can be measured by organizational identification. I examine the boundary role of a priori organizational identification in reactions of employees to CSR communications.

### **Impression formation: two dimensions for evaluations of others**

People assess other individuals and groups on the basis of two key dimensions. Although different approaches have emphasized slightly different aspects of these dimensions and use different labels, the two key dimensions can generally be interpreted as referring to task ability

(competence/agency) vs. beneficial interpersonal intentions towards others (morality/communion/warmth) (Fiske, Cuddy, & Glick, 2007; Goodwin, Piazza, & Rozin, 2014; Leach, Ellemers, & Barreto, 2007; Wojciszke, 1994). These dimensions are generally seen as offering an evaluative shortcut for our assessment of whether others might be useful allies who are capable of helping or might be dangerous as they might have negative intentions and, thus, should be viewed as our potential enemies who are capable of harming (Cuddy, Fiske, & Glick, 2008). We know that those key dimensions capture distinct behavioral features of various targets (Wojciszke, 1994) and account for over 80% of the variance in our impressions of others (Wojciszke, Bazinska, & Jaworski, 1998).

Examining multiple research lines, we note that both warmth and communion measurements have consistently included elements of morality (such as perceived trustworthiness) as well as elements of perceived sociability (such as general friendliness) e.g. (Abele, Hauke, Peters, Louvet, & Szymkow, 2016; Shea & Hawn, 2019). Focusing on the morality aspect of relational judgments (indicating perceived trustworthiness) is particularly relevant. Recent studies in social psychology present a convincing body of evidence that morality (to a larger extent than the sociability aspect of relational judgments) impacts on our impression formation of others (Brambilla, Carraro, Castelli, & Sacchi, 2019; Brambilla & Leach, 2014; Goodwin et al., 2014; Landy, Piazza, & Goodwin, 2016; Leach et al., 2007; Pagliaro, Sacchi, D'Angelo, Brambilla, & Ellemers, 2013). Thus, in the present research, we specifically focus on morality to evaluate how this dimension, in addition to competence, affects people's impression formation of others.

Using judgments in terms of morality and competence for evaluation of others has mostly been examined in the context of people's impressions of other human targets such as other individuals and groups (see also for additional examples Leach, Bilali, & Pagliaro, 2015; Pagliaro,



Ellemers, Barreto, & Di Cesare, 2016; Ellemers, & van den Bos, 2012). Only recently, researchers started to apply these dimensions of social evaluation to the emerging theory on how people develop impressions of nonhuman subjects and targets such as companies and brands (Kervyn, Fiske, & Malone, 2012; Mishina, Block, & Mannor, 2012; Shea & Hawn, 2019). Ashforth, Schinoff, & Brickson, 2020 (2020) summarized this latest trend in the organizational behavior literature to apply the findings from social psychology that people tend to anthropomorphize nonhuman targets, such as organizations (Epley, Waytz, & Cacioppo, 2007). This recent work argued that anthropomorphizing of companies happens because it fulfills two key psychological motives: sensemaking (it provides a framework to predict the behavior of companies) and social connections (“turning the inanimate and amorphous collective into a seemingly relatable human”; p. 39, Ashforth et al., 2020).

Based on this prior work, I propose that findings about the way people form impressions of other individuals or social groups should also apply to companies (Mishina et al., 2012). Yet, this is not self-evident, as there also are fundamental differences between evaluating humans and companies that may impact upon this process. Specifically, and relevant to my current investigation is the notion that organizations, unlike individuals, can undergo substantial ‘character’ change, for instance, when a new CEO changes the strategy. To illustrate, when Paul Polman, then a CEO of Unilever, championed sustainability efforts, CSR “suddenly” became more important and Unilever was generally more viewed as a company active in sustainability. Furthermore, the process of anthropomorphizing nonhuman targets is not straightforward from a psychological perspective. Namely, social cognition and neuroimaging research shows that activation of specific regions of the human brain (medial prefrontal cortex) was greater for impression formation of people than other targets, this suggests that people process impressions about individuals and

nonhuman subjects differently (Mitchell, Macrae, & Banaji, 2005). Thus, it is relevant to study whether impression formation findings about individuals can be generalized to nonhuman subjects (Gawronski et al., 2018). I address this need in my dissertation by applying the key impression formation dimensions of humans, morality and competence to how individuals evaluate companies.

### **What does it mean when stakeholders support a company?**

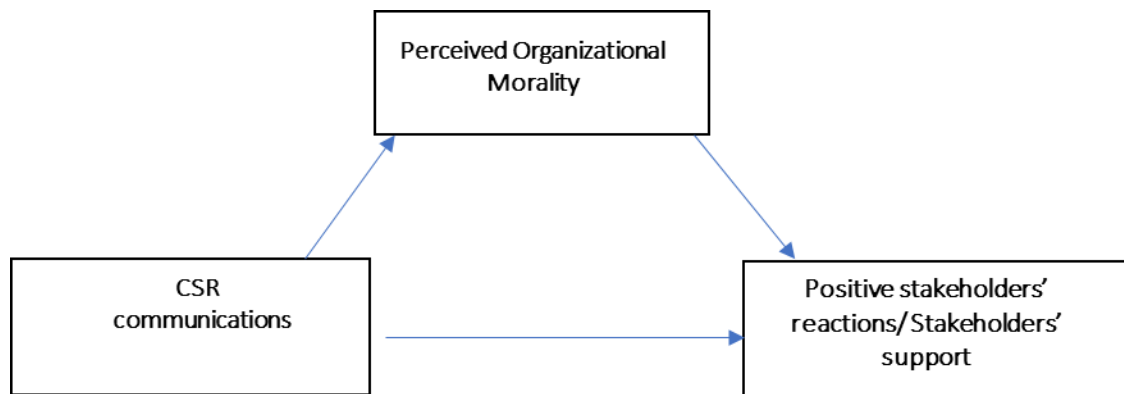
Based on Social Identity Theory (Tajfel, 1974; Tajfel & Turner, 1979, 1986), it has been argued and shown that perceived characteristics of an organization determine its subjective attractiveness, and drive the willingness of employees to associate with that organization (Ashforth & Mael, 1989; Ellemers, De Gilder, & Haslam, 2004; Haslam, Postmes, & Ellemers, 2003). Thus, if certain features of a company are perceived to be attractive, those features should lead to an increase in employees' support. Furthermore, people tend to identify with companies not only as employees but also as consumers (Fennis & Pruyn, 2007; MacInnis & Folkes, 2017; Stokburger-Sauer, Ratneshwar, & Sen, 2012; Tuškej, Golob, & Podnar, 2013) and owners (Long, 1978; Ashforth, Harrison, & Corley, 2008; Johnson, Morgeson, Ilgen, Meyer, & Lloyd, 2006). That means that if CSR activities are making certain perceived characteristics of a company more attractive then this should lead to an increase in stakeholders' support.

However, the impact of CSR might also vary depending on which stakeholders the company addresses or what type of CSR activities companies engage in. Different stakeholders such as business owners, customers, employees, or the general public have different, and it is sometimes argued, competing interests. For example, business owners might want to maximize the profits of companies. Employees might be more interested in being treated fairly. Customers might be interested in paying as little as possible for good quality products, all other things being equal. These different perspectives and interests may influence what stakeholders look for in

evaluating a company and how they evaluate its CSR activities. Furthermore, CSR encompasses different activities, and some actions seem more directly relevant for some stakeholders than for others. For instance, providing social support to employees, can be seen to be directly benefiting employees, and thus is likely to increase employees' support. However, for other CSR activities such as environmental activities, it is much less clear which specific stakeholder group might benefit from this, and therefore it is less clear how those activities would influence evaluations of companies. These differences in stakeholders' interests led to the reasoning that CSR activities should be examined on a stakeholder by type of CSR activity "fit" basis (Jong & Meer, 2017).

While recognizing that this "fit" approach can lead to relevant conclusions for the reactions of stakeholders' to CSR, it can also lead to fragmentation of CSR literature. Thus, it is necessary to consider if CSR might impact on certain perceived characteristics of companies that can be potentially relevant and seen as attractive by all stakeholders. Generally, CSR activities imply that a company is focusing on something above and beyond of what is strictly speaking required by law (McWilliams & Siegel, 2001). One of the recognized key goals of the company is to make a profit. When organizations engage in CSR, this generally cannot be explained from profit-making motives, or from legal requirements. Examples of CSR activities include introducing additional measures to attract minority groups or better accommodating employees or customers with disabilities. Behaving responsibly is generally seen as ethical (Carroll, 2016) or 'morally good', and hence this might improve the perceived morality of a company. Over the years, research, inspired mostly by reasoning based on social identity theory, has demonstrated that morality is particularly important for our assessment of other people, especially when these others somehow relate to the self (Goodwin et al., 2014; Leach et al., 2007; Wojciszke et al., 1998). So since employees, consumers and owners tend to identify with companies, even in a business context, the

perceived morality of an organization would have an impact on the evaluations of companies by various groups of stakeholders. Moreover, perceptions of organizational morality have been found to be at least as important as perceptions of organizational competence in attracting and committing the support of relevant stakeholders (van Prooijen & Ellemers, 2015; van Prooijen, Ellemers, Van der Lee, & Scheepers, 2018). Thus, in business contexts as well, an increase in perceived organizational morality should lead to an increase in the desire to associate the self with the company i.e. to increased intentions to buy companies' products, to work for a company and generally feel positive about identifying with a company. So if learning about CSR activities would enhance the perceived morality of the company, the perceived morality of the company is likely to mediate the relationship between learning that a company is engaged in CSR activities and increased stakeholders' support for this company. To summarize, I present below a general model outlining the proposed relationship between CSR communications, perceived organizational morality and stakeholders' support. The follow-up sections of Chapter 1, will build on this general model by adding additional features that explain the outlined relationship.



*Figure 1.1* General model impact of CSR communications on stakeholders' support

## **How do stakeholders' perceived motives impact the reactions of stakeholders to CSR communications?**

People don't always take information they receive at face value. They try to infer why this information was provided or what possible motives there would be for acting in a particular way. This is why it is necessary to examine how people perceive the information they receive and what causes different interpretations of the same information. People can simultaneously infer multiple motives from the information about targets' behaviors, and on the basis of those perceived motives, people form their judgments of targets (Reeder, Vonk, Ronk, Ham, & Lawrence, 2004). This means that CSR communications can also cause the perceivers to infer different reasons for why companies engage in CSR activities. Thus, in addition to perceiving the company to be more moral as a result of CSR activities, people can attribute various reasons explaining to themselves why the company is doing CSR. In particular, people are able to distinguish between business or self-serving and moral or other serving reasons for engaging in CSR. Drawing parallels with the assessments of perceived motives of human targets (Ariely, Bracha, & Meier, 2009), prior researchers have suggested that the extent to which companies are seen as engaging in CSR for "extrinsic"/profit-oriented (vs. "intrinsic"/moral) motives will result in a punishment of those companies by a reduction in positive evaluations of stakeholders (Chernev & Blair, 2015; see Du, Bhattacharya, & Sen, 2010 for review).

However, this delineation of stakeholders' evaluations along a single profit-oriented ("negative") vs. moral ("positive") dimension seems too simplistic (Ellen, Webb, & Mohr, 2006). Furthermore, it appears that the notions of various perceived motives are sometimes confounded (Elving, 2013). Hence, it is crucial to distinguish between perceived business motives (i.e. company does CSR for business-related reasons), perceived moral motives (i.e. company does

CSR for moral or ethical reasons or the reverse of thereof company does CSR for unethical reasons) and different type of perceived motives, which I call *suspicion of image laundering* (i.e. the notion of questioning the motives of a company for the provision of CSR information and specifically inferring that a company is trying to hide something). From an informational consistency perspective (Festinger, 1957), it seems reasonable to assume that people generally expect companies (excluding not-for-profits or communal focused organizations (Mcgraw, Schwartz, & Tetlock, 2012; Newman & Cain, 2014) to generate some profit to secure long term survival, and hence to act for business-related motives such as attracting customers. Indeed, nowadays, many companies and consumers operate on the assumption that concerns with profitability and business interests can go together with sustainability efforts (Porter & Kramer, 2011). Accordingly, it was observed that, unlike with evaluations of humans (Ariely et al., 2009), when people evaluate companies, reminding people that a company is a profit-making entity in itself did not reduce the general perceived favorability of that company (Newman & Cain, 2014). Therefore, the perception that a company does something for business reasons should not necessarily undermine stakeholders' support. Thus, I would argue that it is necessary to distinguish suspicion of image laundering, a construct that measures greenwashing from perceived business motives. Suspicion of image laundering addresses the perception that the company highlights its engagement in CSR activities as a way to compensate for less positive actions or shortcomings, and it captures the suspicion that there is a gap between communications about CSR initiatives and reality. Thus, suspecting a company of image laundering would have a negative impact on stakeholders' support, while the perception that a company engages in CSR activities for business motives will not have a negative effect on stakeholders' support. Importantly, I argue this is the

*perception or suspicion* of image laundering, and it occurs regardless of whether companies report actual CSR activities or whether they present fake reports.

Yet, because investing in CSR activities is generally seen as a valid way for companies to do what is good and moral and it increases perceived organizational morality, I anticipate the general public can also perceive that companies are doing CSR for moral reasons. The perception that a company engages in such activities for moral reasons would also be viewed as positive signaling about the prosocial intentions of a company (Ariely et al., 2009). Thus, the perception that the company has moral reasons for engaging in CSR activities has positive effects on stakeholders' support, and it should mediate the relationship between the initial image of a company and stakeholders' support.

Finally, it is necessary to examine whether suspicion of image laundering is conceptually distinct from expectancy violation (Bond et al., 1992; Brannon & Gawronski, 2018; Gawronski & Brannon, 2019), which more generally reflects the extent to which new information comes as a *surprise* to participants. Expectancy violation has been previously linked to suspicion (Fein, 1996; Hilton, Fein, & Miller, 1993). Expectancy violation was also shown to be applicable in organizational research for situations where there was a discrepancy between a positive image of companies and negative news about the company (Gomulya & Mishina, 2017; Rhee & Haunschild, 2006; Zavyalova, Pfarrer, Reger, & Hubbard, 2016; Zavyalova, Pfarrer, Reger, & Shapiro, 2012). While suspicion of image laundering may also stem from the fact that information is unexpected, this construct additionally captures the perception that there are hidden motives behind CSR messages.

## **Boundary conditions that impact positive stakeholders' reactions to CSR communications: a priori morality vs. competence organizational image**

Of course, these mechanisms described above are not always exactly the same, and there might be conditions where this doesn't work, or where this works differently. What is the nature of such conditions, why are these important, and how can we examine them? I propose that there are at least two types of conditions that matter: 1) conditions that relate to the target (its a priori morality image vs. competence image); 2) conditions that relate to the perceiver (perceiver's a priori connection to the company). I now consider these two conditions in turn.

As it was noted earlier, some companies seem to be benefiting more from CSR communications than others and some scholars even argue that the effects of providing CSR information are not always positive for some companies (Peloza & Shang, 2011; Torelli et al., 2012; Yoon, Gürhan-Canli, & Schwarz, 2006). In this context, it is important to note that CSR messages of some companies are not taken at face value. Recent research presents paradoxical findings: in general, sustainability communications were found to be rarely misleading, meaning that companies usually publicize their actual CSR activities and they don't make up fake CSR activities for the reports (Seele & Gatti, 2017), yet stakeholders and media often are don't believe in corporate reports about CSR (Pope & Wæraas, 2016). Some even state that false CSR claims are "everywhere" (Alves, 2009). Thus, it is not fully clear why some companies benefit less from CSR communications than others. Prior work explained this by specific CSR incongruence between industry features (such as oil companies presumably polluting the environment) and environmental CSR activities. Ostensibly, that would mean that if an environmentally polluting oil company was communicating about CSR focused on employees or customers, then people would take these communications at face value and reward the company with positive evaluations.



I question if that would be the case. In fact, I propose that there is more fundamental assessment inconsistency between companies' image and, in particular, a company's moral image and subsequent moral behavior message as conveyed by CSR communications. People generally are in the dark about CSR activities of companies (Du et al., 2010). Hence, CSR communications usually have news value. New information about people or companies, such as CSR communications, is not pictured on a blank canvas (Brannon & Gawronski, 2017; Gawronski & Bodenhausen, 2014; Starbuck & Milliken, 1988). Since morality and competence account for 80% of the variance in evaluations of others, I argue that the impressions we form on the basis of information provided would be influenced by *a priori* images of morality and competence. Prior images of morality and competence may stick and influence the way people perceive and interpret new information. We know that - when thinking about their own image in the eyes of others- people are more concerned about how others perceive their morality than their competence. For example, Pagliaro et al., (2016) revealed that people are concerned about their moral image in particular because they anticipate that it will be difficult to repair their moral image once it is damaged. This suggests that people generally consider moral impressions as stickier and anticipate these will be more resilient to the incorporation of new information. I argue that since - for social targets- initial impressions are more affected by morality traits than competence traits (Goodwin et al., 2014; Wojciszke et al., 1998), initial images of the morality of companies may stick even more than initial images of competence. Thus, if people believe that others view their moral image positively, then they would feel more encouraged, and they would engage in moral behavior i.e. a virtuous cycle of moral behavior. On the other hand, if people believe that their moral image is viewed negatively by others, people would experience threat (Lee, Ellemers, & Scheepers, 2016;

Täuber & van Zomeren, 2013) and they would be less inclined to engage in moral behavior i.e. a vicious circle of moral behavior.

In business contexts, it was shown that the negative moral image of certain industries is more problematic and more difficult to cope with for people working in those industries than a negative competence image (Ashforth & Kreiner, 2014; Stanley, Davey, & Symon, 2014). Hence, I propose virtuous and vicious cycle processes described above will also apply to companies – the existing moral image is more likely than the existing competence image to persist in the face of novel information and to influence the way people interpret new behavioral information about CSR activities of a company.

#### **Boundary conditions that impact positive stakeholders' reactions to CSR communications: a priori identification**

I argued that people could react differently to CSR messages depending on a priori impressions of the morality and competence of companies. Recent research shows that people react differently to CSR communications depending on their a priori political affiliation (Druckman & McGrath, 2019; Feinberg & Willer, 2013; Wolsko, Ariceaga, & Seiden, 2016). In a business context, both customers and employees would already have a certain *a priori* image of a company, which might not be easily influenced by new information about the company's CSR efforts. This can be particularly true for employees who interact with a company on a daily basis and have formed established views of what the company's actual values are. This can represent an important boundary condition that likely relates to variables that can moderate the relationship between CSR communications and stakeholders' support.

Prior social psychological research demonstrated that people tend to react differently depending on the degree to which they associate with a group (i.e. group identification) (Derks,

Scheepers, Van Laar, & Ellemers, 2011; Doosje, Branscombe, Spears, & Manstead, 1998, 2006; Tanghe, Wisse, & van der Flier, 2010). Earlier work showed that high identifiers seem to be generally more involved with their group, they derive more self-esteem from their group membership than low-identifiers, and they generally react more positively to appeals from their group members or related to their group membership (e.g. Derks, Laar, & Ellemers, (2009).

In business contexts, employees’ reactions to various organizational actions or communications are also not always uniform. Prior work suggests that responses of employees can differ depending on the degree of organizational identification (Bartels, Douwes, De Jong, & Pruyn, 2006; Cremer, 2005; Tangirala & Ramanujam, 2008; Umphress, Bingham, & Mitchell, 2010). Therefore, it is likely that employees who are high-identifiers will react more positively to positive messages from their company, including CSR messages. Thus, high-identifiers employees will be more positively influenced by CSR messages of their company.

Below, I introduce a graphic representation of the proposed model.

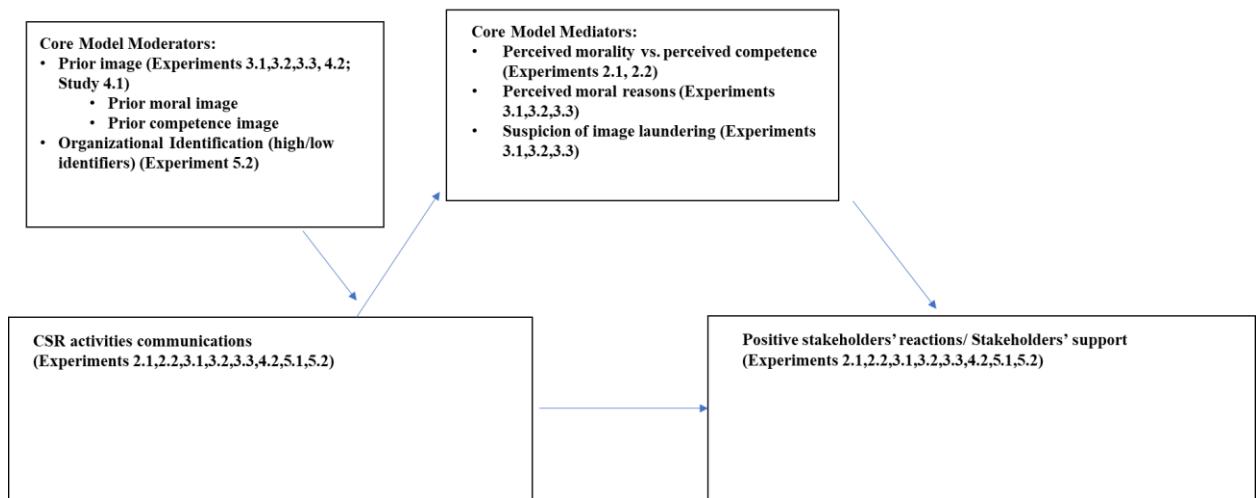


Figure 1.2 Extended model impact CSR communications on stakeholders’ support

## **What is new about the proposed model? Relevant additional moderators for stakeholders' support and their influence on the core model**

In addition to the two key boundary conditions I examined above, there are different other kinds of related concepts and processes which were proposed to influence the impact of CSR communication on stakeholders' support. I would like to address a number of likely alternative factors from the literature such as national context where the perceivers and companies are based (Mueller, Hattrup, Spiess, & Lin-Hi, 2012), the content of CSR messages or the stated reasons for CSR (business vs. moral) (De Vries, Terwel, Ellemers, & Daamen, 2015) and type of CSR (human-focused vs. environmental) (Ellemers, Kingma, van de Burgt, & Barreto, 2011; Farooq, Rupp, & Farooq, 2017). I would like to examine some of those moderators. Importantly, I propose that while those moderators indeed play a role in explaining the boundary conditions between CSR communications and positive stakeholders' reactions, the mechanisms outlined in the core model should work regardless of those moderators.

*National context as a moderator* National context was shown to influence the relationship between CSR activities and stakeholders' positive reactions. For example, it was found that CSR was stronger correlated to the affective commitment of employees in countries with stronger future orientation and lower power distancing (Mueller et al., 2012). Different lines of the research argue that CSR in developed and developing countries should be examined differently as it has different antecedents (Jamali & Karam, 2018; Jamali & Mirshak, 2007). Yet, I argue that since morality and competence were found to be equally applicable in various cultural contexts and in developed and developing countries (Cuddy et al., 2009), then the mechanisms explaining the core psychological mechanisms behind the CSR model would work in a similar fashion regardless of the specific country context.

*Message framing as a moderator* As I noted earlier, people can infer different motives when learning about CSR communications. That means that companies can explicitly state their motives for communications to try to influence stakeholders' evaluations of CSR into the desired direction and "to help" stakeholders interpret the actions of a company. Thus, explicit message framing can work as a moderator for the relationship between CSR communications and the positive reactions of stakeholders. Some prior research suggests that explicitly communicating competence vs. moral reasons for CSR behavior can have an impact on the perceived favorability of a company (Forehand & Grier, 2003; Mayer, Ong, Sonenshein, & Ashford, 2019). Yet, in the context the proposed core model, where I examine how a priori images impact the interpretation of new company information, I expect that the pre-existing moral image of a company influences the way people interpret the motives underlying CSR behaviors, regardless of the stated reasons.

*Environmental vs. human-focused CSR activities as a moderator* Finally, I would like to examine different types of CSR as a possible moderator for the relationship between CSR communications and positive stakeholders' reactions. Various research lines suggested that it is important to distinguish how different types of CSR impact on the relationship between CSR communications and positive reactions of stakeholders (Farooq, Payaud, Merunka, & Valette-Florence, 2014; Farooq et al., 2017; Hillenbrand, Money, & Ghobadian, 2013; Jong & Meer, 2017). The core of my argument about why CSR communications positively impact on stakeholders' reactions to CSR is based on stakeholders perceiving the company as moral. Historically, western religious and ethical thinking was mainly human-centric, where human actions affecting nonhumans were not perceived as morally relevant (Pandey, Rupp, & Thornton, 2013). Hence it is possible that only CSR activities focused on humans vs. CSR focused on the environment would be perceived as moral. Indeed we know that people generally have difficulty

in perceiving environmental support activities as a moral issue (Gardiner, 2011; Markowitz & Shariff, 2012). Since CSR towards the environment does not have a direct human beneficiary, the relation with perceived morality is less obvious. Yet, if we believe that the increase in perceived morality happens because the good intentions of a company are trusted more when they engage in CSR by demonstrating care for their employees and customers, then a company's good intentions should also be trusted more when it displays care about the environment. Care or cherishing and protecting others as the opposite of harm is a key foundation of moral judgments that seem to be universal, as care is relevant for people across the world, independent of their political persuasion (Graham et al., 2011). Furthermore, one can even argue that display of care for the environment is the best indicator of whether the company truly has good intentions towards others, as CSR activities directly benefiting key human stakeholders could be carried out for exchange purposes. That is, there could be a direct business benefit to a company serving the interests of their customers or employees. For example, helping employees can lead to an increase in job motivation and improve job performance. Similarly, serving the interests of customers can induce customers to buy more products from the company. It is less obvious that there is a direct exchange benefit to a company from environmental CSR activities. Hence Environmental CSR activities might represent a stronger test of companies' good intentions. This means that there are appropriate theoretical grounds to believe that Environmental CSR activities would positively impact the perceived trustworthiness and morality of a company.

### **Summary of the empirical chapters**

In the current dissertation, building on Social Identity Theory and social evaluation research, I propose an overall model explaining how, why and when communications about positive corporate moral behavior, CSR, impact on reactions of various stakeholders. The general

prediction is that morality plays a crucial role in our evaluations of not only individuals but also companies. Table 1 shows a summary of the empirical findings.

Now I will present a short overview of each of the empirical chapters that examine this general hypothesis.

## **Chapter 2**

In two experiments (N=299), I examine the extent to which individuals identify CSR activities as morally relevant, and how this affects their support of this company. In Experiment 2.1, participants based in the UK read about UK based company. The participants I divided in two groups where one group read that the company was engaged in CSR and the other group did not receive any CSR information. I then measured perceived organizational morality and stakeholders' support. The responses showed that both perceived organizational morality and stakeholders' support were positively influenced by CSR information. Given the temporal difference in measuring perceived morality and stakeholders' support, I was able to show that perceived organizational morality mediated the relationship between CSR communications and stakeholders' support. In Experiment 2.2, I replicated the results in a different national context (Russia), which examined the responses of non- WEIRD based participants. I compared the results of two experiments and showed that while there are differences in perceived morality and stakeholders' support between two countries, the theorized mechanism explaining how CSR communications impact on stakeholders' support work similarly in both countries. Thus, I cross-validated the robustness and generality of the predicted model in two countries with different business practices.

### **Chapter 3**

In Chapter 3, I explain when and why some companies might not be benefiting as much from informing the general public about their CSR activities as might be expected. Across 3 studies (total  $N=1570$ ), I demonstrate that a priori moral impressions are more ‘sticky’ than impressions of the companies’ competence. This colors the interpretation of new CSR information about behaviors and impacts on further impression formation. I examine the mediating role of the perceived motives for the relationship between CSR communications and stakeholders’ support. In particular, I show how suspicion of image laundering, a construct that captures how people restore cognitive consistency by questioning the motives of a company for CSR communications, differs from perceived business or moral motives for CSR activities (Experiments 3.1-3.3) and expectancy violation (Experiment 3.3). I show that suspicion of image laundering rather than perceived business reasons has a negative impact on the stakeholders’ support, while perceived moral reasons have a positive impact on the stakeholder’s support. Additionally, I show while explicitly specifying reasons for engaging in CSR can have an impact on the stakeholders’ support, however, this impact would be less important than a priori image of a company (Experiment 3.2 and 3.3).

### **Chapter 4**

In Chapter 4, I examine how a priori perceived morality vs. competence of a professional group of investors and business owners that was negatively stereotyped in the moral domain, impacts on the reactions of this group to CSR communications and, in particular, on motivation to engage in CSR as a moral behavior. In the correlational part of the study (Study 4.1,  $N=123$ ), I provide a rare insight into self- and meta-perceptions of morality as compared to competence of this professional group. I demonstrate the importance of (low) morality (vs. high competence) for



group collective self-esteem. Thus, I show the prevalence of the morality threat in this group. In the experimental part of the study (Experiment 4.2, N=113), I manipulate CSR communications about how CSR efforts of this group are viewed by the general public (group-level moral threat/affirmation). I reveal that reinforcing the moral threat leads to less motivation to engage in moral behavior. Group-level moral affirmation increases motivation to engage in moral behavior. Furthermore, this relationship is more pronounced for the participants who believe their a priori moral image is viewed as particularly negatively by the general public (i.e. people with low meta-perceptions of morality). Thus, Chapter 4 compliments and extends on Chapters 2 and 3, which were focused on the impact of a priori organizational morality. Chapter 4 applies the CSR communications model to an a priori image of an important group of investors and business owners, by demonstrating that a priori moral image of a group can influence subsequent motivational responses to CSR communications.

## **Chapter 5**

In Chapter 5, in addition to validating the overall model, I also test how two different elements (type of CSR activities and a priori organizational identification) impact on the working of the proposed model. I report the results of two experimental design studies conducted in the UK (Experiment 5.1: N=195) and the Netherlands (Experiment 5.2: N=282) among real customers and employees of one large multinational company. I propose and empirically demonstrate that the organization's Environmental CSR communications positively impact on perceived organizational morality, which in turn leads to an increase in stakeholders' support (Experiment 5.1 and 5.2). I also show the importance of considering boundary conditions when communicating about Environmental CSR conditions to employees. The results reveal that a priori organizational

identification moderates responses of employees to Environmental CSR communications (Experiment 5.2).

### **Discussion and implications**

The goal of this Chapter was to expand the current understanding about the importance of morality in business contexts. Specifically, I look at how CSR and related communications impact on reactions of different groups of stakeholders.

### **Theoretical implications**

The research has several implications for organizational behavior, CSR and social psychology literature. First, I explain why, in business contexts, not only competence but also morality can be important for evaluating of others, including companies. In particular, I argue that perceived organizational morality is important to different groups of stakeholders: owners, customers and employees. In doing so, I extend current social psychological research about the importance of morality of evaluating of others (Ellemers, 2017).

Second, I investigate how CSR activities and related communications impact on the reactions of various stakeholders. In this chapter, I argued that it is possible to evaluate the processes related to the impact of CSR communications on the basis of social evaluation theories. CSR research has increasingly moved in the directions of an in-depth examination of CSR on a case by case fit between the type of CSR and targeted stakeholders (Jong & Meer, 2017). I build and expand on this literature by proposing to examine CSR activities, related communications and reactions of stakeholders at a higher level of aggregation. I believe that this could help to clarify and explain some of the inconsistent findings in the CSR research. Positive appraisals of individuals and companies do not exist in a vacuum, but rather, these assessments depend on the

prior image of a company and, in particular, on the prior moral image of a company. Therefore, both companies and people can be caught in either virtuous or vicious circles where the support of others is dependent on how people view the a priori moral image of a company or a group. Unfortunately for companies in morally negatively stereotyped sectors (Grougiou, Dedoulis, & Leventis, 2016), the initial moral image of a company matters more for positive stakeholders' evaluations than the content of their CSR reports. Thus, this dissertation also responds to a research call that people's evaluation of companies should not be taken as a static one time snapshot but rather a dynamic model for studying people's evaluation of companies needs to be developed (Lange, Lee, & Ye, 2011; Ravasi, Rondova, Etter, & Cornelissen, 2018).

Third, I build upon and extend prior literature on greenwashing, by specifying a construct of *suspicion* of image laundering, which measures suspicion that a company is engaged in CSR to hide bad news. I clarify that companies are not penalized by stakeholders for engaging in CSR for business reasons but rather for when companies are suspected of image laundering. I make an important distinction that companies can be punished by stakeholders based on the suspicion that a company is involved in greenwashing rather than based on the actual evidence of greenwashing. This can explain the paradoxical findings of prior research that companies are regularly accused of greenwashing when they engage in CSR while the actual CSR-washing is rare (Pope & Wæraas, 2016). I argue that the construct of suspicion of image laundering is particularly influenced by the a priori perceived morality of a company, and thus, it helps to explain why different companies can be benefiting to a different degree from CSR even if they engage in exactly same CSR activities. I also argue that suspicion of image laundering is not just the opposite of perceived moral reasons, and that is also distinct from expectancy violation.

The chapter also adds to the emerging body of literature, which examines how social judgments and evaluations can be applied to nonsocial targets. As I argued earlier, people both anthropomorphize nonhuman subjects (Epley et al., 2007) and process impressions about individuals and nonhuman subjects differently (Mitchell et al., 2005). Thus, it is not always obvious that prior social psychology research would be fully applicable to nonhuman targets such as companies. I show that similar to our evaluations of social targets, morality has a stronger impact than competence on our subsequent interpretation of new information about companies. I show that people can be suspicious of companies' communications while people are generally not suspicious of nonhuman objects such as computers (Fein, 1996). I also argue that people don't necessarily reduce their positive evaluations of companies when they infer that a company does something for profit reasons, which might work differently for human targets (Ariely et al., 2009). Thus, this work contributes to the limited to date body of research in social psychology focused on the generalizability of impression processing findings about individuals to nonhuman subjects (Gawronski et al., 2018).

### **Future directions**

I believe that my theorizing highlights several opportunities for future research. First, it may be useful to examine people's reactions to well-known vs. less prominent firms. As I posited, people rarely start with clean slate evaluations of other individuals, groups, and organizations. Yet, the degree to which a company is known or not known would result in different cognitive ease of extraction of an a priori image. Firms that are well known would have a certain a priori image, which might be more difficult to influence by new CSR information. Furthermore, firms from certain industries, which were stereotyped, such as banking or tobacco, would tend to have similar images among different stakeholders. On the other hand, firms that are unknown are less

cognitively available. Thus, the a priori image about those firms would be more open to individual variability based on the personal experiences of individual stakeholders.

Second, I focused here on morality and competence, arguing that prior moral image would have more impact on the subsequent evaluations of companies' CSR communications than competence. Morality and competence are separate dimensions and they capture distinct characteristics of the evaluated targets. In reality, the information people get about companies can be a mixture of those two traits or it can be incomplete where the information only about one of the dimensions is available. Future researchers might want to examine how people would infer their evaluation of companies if only partial information (for example, about only morality or only competence is available). We know that when partial information is available (i.e., only about one of these dimensions), people can be tempted to infer one from the other. In fact, some recent work showed that those two key dimensions might have more influence on each other than causing a mere halo-effect. as was demonstrated by Stellar & Willer (2018). It would be worthwhile to examine if this relationship works for nonhuman targets such as companies as well.

Finally, I argued that the proposed model would work for various groups of stakeholders in a similar fashion. This assumes that various stakeholders receive the same information about the company and hence they would generally come to similar evaluative conclusions about a company. However, in reality, different stakeholders would have access to different types of information. I capture this by introducing organizational identification as a moderator for the relationship between CSR communications and stakeholders' support. Prior research suggested that some companies would even actively position themselves differently to different stakeholders (Carter & Deephouse, 1999). My model proposes that companies would want to have a positive moral image among all groups of stakeholders. Yet, we know, on the example of the Wal-Mart

case study, that it is possible for a company to actively manage its image as “tough” (negative) for one group of stakeholders (i.e. suppliers) and “good” towards customers and investors (Carter & Deephouse, 1999). I argue that such situations would only be possible when there is a power imbalance between the company and suppliers, such as it was the case with Wall-Mart, and suppliers were not free to choose an alternatives destination for their goods. Furthermore, it is difficult to maintain such different images towards different stakeholders’ groups as the negative supplier reputation is likely to spill over to other groups. This can be especially true in the current age of social media, where, for example, disgruntled suppliers or employees can air their views to other stakeholders. Those are interesting and perhaps exceptional situations that merit further research.

### **Societal Implications**

The present thesis has several societal implications. Recently, there has been more and more focus on morality in business contexts. Multiple scandals, such as the Enron scandal and the Financial crisis, exposed cheaters and fraudsters. There is a general public outcry that this immoral behavior should be punished. Indeed, prior research showed that trustworthiness or perceptions of others as being moral (Leach et al., 2015), might disappear if the cheaters are not punished (Fehr & Gächter, 2002). As a result, a lot of the research focused on how and why people cheat and how to punish them effectively (Ariely & Mann, 2013; Cohn, Fehr, & Andre, 2014; Detert, Treviño, & Sweitzer, 2008; Kish-Gephart, Harrison, & Treviño, 2010). Yet, little research focuses on positive moral behavior in business contexts and how the reactions of others to positive moral behavior are influenced by a priori perceptions of morality of companies and professional groups. I address this in the current dissertation.

I explain why positive moral behavior of some companies or some professional groups might not be taken at face value. I describe how this can lead to a vicious circle of moral behavior where continuously negative reactions of the media, politicians and general public to positive moral behaviors lead to a reduction in moral behavior and subsequent negative reactions of the general public. Thus, continuously criticizing companies and professional groups for lack of morality might not be the most effective way to positively engage with those parties and it might actually backfire. On the other hand, the current dissertation shows that companies suffering from a negative moral image need to persevere in their CSR efforts instead of being discouraged by initial displays of suspicion of image laundering from the general public.

Finally, there is some evidence in the literature that morality is not always seen by organizations as important for CSR communications (Norberg, 2015). This dissertation shows that businesses should not avoid explaining that companies engage in CSR for moral or ethical reasons. These observations are also supported by a different line of work, where it was shown that focus on the business case solely was detrimental to managers' inclinations to engage in CSR as these managers experienced weaker moral emotions when confronted with ethical problems (Hafenbradl & Waeger, 2017). Our recommendations are also in line with the statement that business interests can go together with sustainability efforts (Porter & Kramer, 2019).

### **In sum**

The experiments reported in four empirical chapters that follow examine the importance of positive moral behavior in business contexts. They reveal the importance of considering an a priori moral image of companies and groups when predicting what reactions to expect from communications about positive moral behavior or CSR. They also reveal that both companies and

individuals can end up in so-called vicious circles even when they behave in a morally positive way.

Since each empirical chapter was written as an independent research article, there is some overlap in certain elements of the theoretical discussion. Because the subsequent chapters are a product of my collaboration with my supervisor, Naomi Ellemers, from now I will move from using “I” to “We”.



<b>Name Experiment</b>	<b>Independent Variables</b>	<b>Moderators</b>	<b>Mediators</b>	<b>Dependent Variables</b>	<b>Types of stakeholders</b>	<b>Sample country of origin</b>
Experiment 2.1	CSR communications		Perceived organizational morality; perceived organizational competence	Stakeholders' support	General public: potential customers/employees	UK
Experiment 2.2	CSR communications		Perceived organizational morality; perceived organizational competence	Stakeholders' support	General public: potential customers/employees	Russia
Cross-country comparison	CSR communications	National context (WEIRD vs. non-WEIRD samples)	Perceived organizational morality; perceived organizational competence	Stakeholders' support	General public: potential customers/employees	UK, Russia
Experiment 3.1	CSR communications	A priori organizational morality and organizational competence	Suspicion of image laundering; perceived moral reasons for engaging in CSR; perceived business reasons for engaging in CSR	Stakeholders' support	General public: potential customers/employees	UK
Experiment 3.2	CSR communications, stating moral vs. business reasons for engaging in CSR	A priori organizational morality and organizational competence; stating moral vs. business reasons for engaging in CSR	Suspicion of image laundering; perceived moral reasons for engaging in CSR; perceived business reasons for engaging in CSR	Stakeholders' support	General public: potential customers/employees	UK
Experiment 3.3	CSR communications, stating moral vs. business reasons for engaging in CSR	A priori organizational morality (via Bank vs. Organic Food Retailer manipulation); stating moral vs. business reasons for engaging in CSR	Suspicion of image laundering; perceived moral reasons for engaging in CSR; perceived business reasons for engaging in CSR; expectancy violation	Stakeholders' support	General public: potential customers/employees	UK
Study 4.1	Own and meta-perceptions morality and competence			Collective self-esteem	Owners/ investors	International
Experiment 4.2	Positively framed CSR communications and general public perceptions; Negatively framed CSR communications and general public perceptions	A priori own and meta-perceptions of morality and competence of a professional group		Willingness to engage in moral behavior (CSR); Feeling threatened	Owners/ investors	International
Experiment 5.1	Environmental CSR communications		Perceived organizational morality; perceived organizational competence	Customers' support	Customers	UK
Experiment 5.2	Environmental CSR communications	A priori organizational identification	Perceived organizational morality	Employees' support: motivation to work for the company	Employees	NL

Table 1.1 Overview of the empirical work. Detailed information about measured constructs is available on request

**CHAPTER 2: How do CSR activities affect stakeholders' support? Empirical evidence for the mediating role of perceived organizational morality comparing a WEIRD and a non-WEIRD country.**

Corporate Social Responsibility (CSR), corporate social or environmental activities that focus on outcomes beyond financial results (Aguinis, 2011; Rupp, Williams, & Aguilera, 2011), have been an important topic among both practitioners and academics (Aguinis & Glavas, 2012). While there is a multitude of definitions of CSR in literature (Sarkar & Searcy, 2016), most of the descriptions generally assume that there is a moral or ethical side to CSR activities (Aguinis, 2011; Carroll, 1979, 2016). To date, however, the specific relationship between displays of CSR and perceptions of organizational morality, or perceived trustworthiness (Leach et al., 2015) of companies, has mainly been established with survey-based studies. This work supports the overall assumption that there is some connection between CSR, organizational morality/ethics and positive outcomes for companies such as an increase in stakeholders' support (e.g. customers' or employees' support) by showing this relationship with correlational data (e.g., Ellemers, Kingma, van de Burgt, & Barreto, 2011; Farooq, Payaud, Merunka, & Valette-Florence, 2014; Hillenbrand, Money, & Ghobadian, 2013). While prior studies contribute to the notion that CSR is linked to the perceived morality of companies, the weakness of this approach is that it does not allow us to draw concrete conclusions about whether CSR actually leads to an increase in the perceived morality of companies (Holland, 1986). For example, this relationship can be explained by reverse causality, where people who perceive their organization as moral also believe that it must engage in CSR activities. Moreover, the psychological connection that people experience with the company (e.g. brand-identity mechanisms) can cause people to project different types of positive expectations on the company, including its perceived morality as well as its engagement in CSR. Thus, the current

correlational evidence is not sufficient to show that engaging in CSR activities leads to an increase in the perceived morality of companies.

Furthermore, whether an increase in perceived organizational morality would matter for stakeholders' support is also not obvious. While morality, or perceived trustworthiness of others, has been shown to be the key dimension for evaluating other individuals or groups (e.g. Goodwin, Piazza, & Rozin, 2014), in business contexts, this process is perhaps less straightforward (Van Prooijen, Ellemers, Van der Lee, & Scheepers, 2018). For example, in some business contexts, people seemed to have even been able to disregard the negative moral image of products when making purchasing decisions (Bhattacharjee, Amit, Berman, & Reed, 2013; Orth, Hoffmann, & Nickel, 2019). This is why it is important to establish the causal link between CSR activities, perceived organizational morality and stakeholders' support.

We address these concerns and make several important contributions. First, building on Social Identity Theory (Tajfel, 1974; Tajfel & Turner, 1979, 1986) and theories on social evaluation of others (Abele & Wojciszke, 2007; Hack, Goodwin, & Fiske, 2013; Wojciszke, Bazinska, & Jaworski, 1998), we theorize and demonstrate in two experimental design studies that learning that a company is engaged in CSR activities leads to an increase in the perceived morality of a company. This, in turn, leads to an increase in support from relevant stakeholders such as prospective customers and employees (Savage, Nix, Whitehead, & Blair, 1991). Thus, we expand the current understanding of mechanisms which impact the relationship between CSR and stakeholders' support (Aguinis & Glavas, 2012; Hillenbrand et al., 2013). Second, we test our theorizing in two countries with different business practices, which can impact on development and perceptions of CSR. For instance, Russia, which is ranked at the bottom of the corruption index offered by Transparency International (at number, 137 out of 180 ranked countries), and the

UK (ranked 12 out of 180). Most CSR work to date has been carried out in a single country context (e.g. Lim, Sung, & Lee, 2018). As companies become more global, there is an increased demand for more cross-country CSR research (Scherer & Palazzo, 2011). Furthermore, in social psychology, there are growing concerns about the potential lack of generalizability of study results, as most of the theory is supported by empirical evidence obtained in Western, Educated, Industrialized, Rich, Democratic (WEIRD) countries (Henrich et al., 2010b). This is particularly problematic since WEIRD-based research accounts for over 90% of psychological research, while only 12% of the world lives in WEIRD countries (Henrich, Heine, & Norenzayan, 2010a). Thus, by explicitly testing our theorizing in both WEIRD and non-WEIRD samples, we extend current insights on the social evaluation of others.

### **CSR and perceived morality of a company, a causal link**

In literature, CSR is seen as a form of organizational moral behavior (Aguilera, Rupp, Williams, & Ganapathi, 2007; Aguinis & Glavas, 2012; Carroll, 1991, 2016; Carroll, 1979; Carroll, 2000; Frederiksen, 2010). We can find many examples of different types of reasoning, arguing that CSR activities can be seen as an indicator of the organization's moral intentions evoking perceptions of organizational morality. The earliest definitions of CSR referred to such organizational behavior as indicating the ethical responsibilities of companies or morality related concerns (Carroll, 1979). Another example of the link between CSR and morality is a framework arguing that various stakeholders can pressure companies to engage in CSR activities for moral reasons, in addition to instrumental and relational reasons they may have for doing this (Aguilera et al., 2007).

As explained earlier, the current evidence for link between CSR, morality and positive outcomes for companies is mainly correlational and, thus, it is open to reverse causation and third

factor issues (Holland, 1986). This lack of experimental design evidence impedes both development of theoretical insights about the implications of CSR activities as well as the design of practical interventions related to CSR (Shea & Hawn, 2019). A rare study that did use an experimental design suggests that the relationship between CSR and morality is not always straightforward: they found that employee's responses to CSR activities of their employer depended on the nature of their moral identity (Rupp, Shao, Thornton, & Skarlicki, 2013). Other evidence also reveals it is not self-evident that awareness of CSR always increases perceived organizational morality. For instance, people may be suspicious about the actual extent of activities that communicated (Alves, 2009; Pope & Wæraas, 2016; Skarmeas & Leonidou, 2013) or assume CSR is used to compensate or hide negative actions, products, or events relating to the company, rather than for ethical motives (De Vries et al., 2015; Seele & Gatti, 2017).

So if we acknowledge that it is not given that morality and ethics are always perceived to be an integral part of CSR, why would learning about CSR activities of a company lead to an increase in the perceived morality of a company? We propose that this can be explained on the basis of the Moral Foundation Theory (MFT), which has become one of the most influential theories in moral psychology (Graham et al., 2011). Generally, CSR activities imply that a company is doing something above and beyond of what is strictly speaking required by law (McWilliams & Siegel, 2001). Examples of CSR activities include introducing additional measures to attract minority groups or better accommodating employees or customers with disabilities. These actions can be seen as both caring for employees or customers and being fair to people who might be sometimes less represented in the workplace. Care or cherishing and protecting others as the opposite of harm is a key foundation of moral judgments that seem to be universal (Haidt, 2008). Care is relevant for people across the world, independent of their political

persuasion (Graham et al., 2011). Fairness is the second moral foundation, which is related to the evolutionary process of cooperation (Graham et al., 2011). Applying this in a business context means that a company that engages in CSR can be trusted to mind the interests of its employees, or can be relied on to consider the implications of its business choices for the broader community. Thus, we propose that a company, as a result of its CSR activities, can be seen as caring for others or being fair to others, which can make people perceive the company to be more trustworthy and, since trustworthiness is one of key dimensions of morality (Leach et al., 2015), more moral.

In this research, based on relevant theory and prior correlational evidence, we predict that learning that a company is involved in CSR activities would increase the perceived morality of a company (Hypothesis 1). We use experimental design studies that allow us to draw causal conclusions (Shadish, Cook, & Campbell, 2002), thus providing a strong test of our theoretical prediction.

### **Morality and competence as key dimensions in general impression formation of others**

Individuals assess others on the basis of two key dimensions. While different approaches have emphasized slightly different aspects of these dimensions and use different labels, the two key dimensions can generally be described as referring to task ability (competence/agency) vs. interpersonal intentions (morality/communion/warmth) (Fiske et al., 2007; Leach et al., 2007; Wojciszke, 1994; Goodwin, Piazza, & Rozin, 2014). We know that those key dimensions capture distinct behavioral features of various targets (Wojciszke, 1994) and account for over 80% of the variance in our impressions of others (Wojciszke et al., 1998).

Examining multiple research lines, we note that both warmth and communion measurements have consistently included elements of morality (such as perceived trustworthiness)

as well as elements of perceived sociability (such as general friendliness) e.g. (Abele et al., 2016; Shea & Hawn, 2019). We build on insights and research from social evaluation theories e.g. (Cuddy et al., 2009; Fiske, Cuddy, Glick, & Xu, 2002; Leach et al., 2007) to develop predictions about perceived competence and morality (e.g., Fiske, 2015). Focusing on the morality aspect of relational judgments (indicating perceived trustworthiness) is particularly relevant. Recent studies in social psychology present a convincing body of evidence that morality (to a larger extent than the sociability aspect of relational judgments) impacts on our impression formation of others (Brambilla, Carraro, Castelli, & Sacchi, 2019; Brambilla, Sacchi, Pagliaro, & Ellemers, 2013; Brambilla & Leach, 2014; Goodwin et al., 2014; Landy, Piazza, & Goodwin, 2016; Leach et al., 2007; Pagliaro, Brambilla, Sacchi, D'Angelo, & Ellemers, 2013; Pagliaro, Ellemers, Barreto, & Di Cesare, 2016). Thus, in the present research, we specifically focus on morality to evaluate how this dimension, in addition to competence, affects people's impression formation of others.

Importantly, researchers have started to apply dimensions of social evaluation of other human targets to the emerging theory on how people develop impressions of non-human subjects such as companies and brands (Kervyn et al., 2012; Mishina et al., 2012; Shea & Hawn, 2019). Similarly, we apply those two dimensions of social evaluation to people's perceptions of companies, thus building on this latest trend in the organizational behavior literature to leverage on the findings from social psychology as people tend to anthropomorphize non-human targets, including organizations (Ashforth et al., 2020; Epley et al., 2007).

### **Organizational morality as a source of stakeholders' support**

The fact that morality and competence, as two key dimensions of impression formation, account for over 80% of the variance in our impressions of others (Wojciszke et al., 1998), means that any information that would positively impact any of those two dimensions would result in a

positive overall impression of other evaluative targets. Since we apply morality and competence to the evaluation of companies, this implies that any information about a company that would positively impact any of those two dimensions would result in a positive overall impression of a company or in the overall increase in stakeholders' support for a company. In a business context, it seems evident that if a company is perceived more competent, for example, because it has better products than its competitors, then such a company would get more support from customers or would be better positioned to attract and retain employees. Such a relationship seems to be less obvious for morality. For example, it was shown that people were less willing to buy products produced by nonprofit companies vs. for-profit companies because nonprofit companies are perceived as less competent even if they are perceived as more moral (Aaker, Vohs, & Mogilner, 2010). In fact, prior research has revealed that in business contexts, people even might be able to refrain from considering morality when deciding whether or not to support a company or a product (Bhattacharjee et al., 2013; Orth, Hoffmann, & Nickel, 2019). Notably, some recent analysis showed that this phenomenon of not seeing morality as a relevant aspect for supporting a company might not be widespread, but tends to be present in particular when there is high product involvement (Haberstroh, Orth, Hoffmann, Brunk, & Hoffmann, 2017). Thus, this suggests that the findings reported before (Bhattacharjee et al., 2013) might pertain to some specific contexts rather than providing a general answer about whether morality is important for stakeholders' support.

We build on and extend this prior work by explaining why perceived morality impacts on stakeholders' support in a business context. Thus, here we explain why an increase in perceived organizational morality would also positively impact stakeholders' support. Based on Social Identity Theory (Tajfel, 1974; Tajfel & Turner, 1979, 1986), it has been argued and shown that the



perceived characteristics of an organization determine its subjective attractiveness, and drive the willingness of individuals to associate with that organization (Ashforth & Mael, 1989; Ellemers, De Gilder, & Haslam, 2004; Haslam & Ellemers, 2005). Furthermore, people tend to identify with companies not only as employees but also as consumers (Fennis & Pruyn, 2007; MacInnis & Folkes, 2017; Stokburger-Sauer et al., 2012; Tuškej et al., 2013). Over the years, research, inspired mostly by reasoning based on social identity theory, has demonstrated that morality is particularly important for our assessment of other people, especially when these others somehow relate to the self (Goodwin et al., 2014; Leach et al., 2007; Wojciszke et al., 1998). Recent theory posited that both employees and customers tend to evaluate companies by interpersonal standards (Ashforth et al., 2020). That means that since both employees and consumers tend to identify with companies – even in a business context – the perceived morality of an organization would have an impact on the evaluations of companies by both employees and customers. Moreover, perceptions of organizational morality have been found to be at least as important as perceptions of organizational competence in attracting and committing the support of relevant stakeholders (van Prooijen et al., 2018; van Prooijen & Ellemers, 2015). Thus, we propose that in business contexts as well, an increase in perceived organizational morality should lead to an increase in the desire to associate the self with the company i.e. to increased intentions to buy a company's products or to work for a company. We predict that informing participants about CSR activities of a company should increase stakeholders' support for that company (Hypothesis 2). We argue this is the case because knowledge of CSR activities enhances the perceived morality of the company, as predicted in Hypothesis 1. Therefore, we also predict that the perceived morality of the company should mediate the relationship between learning that a company is engaged in CSR activities and increased stakeholders' support for this company (Hypothesis 3).

## **CSR perceptions in Russia**

The examination of CSR in developing countries is an emerging field of study (Jamali & Mirshak, 2007; Kolk & van Tulder, 2010). The economic and institutional differences between developing and developed countries raise questions about the applicability of some of the general CSR findings to emerging markets contexts and make this a topic worthy of investigation (Jamali & Karam, 2018). Similarly, the differences in business practices related to different levels of perceived corruption between countries can result in differences in CSR approaches (Barkemeyer, Preuss, & Ohana, 2018; Osuji, 2011), which might mean that people have different views and different perceptions of CSR between a country with a relatively high level of corruption (e.g. Russia) and a country with a relatively low level of corruption (e.g. the UK).

Even within the limited research field focused on CSR in developing countries, some regions or countries have benefited from more attention than others. On a comparative basis, while in recent years CSR researchers have begun to examine the situation in China and Africa, meriting even review articles (Idemudia, 2011; Moon & Shen, 2010), CSR in the developing economies of Central and Eastern Europe and Russia in particular, has attracted minimal research efforts. So far, not surprisingly, there is some evidence that the forms of CSR visible in Central and Eastern Europe and in Russia are affected by the historical socialist or central planning legacy (Fifka & Pobizhan, 2014; Koleva, Rodet-Kroichvili, David, & Marasova, 2010; Stoian & Zaharia, 2012). For example, during Soviet times, in Russia, companies used to take care of their employees by providing kindergartens, health and recreation facilities, which was valuable to employees in the absence of a public social security system (Fifka & Pobizhan, 2014). Thus, in the past, Russian companies were strong in what can be considered as CSR activities towards their employees. On the other hand, historically, Russian companies did not view customers or clients as important

stakeholders to consider in their business decisions and for CSR activities (Alon, Lattemann, Fetscherin, Li, & Schneider, 2010; Fifka & Pobizhan, 2014). While historical circumstances suggest that there might be differences in CSR approaches between the UK and Russia, the limited amount of available research does not reveal whether Russians perceive CSR differently than their UK-based counterparts. For example, one study, looking at the attitudes of Russian managers towards CSR, concluded that, in contrast to Western managers, Russian managers do not view CSR as a positive way to influence consumers' perceptions about a company (Kuznetsov, Kuznetsova, & Warren, 2009). On the other hand, a different line of research revealed that many Russian firms do provide some CSR information to external stakeholders (Preuss & Barkemeyer, 2011). This suggests that the managers of at least those companies think providing such information might somehow be beneficial for their companies.

In sum, the limited amount of research about CSR in Russia does not provide us with an answer to how Russians would perceive CSR activities. Thus, we propose to turn to the insights about basic social psychological mechanisms that are likely to play a role across different countries and contexts, to inform our views about stakeholders' perceptions of CSR activities in Russia.

We note that morality and competence are among the few social psychological concepts which were tested in multiple countries. In fact, some of the first conclusions about morality and competence were drawn based on Polish samples (Wojciszke, 1994; Wojciszke et al., 1998). These two dimensions were later tested in the US context (Cuddy, Fiske, & Glick, 2007; Fiske et al., 2007, 2002), in Dutch context (Leach et al., 2007) and in Polish and German settings (Abele & Wojciszke, 2007). An impressive cross-cultural collaboration showed the applicability of those two key dimensions across ten nations, including such countries as Spain, Germany, France, the UK, Japan, and South Korea (Cuddy et al., 2009).

While those dimensions have not yet been tested in Russia, we argue, based on robust evidence for the cross-cultural relevance of those two dimensions of impression formation, that those dimensions should be equally applicable in both UK and Russian contexts. Thus, we propose that while there are multiple factors that could make the evaluation of CSR activities to be different between the UK and Russia (Jamali & Karam, 2018; Jamali & Mirshak, 2007), the psychological process at work would be the same as in the UK. Consequently, we argue that we will find support for our theorizing also in the Russian sample, providing further empirical support to our Hypotheses 1,2 and 3.

### **Current Research**

In two experimental studies, we assessed how CSR communications of a company affected perceived morality, perceived competence and stakeholders' support for the company (as a customer or prospective employee). In both studies, we focused on evaluations of companies by the general public. Members of the general public are the key target, whom companies try to reach (e.g., as prospective clients, employees, or investors) by communicating about their CSR activities. Perceptions of the general public are shown to be a good predictor of key positive outcomes for companies (e.g. Raithel & Schwaiger, 2015). In Experiment 2.1, we tested our hypotheses in the UK. In Experiment 2.2 (Russia), we replicated the results of Experiment 2.1. We cross-validated the robustness and generality of the relations we predicted between CSR, perceived morality and stakeholders' support by examining whether this would hold across these two very different business contexts.

This research was pre-approved by the University's Ethics Committee.

## **Experiment 2.1**

In Experiment 2.1, we examined the impact of communications about CSR activities of a company (in the absence of a priori impressions about the company's morality or competence) on the perceived morality and competence of that company and on stakeholders' support for that company.

### **Method**

#### **Participants and design**

All participants for Experiment 2.1 were based in the UK and approached via Prolific. 249 participants completed the survey. We retained 203 participants (127 female),  $M$  age = 36 ( $SD$  = 12).  $M$  work experience = 15 ( $SD$  = 12), excluding participants who failed an attention check. Please note we checked the results, including all participants who completed the questionnaire, and the main patterns remained the same.

Participants were randomly divided into two groups. Both groups received some neutral company information: "Company A is a mid-size IT advisory company based in the UK. It delivers websites, web-based IT systems, and computing as a service. It also provides information technology, research and consulting services."

Thereafter, the control group proceeded directly to the dependent variables. The experimental condition group first read that the company was engaged in CSR activities (via a short press release about CSR activities). It was stated that Company A issued a CSR report detailing the company's progress on environmental, social and governance initiatives. No specific reason for engaging in CSR activities was stated. After receiving this information, the participants proceeded to the dependent variables. Finally, all participants were thanked, debriefed and compensated.

### **Dependent variables**

We assessed *morality* and *competence* with the items developed by (Leach et al., 2007). Items comprising this scale were presented to participants in a randomized order. Factor analysis confirmed that these items indicate morality and competence as two different constructs in line with (Leach et al., 2007) (morality, 3 items: honest, trustworthy, sincere ( $\alpha = 0.91$ ), competence, 3 items: intelligent, competent, skillful ( $\alpha = 0.86$ )).

We evaluated support of various stakeholders such as clients and employees i.e. *stakeholders' support* for a company using the following questions: 'Please rate your intentions to buy products/services of Company A', 'Please imagine you can apply for a job in company A. Do you feel motivated to work for Company A?' ( $\alpha = 0.81$ ). The two items we used to evaluate the support of two key types of stakeholders' such as potential customers/clients and potential employees. Those two types of stakeholders are often the focus of CSR research (e.g. Baskentli, Sen, Du, & Bhattacharya, 2019; Bauman & Skitka, 2012). We utilized a 7-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree), asking participants to indicate how well each of these items reflected their own position. Likert-type scale ranging from 1 to 7 was used to measure participants' reactions in all studies unless stated otherwise.

### **Results**

To guard against capitalization on chance, we conducted a MANOVA with communication about CSR activities of Company A (yes/no) as the between-subjects variable and morality, competence and stakeholders' support, as dependent variables, which revealed a multivariate significant effect  $F(3,200) = 5.20, p = 0.002$ . We then examined univariate effects on morality, competence and stakeholders' support, separately.

*Morality and competence.* Consistent with Hypothesis 1, participants who read that Company A was engaged in CSR activities viewed Company A as more moral (morality  $M_{csr} = 5.07$   $SD = 0.97$ ) than participants who didn't read anything about CSR activities of Company A (morality  $M_{no\ csr} = 4.68$ ,  $SD = 1.07$ ),  $F(1, 202) = 7.70$ ,  $p = 0.006$ . The effect of the experimental condition on competence was not significant  $F(1, 202) = 0.02$ ,  $p = 0.89$ . These results show that the experimental manipulation improved the perceived morality of the company. The fact that we did not find an effect of our experimental manipulation on perceived competence shows that CSR information does not just improve the general impression people have of the company (i.e. both morality and competence).

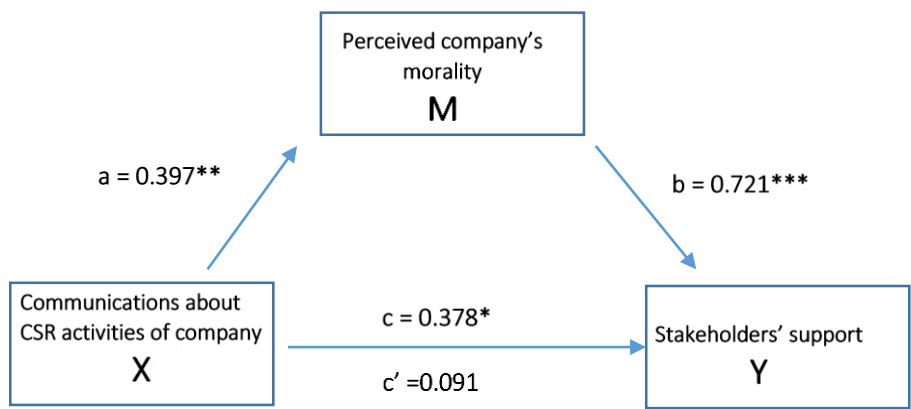
*Stakeholders' support.* The univariate effect on stakeholders' support was significant,  $F(1, 202) = 5.54$ ,  $p = 0.02$ . Consistent with Hypothesis 2, participants who read that Company A was engaged in CSR activities expressed higher stakeholder' support for Company A ( $M_{csr} = 5.14$ ,  $SD = 1.04$ ) than participants who didn't read about CSR activities of Company A ( $M_{no\ csr} = 4.76$ ,  $SD = 1.23$ ).

### *Mediation*

We then assessed whether the effect of the experimental condition on the stakeholders' support for Company A was mediated by the perceived morality. We were able to infer morality mediation thanks to the temporal order in our experimental design (Shea & Hawn, 2019). A mediation model analysis was conducted using PROCESS macro (Hayes, 2017) for SPSS based on 10,000 bootstrap resamples.

As is depicted in Figure 1, communications about CSR activities indirectly influenced stakeholders' support through its effect on the perceived morality of a company. The participants, who read about CSR activities, perceived Company A to be more moral and they also showed

more support for the company. The confidence interval for the indirect effect was above 0. Thus, in line with predictions, the analysis provided support for our reasoning that morality ( $b = 0.286$ ,  $SE = 0.108$ ;  $CI = LL: .0095$ ;  $UL: 0.515$ , 10000 bootstrap resamples), accounts for the relationship between CSR activities and stakeholders' support. Thus, the results are consistent with Hypothesis 3, that morality mediates the relationship between CSR activities and stakeholders' support.



Note: \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Figure 2.1 Mediation model Experiment 2.1

## Experiment 2.2

### Method

#### Participants and design

All participants in Experiment 2.2 were based in Russia. One of the co-authors approached Psychology and Applied Psychology students from a university, to participate in the research. The participants were told that this study is a part of an international academic research project. Furthermore, it was explained that since most of the social and organizational psychology research



is focused on people based in Western Europe or the USA, the views of the Russian audience are particularly valuable. One hundred eighteen participants completed the quantitative part of the study, out of which twenty-two participants failed the attention check, which asked participants to tick a certain number. When checking the results, including all participants, the main patterns remained the same. The final sample we used to analyze the quantitative data for this study consisted of 96 participants (80% female),  $M$  age = 21 ( $SD = 2.7$ ),  $M$  work experience = 2 ( $SD = 2.9$ ).

The survey was carried out in Russian. To test our predictions, we translated the survey we used for a UK based sample, using two translators, then both translators discussed and resolved discrepancies.

Similar to Experiment 2.1, participants were randomly assigned to the control and experimental groups. Both control and experimental groups received the same information as in Experiment 2.1; we only changed the description specifying that the company was a Russian company to fit this specific context. Participants in the experimental group read a short text about CSR and information about Company A being active in CSR, similar to Experiment 2.1 this was presented as a press release from Company A. Participants of both groups completed the dependent variables as well as some demographic questions such as age, gender and work experience. After that, all participants were thanked and debriefed. The participants received no monetary compensation; some of the participants received course credits as a part of their degree program.

### **Dependent variables**

*Morality* and *Competence*. We assessed perceptions of organizational morality and competence with items we use in Experiment 2.1 (Leach et al., 2007). Factor analysis confirmed that these items indicate morality and competence as two different constructs in line with prior

results (Leach et al., 2007) (morality, 3 items: honest, trustworthy, sincere ( $\alpha = 0.84$ ), competence, 3 items: intelligent, competent, skillful ( $\alpha = 0.76$ )).

*Stakeholders' support.* We decided to expand on the two items we used in Experiment 2.1 by adding two supplementary questions. We evaluated stakeholders' support for the company with the following items: 'Please imagine that you are a client of Company A. How likely is it that you would purchase Company A's products?', 'How likely is it that you would want to recommend Company A's products?', 'Please imagine that you can apply for a job at Company A. Would you feel motivated to apply for a job at Company A?', 'Would you feel motivated to work for Company A?' ( $\alpha = 0.86$ ).

After completion of these dependent variables, we also asked some open-ended questions to explore participants' views on CSR in Russia.

## **Results**

We conducted a MANOVA with communication about CSR activities of Company A (yes/no) as the between-subjects variable and morality, competence stakeholders' support and as dependent variables. This revealed a multivariate significant effect of the experimental manipulation  $F(3,93) = 2.73, p = 0.048$ . We then examined univariate effects on morality, competence and stakeholders' support separately.

*Morality and competence.* Consistent with Hypothesis 1, participants who read that Company A was engaged in CSR activities viewed Company A as more moral (morality  $M_{csr} = 4.51, SD = 0.95$ ) than participants who didn't read anything about CSR activities of Company A (morality  $M_{no\ csr} = 4.00, SD = 1.17$ ),  $F(1, 95) = 5.30, p = 0.024$ . Like in Experiment 2.1, the effect of the experimental condition on competence was not significant  $F(1,95) = 1.11, p = 0.30$ ,

countering the alternative explanation that information about CSR activities improves the overall impression of the company.

*Stakeholders' support.* The univariate effect on stakeholders' support was significant,  $F(1,95) = 5.30, p = 0.024$ . Consistent with Hypothesis 2, participants who had read that Company A was engaged in CSR activities expressed higher stakeholder' support for Company A ( $M_{csr} = 4.67, SD = 1.21$ ) than participants who didn't read about CSR activities of Company A ( $M_{no\ csr} = 4.10, SD = 1.22$ ).

#### *Mediation*

We then assessed whether the effect of the experimental condition on the stakeholders' support for Company A was mediated by the perceived morality. A mediation model analysis was conducted using PROCESS macro (Hayes, 2017) for SPSS based on 10,000 bootstrap resamples.

The model shows that communications about CSR activities indirectly influenced stakeholders' support through its effect on the perceived morality of a company. The participants, who read about CSR activities, perceived Company A to be more moral and they also showed more support for the company. The confidence interval for the indirect effect was above 0. Thus, in line with predictions, the analysis provided support for our reasoning that morality ( $b = 0.28, SE = 0.13; CI = LL: .005; UL: 0.58, 10000$  bootstrap resamples), accounts for the relationship between CSR activities and stakeholders' support. Thus, the results are consistent with Hypothesis 3, that morality mediates the relationship between CSR activities and stakeholders' support.

## **Cross-country comparison: additional analysis comparing the results of Experiment**

### **2.1 (UK) and Experiment 2.2 (Russia)**

#### **Results**

To check whether the hypothesized effects are robust across both national contexts, we additionally compared the results of the two studies with the UK based and Russian based participants.

We conducted a 2x2 MANOVA with a CSR experimental condition (CSR communication vs. control) and country (the UK vs. Russia) as the between-subjects variables and perceived morality, competence and stakeholders' support as dependent variables. To be able to conduct the cross-country comparison, we used the same two items that were included in both studies to evaluate stakeholders' support<sup>1</sup>. This revealed significant multivariate main effects of country ( $F(3,296) = 9.01, p < 0.001$ ) and the CSR experimental condition ( $F(3,296) = 6.57, p < 0.001$ ). Importantly, there was no interaction effect ( $F(3,296) = 0.23, p = 0.88$ ), indicating that our experimental manipulations had parallel effects in both countries. The fact that there is no interaction means that the theorized processes worked similarly in both countries. Even though there were significant differences in perceptions between the two groups, both groups reacted in a similar way to the experimental CSR condition i.e. CSR communications positively affected perceived morality and stakeholders' support and not competence in both groups.

At the univariate level, the effect of country was significant for morality ( $F(1,298) = 23.23, p < 0.001$ ), stakeholders' support ( $F(1,298) = 13.35, p < 0.001$ ), and competence ( $F(1,298) = 5.32, p = 0.02$ ). The relevant means show that participants in the UK perceived the company as more moral (M UK = 4.87, SD = 1.04, M Russia = 4.23, SD = 1.10) and more

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<sup>1</sup> Please note that when we used a four-item scale from Experiment 2.1, the results remain largely the same.

competent than in Russia ( $M_{UK} = 5.30$ ,  $SD = 0.96$ ,  $M_{Russia} = 5.01$ ,  $SD = 0.98$ ). UK participants also expressed more support for the company ( $M_{UK} = 4.95$ ,  $SD = 1.16$ ,  $M_{Russia} = 4.40$ ,  $SD = 1.23$ ) than Russian participants. This shows that there were differences in people's perceptions between those two countries, where UK perceptions were overall more positive than the perceptions of Russian participants.

At the univariate level, across the two national samples, the effect of the CSR experimental condition was significant for morality ( $F(1,298) = 12.32$ ,  $p = 0.001$ ) and stakeholders' support ( $F(1,298) = 9.60$ ,  $p = 0.002$ ). There was no significant univariate effect for competence ( $F(1,298) = 0.86$ ,  $p = 0.34$ ).

The relevant means show that in the experimental condition participants perceived the company as more moral ( $M_{csr} = 4.90$ ,  $SD = 0.99$ ;  $M_{control} = 4.45$ ,  $SD = 1.15$ ) than in the control condition. They also expressed more support for the company ( $M_{csr} = 5.00$ ,  $SD = 1.11$ ,  $M_{control} = 4.56$ ,  $SD = 1.23$ ) in the experimental condition compared to the control condition.

These results provide support to Hypotheses 1 and 2. We show that, regardless of the overall difference in evaluations between the countries, the manipulation had the same effect in both countries: there was an overall main effect of the manipulation and no interaction effect.

#### *Mediation analysis*

As a next step, we carried out a mediation analysis with total participants from both studies. Similar to the results in Experiment 2.1 and 2, communications about CSR activities indirectly influenced stakeholders' support through its effect on the perceived morality of a company. The participants, who read about CSR activities, perceived company A to be more moral and they also showed more support for the company. The confidence interval for the indirect effect was above 0. Thus, in line with predictions, the analysis provided support for our reasoning that morality (*b*

= 0.298, SE = 0.087; CI = LL: .0.1348; UL: 0.478, 10000 bootstrap resamples), accounts for the relationship between CSR activities and stakeholders' support. Thus, the results are consistent with Hypothesis 3, that morality mediates the relationship between CSR activities and stakeholders' support.

## **Discussion**

### **Theoretical contributions**

Several theoretical implications follow from our work. First, building on Social Identity Theory (Tajfel, 1974; Tajfel & Turner, 1979, 1986) and theories on social evaluation of others (Abele & Wojciszke, 2007; Hack, Goodwin, & Fiske, 2013; Wojciszke, Bazinska, & Jaworski, 1998), we theorize and demonstrate in two experimental design studies that learning that a company is engaged in CSR activities leads to an increase in perceived morality of that company. The perceived organizational morality, in turn, increases stakeholders' support. Thus, we also expand current understanding of the mechanisms which impact the relationship between CSR and stakeholders' support (Aguinis & Glavas, 2012; Hillenbrand et al., 2013).

Second, our work extends current insights on strategic CSR and international management. We test our theorizing in two different countries: the UK and Russia. Most CSR work to date has been carried out in a single country context (Lim et al., 2018). As companies become more global, there is an increased demand for more cross-country CSR research (Scherer & Palazzo, 2011), which we address in the present research. Furthermore, CSR research is often dominated by WEIRD samples (e.g. (De Vries et al., 2015; Ellemers et al., 2011), although see also (Farooq et al., 2014) for an example of a single non-Western country CSR research). We, on the other hand, test our theorizing in two countries with different business practices, which can impact on development and perceptions of CSR. We find mean level differences between perceptions

reported by participants in those two countries, showing that, overall, our study participants in Russia are more critical and less supportive of the company than participants in the UK. Responding to the call to devote more academic attention to CSR in developing countries (Jamali & Karam, 2018; Jamali & Mirshak, 2007), we were able to demonstrate that the impact of CSR on perceived organizational morality and stakeholders' support remains the same across study samples obtained in the UK and Russia.

Furthermore, we address the identified need in social psychology for testing support for general theory both in WEIRD and non-WEIRD countries, as most of the current research is carried out in WEIRD countries, while most of the world lives in non-WEIRD countries (Henrich et al., 2010a). Thus, we extend current insights in social psychology on morality as a key dimension in social judgment by demonstrating that SIT (Tajfel, 1974; Tajfel & Turner, 1979, 1986) and theories on social evaluations of others (Abele & Wojciszke, 2007; Hack et al., 2013; Wojciszke et al., 1998) are also applicable in a non-WEIRD country.

Finally, we apply theories of social evaluation to people's assessments of companies, thus extending the emerging theory on how people develop impressions of non-human subjects (Ashforth et al., 2020; Epley et al., 2007; Gawronski et al., 2018; Mishina et al., 2012).

### **Practical Implications**

Our work also has clear practical implications. First, experimental research is the key to understand what people can do to alter stakeholder's responses to a company in terms of practical interventions. Thus, we provide strong evidence that communicating about CSR enhances perceived organizational morality and stakeholders' support.

Second, there seems to be some testimony in the literature that morality is not always seen as important for CSR communications. Prior research in a banking industry uncovered that CSR

reports “lack ethical justification” (Norberg, 2015). Our research shows that managers should not shy away from explaining that companies engage in CSR for moral or ethical reasons. These observations are also supported by the research which showed that focusing only on the business case was not beneficial to managers’ intentions to engage in CSR (Hafenbradl & Waeger, 2017). Thus, our recommendations are in line with recent empirical evidence and with the statement that business interests and sustainability efforts are not mutually exclusive (Porter & Kramer, 2019).

Finally, there seems to be a notion among some practitioners that CSR might be less important in emerging economies. For example, in 2016, the Netherlands Enterprise Agency, on a commission from the Ministry of Foreign Affairs of the Netherlands, published a fact sheet about Corporate Social Responsibility (CSR) in Russia for companies wishing to work in the Russian Federation. This stated that “there is still limited support for CSR in [Russian] society”. This sweeping statement does not specify what is meant by “society”, or how they reached this conclusion. We hope that our work can inspire practitioners working in developing countries and in Russia, in particular, to take note that while there can be differences in perceptions of CSR between countries, CSR activities and the perceived moral image of a company are important for stakeholders’ support.

### **Limitations**

In this research, we see that Russian participants, in general, evaluate the company more negatively than UK-based participants. We have not addressed why this could be the case, which can be seen as a limitation. However, we would like to point out that this was not the focus of our research. Nevertheless, we demonstrated that shifts in perceived morality are possible due to specific communications, regardless of higher vs. lower levels of overall perceived morality. In fact, we propose that the fact this causal relationship could be demonstrated in both countries,



regardless of the significant differences in the evaluations between the countries, speaks to the strength of the mechanisms we examine in our research.

Furthermore, we used an “unknown” mid-size IT consultancy company as a basis for experimental studies. It can be argued that people generally are less likely to have strong views about IT consultancy companies, which can perhaps be seen as a limitation, as people usually have views and associated with certain industries or products (e.g. banking, tobacco, Coca-Cola). To this, we would like to highlight that our aim was to show how the processes work in general. Thus, we explicitly chose to have a company that people are less likely to have preconceived views about.

### **Future directions**

In this research, we specifically focused on a company with a relatively neutral image with respect to CSR. It is known, that some industries, such as the financial sector or tobacco, are negatively evaluated by the general public in the moral domain in particular (e.g. Roulet, 2015). We know that a negative moral image is more difficult to repair, and it is particularly problematic for people working in those types of industries (Ashforth & Kreiner, 2014; authors, 2020, under editorial consideration). Future research might want to study how CSR communications affect morality and stakeholders’ support in industries with a prior negative moral image.

We apply prior social psychological findings to non-human targets, thus building on the fact that humans can anthropomorphize non-human targets (Ashforth et al., 2020; Epley et al., 2007). In our work, we used a broad definition of CSR, including both human-focused (e.g. employees focused) and non-human focused (environmental protection) activities, which, we hope, improves the generalizability of our findings. We showed that this broad CSR definition leads to an increase in the perceived organizational morality. Future research might want to study

to which extent the type of CSR activity impacts on the perception of organizational morality. Historically, western religious and ethical thinking was mainly human-centric, where human actions affecting non-humans were not perceived as morally relevant (Pandey, Rupp, & Thornton, 2013). Hence, it is possible that people would tend to see human-focused CSR activities as more moral than environmentally focused activities. Furthermore, prior research showed that people have different personal tendencies to anthropomorphize non-human targets (Waytz, Cacioppo, & Epley, 2014). Further research might want to examine to what extent this variable can be a moderator for the relationship between learning that a company is engaged in CSR activities, perceived organizational morality and stakeholders' support.

### **Conclusion**

Our work speaks to the classic admonition that in research there is “no causation without manipulation” (Holland, 1986) by demonstrating in two experimental design studies that corporate CSR communications lead to an increase in the perceived organizational morality, which in turn leads to an increase in stakeholders support. Building on social psychological literature, we explain the processes underlying this relationship. We show that morality is a relevant dimension for evaluation of companies by stakeholders, thus, extending prior findings about the importance of morality for evaluations of human targets to non-human targets. We empirically test our theory in both a WEIRD (the UK) and in a non-WEIRD (Russia) country. Our findings have wide-ranging implications for both theory and practice.

### **CHAPTER 3: How a priori morality and competence of companies affect the impact of CSR communications on suspicion of image laundering and stakeholders' support.**

Prior work has emphasized, on the one hand, that people anthropomorphize nonhuman subjects (Epley et al., 2007), but, on the other hand, people process impressions about individuals and nonhuman subjects differently (Mitchell et al., 2005). The present work contributes to the emerging theory on how people develop impressions of nonhuman subjects by applying findings from the research about impression formation of individuals. So imagine that on the news you learn about positive actions of a company such as promoting diversity or working on environmentally friendly production solutions. Does this positively affect the opinions about that company held by the members of the general public? A large body of research suggests that this might be the case (Du et al., 2010; Saxton et al., 2017). Yet some scholars argue that the effects of providing such information are not necessarily favorable (Torelli et al., 2012; Yoon & Schwarz, 2006). Furthermore, it appears that messages about promoting diversity or working on environmentally friendly production (Corporate Social Responsibility or CSR activities) of some companies are not taken at face value, accusing them of 'greenwashing'. While it seems that sustainability communications rarely are misleading (Seele & Gatti, 2017), the general public and media often are suspicious of reports about CSR (Pope & Wæraas, 2016). Some even state that false CSR claims are "everywhere" (Alves, 2009). Thus, current findings about the impact of CSR activities on stakeholders' support are inconclusive.

Previous attempts to resolve this issue examined whether inconsistent findings might be explained from the case by case "fit" between different types of stakeholders (people who have interests in the actions of an organization (Savage et al., 1991)) and various types of CSR activities (Janssen et al., 2014; Jong & Meer, 2017). Alternatively, researchers have examined the

(in)congruency between features of particular industries and CSR messages (De Vries et al., 2015). Our research goes beyond these specific concerns as we propose a more general approach to explain when and why some companies might not be benefiting as much from informing the general public about their CSR activities as might be expected. We propose that the seemingly divergent findings can be resolved by examining more specifically how pre-existing images of companies influence the way new CSR information is incorporated to form an overall impression.

Since people tend to view companies as social objects (Epley et al., 2007; Kervyn, Fiske, & Malone, 2012; Love & Kraatz, 2009), we apply two key dimensions of impression formation of individuals, namely morality and competence, to organizations (Abele & Wojciszke, 2007; Fiske et al., 2007; Goodwin et al., 2014; Wojciszke, 1994). We evaluate the impact of these two dimensions on the way members of the general public respond to new information about CSR activities of a company. Specifically, we look at the conditions that limit the impact of new CSR information on the overall impression that ensues, and the willingness to support that company in the role of consumers or employees. Building on prior research about cognitive consistency (Festinger, 1957; Gawronski & Bodenhausen, 2014), we extend prior work on corporate greenwashing by specifying the mechanisms around a theoretical construct, *suspicion of image laundering*. This measures perceived greenwashing by capturing people's tendency to question the motives of a company for the provision of new CSR information and inferring that a company is trying to hide something behind CSR messages –regardless of whether or not this actually is the case. We posit that suspicion of image laundering is distinct from such constructs as perceived business or competence-related or morality related motives for CSR activities and from expectancy violation.

The present research contributes to the emerging theory on how people develop impressions of nonhuman subjects. While it seems reasonable to assume that findings about the way people form impressions of other individuals or social groups might also apply to companies there also are fundamental differences between these types of targets that may impact this process. Specifically, and relevant to our current investigation is the notion that organizations, unlike individuals, can undergo substantial ‘character’ change, for instance, when a new CEO changes the strategy. Thus, our work contributes to the emerging body of research in social psychology that examines the generalizability of prior findings about social impression formation to nonhuman subjects (Lee, Peterson, & Tiedens, 2004; Gawronski et al., 2018), and connects this to existing insights (see review Aguinis, & Glavas, 2012) on CSR in organizations.

### **Morality vs. competence dimensions and impression stickiness**

Our initial or first impressions “are evaluatively uniform and are formed toward a relatively novel target” (Cone, Mann, & Ferguson, 2017). Yet we know that people can form an impression from little information (e.g. 100Ms face exposure (Willis & Todorov, 2006)) and on the basis of various types of information such as external appearances (Lorenzo, Biesanz, & Human, 2010) or behavioral observations (Skowronski & Carlston, 1989).

Many different factors can influence our subsequent evaluation of various targets. Here, given that morality (referring to interpersonal intentions) and competence (referring to task ability) account for over 80% of the variance in our impressions of others (Wojciszke et al., 1998), we focus on how the impact of new information is affected by the existing image of targets in terms of those two dimensions that dominate impression formation of individuals, social groups, companies, and brands (Fiske et al., 2007; Goodwin et al., 2014; Kervyn et al., 2012; Leach, Ellemers, & Barreto, 2007; Wojciszke, 1994; Cannon, & Rucker, 2019).

Since we rarely form truly “neutral” first impressions, we look at how the impressions we form on the basis of information provided could be influenced by *pre-existing* images of morality and competence. We know that - when thinking about their own image in the eyes of others- people are more concerned about how others perceive their morality than their competence (Brambilla, Sacchi, Rusconi, Cherubini, & Yzerbyt, 2012; Ellemers, 2017). For example, Pagliaro, Ellemers, Barreto, & Di Cesare (2016) revealed that people are concerned about their moral image in particular because they anticipate that it will be difficult to repair their moral image once it is damaged (see also Pagliaro, Brambilla, Sacchi, D’Angelo, & Ellemers, 2013). This suggests that people generally consider moral impressions as stickier and anticipate these will be more resilient to the incorporation of new information. We argue that since - for social targets- initial impressions are more affected by morality traits than competence traits (Goodwin et al., 2014; Wojciszke et al., 1998), initial images of the morality of companies may stick even more than initial images of competence. Hence, we propose that the existing moral image is more likely than the existing competence image to persist in the face of novel information and to influence the way people interpret new behavioral information about CSR activities of a company (Hypothesis 1).

### **Overall impression and suspicion of image laundering**

An important implication of the stickiness of initial moral images is that the pre-existing image will also affect our interpretation of new information. So to the extent that there is news value in the information provided, this also implies it may be inconsistent with pre-existing expectations. In general, people do not favor conflicting evidence that might lead to divergent evaluations about the same object (Festinger, 1957; Gawronski & Brannon, 2019). It is well established that cognitive dissonance leads to psychological discomfort and can induce attitude change as a way to deal with this (e.g. (Elliot & Devine, 1994)). However, attitude change is not

the only dissonance reduction strategy available to people. To the extent that the new information is inconsistent with what we already know about the subject, consistency may be restored by rejecting the new information. Furthermore, Gawronski and Bodenhausen (2006) and Gawronski & Brannon (2019) have proposed that people may actively ‘search for an additional explanation’ to resolve the inconsistency between ‘old’ and ‘new’ information. Due to their desire to build a consistent story from available information -whether it is actually accurate or not- people might try to resolve the situation by finding or even imagining an explanation that can help them restore consistency.

People generally are in the dark about CSR activities of companies (Du et al., 2010). Hence, CSR communications usually have news value. Furthermore, some prior work suggests that these types of processes i.e., attempts to resolve inconsistency by assuming an additional explanation might also exist when people assess CSR communications. For example, people reported both attributing business reasons and suspecting that a company might have a hidden agenda (“greenwashing”) when an oil company was said to invest in environmental measures (De Vries et al., 2015). The researchers attributed these findings to the mismatch between message indicating concerns of the company for the environment and its activities as an oil company. Notably, that while this work uses the most cited definition of greenwashing as “forms of disinformation” from organizations about their environmental activities (Laufer, 2003), there was no indication that the company was disinforming the public. These findings provide indirect support for the plausibility of our reasoning that an initial image of the company may interact with a new message, leading to the suspicion of a foul play or imagination of hidden motives as an additional explanation to restore cognitive consistency. Combining these empirical observations with the previous theorizing about morality and competence dimensions, we argue that people more generally tend to suspect a hidden

agenda when they receive information about CSR activities of a company that is known to be low in morality. Unlike situations when it is known that people say one thing and do another (Barden, Rucker, & Petty, 2005), we propose that suspicion of image laundering occurs even when companies genuinely engage in positive activities. This theorizing extends case by case fit arguments between CSR messages and companies' industries as an explanation for greenwashing. We propose that a more general perceived mismatch between the existing image of a company in terms of morality and the positive moral message indicating involvement in socially responsible activities (CSR) will elicit suspicions of a company having hidden motives for engaging in CSR activities. Thus, suspicion of image laundering refers to the notion of questioning the motives of a company for the provision of CSR information and specifically inferring that a company is trying to hide something behind CSR messages. Furthermore, we theorize that when people suspect some hidden motives for CSR activities, this would make new moral information about CSR activities seem less reliable (Uhlmann, Pizarro, & Diermeier, 2015) which would reduce the overall positive evaluation of a company, as measured by stakeholders' support. Accordingly, stakeholders' support for a company would be negatively affected by *suspicion of image laundering* attributed to the new information provided by CSR communications of such a company (Hypothesis 2).

### **Distinguishing suspicion of image laundering from possible alternatives**

Suspicion of image laundering is distinct from related constructs as believing that a company engages in CSR for business-related (self-serving) rather than moral (prosocial) motives. This was examined in prior research where the positive signaling effect of a prosocial action such as individuals' contributing money to a charity was diminished when self-serving motives for doing so were also present (Ariely et al., 2009). In parallel, prior researchers have suggested that the actions of companies may be viewed in the same way. To the extent that companies are seen



as engaging in CSR for business (vs. moral) motives, some argue that those companies will be punished by a reduction in positive evaluations of stakeholders (Chernev & Blair, 2015; Du et al., 2010 ). However, people can simultaneously infer multiple motives from the information about the targets' behaviors, and on the basis of those perceived motives, people form their judgments of targets (Reeder et al., 2004). Thus, this delineation of stakeholders' evaluations along a single profit-oriented ("negative") vs. moral ("positive") dimension seems too simplistic (Ellen, Webb, & Mohr, 2006). From an informational consistency perspective (Festinger, 1957), we think that people generally expect companies to make some profit to secure long term survival. Indeed, nowadays, many consumers assume that concerns with business interests can go together with sustainability efforts (Porter & Kramer, 2011). Accordingly, in some recent research, it was observed that reminding people that a company is a profit-making entity in itself did not reduce support for that company (Newman & Cain, 2014). Therefore, the perception that a company does something for business reasons should not necessarily undermine stakeholder's support. The construct of *suspicion of image laundering* is different in that it captures the suspicion that there is a gap between communications about CSR initiatives and reality. Thus, we theorize and empirically test that suspecting the company of image laundering is separate from the perception that it engages in CSR for business motives (Hypothesis 3).

Furthermore, we hypothesize that suspicion of image laundering is a separate construct from perceived moral reasons for engaging in CSR (Hypothesis 4). Yet, because investing in CSR activities is generally seen as a valid way for companies to do what is good and moral (Carroll, 2016), we anticipate the general public can also perceive that companies are doing CSR for moral reasons. We further argue that the conviction that a company engages in such activities for moral reasons would also be viewed as positive signaling about the prosocial intentions of a company

(Ariely et al., 2009). Hence, we predict that the perception that the company has moral reasons for engaging in CSR activities should mediate the relationship between the initial image of a company and stakeholders' support (Hypothesis 4a).

Finally, we propose that suspicion of image laundering is conceptually distinct from expectancy violation (Bond et al., 1992; Brannon & Gawronski, 2018), which more generally reflects the extent to which new information comes as a surprise to participants. Expectancy violation has been previously linked to suspicion (Fein, 1996; Hilton et al., 1993). While suspicion of image laundering may also stem from the fact that information is unexpected, this construct additionally captures the perception that there are hidden motives behind CSR messages. Hence, we propose that suspicion of image laundering can be empirically distinguished from expectancy violation (Hypothesis 5a). Furthermore, we hypothesize that suspicion of image laundering emerges as an additional mediator (separate from expectancy violation) in the relationship between the initial image of the company and stakeholders' support (Hypothesis 5b).

### **Current Research**

In three experimental studies, we assessed stakeholders' support for a company (as a customer or prospective employee) and perceptions deriving from CSR communications. In our research, we focus on evaluations of companies by the general public. Members of the general public are the key target, whom companies try to reach (e.g., as prospective clients, employees, or investors) by communicating about their CSR activities. Perceptions of the general public are shown to be a good predictor of key positive outcomes for companies (e.g. an increase in the shareholders' value, Raithel & Schwaiger, 2015). To examine perceptions of the general public, we recruited participants via Prolific, among UK based adults. Each individual participated only in one of our studies. The stated goal was to examine people's perceptions of corporate communications.

In Experiment 2.1, we compared whether a pre-existing company image, in terms of morality (high/low) vs. competence (high/low), asymmetrically affected the interpretation of new information about CSR activities of the company and impacted on stakeholders' support (Hypothesis 1). We examined whether the suspicion of image laundering mediated the relationship between the initial moral image of a company and stakeholders' support (Hypothesis 2). We tested whether suspicion of image laundering was different from perceived business (Hypothesis 3) and perceived moral motives (Hypotheses 4). In Experiment 2.2, we added explicitly communicated reasons for CSR (moral vs. business). We further tested Hypotheses 1-4. In Experiment 3.3, we manipulated communicated reasons for CSR of two matched companies differing in a priori perceived morality and competence, and we added a neutral condition where no information about CSR activities was provided. Again, we examined how the prior corporate image influenced the interpretation of communications about CSR on suspicion of image laundering, perceived business motives, perceived moral motives and stakeholders' support to provide additional support for Hypotheses 2-4. We tested whether suspicion of image laundering was a separate construct (Hypothesis 5a) and emerged as an additional mediator beyond expectancy violation (Hypothesis 5a).

All studies were pre-approved by the Ethics Committee. Since we did not have the necessary data for a priori power calculations, we aimed to have approximately 100 participants per cell in the first two studies, which power analysis revealed to be sufficient to detect medium-small size effects ( $d = 0.4$ ). In Experiment 3.3, we aimed to have approximately 60 participants per cell, which power analysis revealed to be sufficient to detect a medium-size effect ( $d = 0.5$ ).

## **Experiment 3.1**

### **Method**

#### **Participants and design**

The sample for Experiment 3.1 consisted of 405 participants (270 female, 135 male),  $M$  age = 39 years ( $SD = 13$ ),  $M$  work experience = 18 years ( $SD = 12$ ). In a pilot (203 participants), we confirmed the expectation that, in and of themselves, communications about CSR activities by a neutral image company would raise stakeholders' support. We used the pre-tested text of company description and CSR communications message for the studies in the research. Participants read an abstract, presented as a newspaper article where it was reported that Company A was either high or low in morality and in competence. After that, all participants read the text about CSR activities of Company A.

#### **Dependent variables**

*Morality and Competence.* We evaluated perceived morality and competence with the items used by (Leach et al., 2007) (morality, 3 items: honest, trustworthy, sincere ( $\alpha = 0.97$ ), competence, 3 items: intelligent, competent, skillful ( $\alpha = 0.94$ ) to check the effectiveness of the prior company image we induced. Likert-type scale from 1 to 7 was used to measure participants' reactions in all studies unless stated otherwise. Items were presented to participants in a randomized order. Factor analysis confirmed that the items indicate morality and competence as different constructs.

*Stakeholders' support* was measured by four items: 'Please imagine that you are a client of Company A. How likely is it that you would purchase Company A's products?', 'How likely is it that you would want to recommend Company A's products?', 'Please imagine that you can apply

for a job at Company A. Would you feel motivated to apply for a job at Company A?', 'Would you feel motivated to work for Company A?' ( $\alpha = 0.96$ ).

We wanted to measure the perceptions of CSR activities by stakeholders, and we developed three constructs. We based suspicion image laundering construct on the two items from the 3-items scale for perceived corporate greenwashing of de Vries et al. (2015), and we added five additional items. We used general CSR activities instead of environmental activities. As we theorized earlier, we expected that suspicion of image laundering measures hidden motives or a perceived gap between what is presented and the reality. Furthermore, as we proposed earlier, perceived business motives for CSR should emerge as a separate construct. We added perceived moral motives for CSR activities. PCA analysis revealed that 15 items we used loaded on three separate dimensions, accounting for 72,45% of the total variance. The eigenvalue of the first component (suspicion of image laundering) was 6.65, the eigenvalue of the second component (perceived business motives) was 2.96, the eigenvalue of the third component (perceived moral motives) was 1.26. Thus the results provide support to our Hypotheses 3 and 4<sup>2</sup>.

*Suspicion of image laundering* construct consisted of 7 items: 'I think Company A has a hidden agenda', 'I think Company A is issuing a CSR report in order to hide something', 'I think Company A is issuing a CSR report to compensate for bad news', 'I think Company A pretends to be more engaged in Corporate Social Responsibility activities than it actually is', 'I think that the reasons for communicating of CSR activities as insincere', 'I think Company A is not fully transparent about its communication about CSR activities', 'I think Company A is doing less of

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<sup>2</sup> We also measured "dispositional skepticism" (introduced as a relevant individual difference variable by De Vries et al., 2015). In our study, the items as expected loaded as a separate construct. Considering this variable did not alter the results presented here.

CSR activities than it is portrayed in their CSR report'. Factor analysis revealed that seven items cluster together ( $\alpha = 0.93$ ).

*Perceived business motives for engaging in CSR* were measured by using 5 items ( $\alpha = 0.81$ ): 'To what extent do you think Company A engaged in CSR activities because the company: ...thinks that consumers expect the company to do that, ...wants to have a positive image, ...intends to get positive publicity', ...hopes to get more clients', 'I think Company A aims to improve its reputation by presenting itself as being engaged in Corporate Social Responsibility activities'. Perceived business motives can also be seen as measuring self-promoting motives, i.e. motives focused on deriving economic gain as a result of CSR activities.

*Perceived moral motives for engaging in CSR* were measured by using three items ( $\alpha = 0.93$ ): 'To what extent do you think Company A engaged in CSR activities because the company: ... wants to create a better world for future generations, ... wants to contribute to creating a better environment, ... believes that it is the right thing to do from a moral perspective'. Moral motives can be seen as "selfless" or other focused motives for engaging in CSR, that are not focused on achieving an immediate profit.

## **Results**

*Morality and competence manipulation checks.* A MANOVA revealed significant multivariate main effects of morality ( $F(2,403) = 459.00, p < 0.001, \eta_p^2 = 0.70$ ) and competence conditions ( $F(2,403) = 202.30, p < 0.001, \eta_p^2 = 0.50$ ). There was also an interaction effect ( $F(2,403) = 5.43, p = 0.005, \eta_p^2 = 0.03$ ).

At the univariate level, the intended main effect of morality condition on perceived morality was highly significant  $F(1,404) = 910.10, p < 0.001, \eta_p^2 = 0.70, M$  morality low = 2.03,  $SD = 1.201, M$  morality high = 5.38,  $SD = 1.02$ . In addition, the morality manipulation also

impacted the perceived competence, indicating a halo effect  $F(1,404) = 116.25, p < 0.001, \eta_p^2 = 0.23$ ,  $M$  morality low = 3.56,  $SD = 1.79$ ,  $M$  morality high = 4.95,  $SD = 1.38$ . Likewise, as intended, the main effect of competence condition on perceived competence was significant  $F(1,404) = 379.93, p < 0.001, \eta_p^2 = 0.49$ ,  $M$  competence low = 3.12,  $SD = 1.15$ ,  $M$  competence high = 5.45,  $SD = 1.75$ . In addition, the competence manipulation also impacted perceived morality of Company A,  $F(1,404) = 18.38, p < 0.001, \eta_p^2 = 0.04$ ,  $M$  competence low = 3.30,  $SD = 1.98$ ,  $M$  competence high = 3.98,  $SD = 2.01$ . (Hypothesis 2)

#### *Main dependent variables*

We conducted a MANOVA with morality and competence as the between-subjects variables and stakeholders' support, suspicion of image laundering, perceived moral motives and business motives as dependent variables. This revealed significant main effects of morality ( $F(4,401) = 66.51, p < 0.001, \eta_p^2 = 0.40$ ) and competence conditions ( $F(4,401) = 14.56, p < 0.001, \eta_p^2 = 0.13$ ). There was no multivariate significant interaction effect of the conditions  $F(4,401) = 0.93, p = 0.45$ .

*Stakeholders' support.* At the univariate level, stakeholders' support was higher in the high morality condition than in the low morality condition ( $F(1,404) = 218.17, p < 0.001, \eta_p^2 = 0.35$ ,  $M$  morality low = 3.13,  $SD = 1.48$ ,  $M$  morality high = 5.13,  $SD = 1.27$ , see Figure 4). The same pattern was observed when comparing the effects of the high competence and the low competence conditions on the stakeholders' support ( $F(1,404) = 36.87, p < 0.001, \eta_p^2 = 0.08$ ,  $M$  competence low = 3.64,  $SD = 1.68$ ,  $M$  competence high = 4.57,  $SD = 1.61$ ). While the results above show main effects of both morality and competence, morality condition had a stronger effect than competence:  $F(1,404) = 218.17, p < 0.001, \eta_p^2 = 0.35$  effect of morality vs.  $F(1,404) = 36.87, p < 0.001, \eta_p^2 = 0.08$  effect of competence. This is consistent with Hypothesis 1, a priori moral image of Company

A was stickier than the a priori competence image, as it was more important for the stakeholders' support even in the light of new CSR information than a priori competence of Company A.

*Suspicion of image laundering* Both high morality and high competence reduced suspicion of image laundering. The univariate effects of morality condition on suspicion of image laundering was stronger  $F(1,404) = 157.37, p < 0.001, \eta_p^2 = 0.28$  ( $M$  morality low = 4.61,  $SD = 1.20$ ,  $M$  morality high = 3.14,  $SD = 1.13$ ) than the univariate effect of competence condition  $F(1,404) = 6.02, p = 0.015, \eta_p^2 = 0.02$  ( $M$  competence low = 4.09,  $SD = 1.32$ ,  $M$  competence high = 3.71,  $SD = 1.42$ ). Thus, perceived moral image was more important than perceived competence for suspicion of image laundering.

*Perceived moral motives for engaging in CSR* The univariate effects of morality condition on moral motives had a significant effect  $F(1,404) = 105.20, p < 0.001, \eta_p^2 = 0.21$ ,  $M$  morality low = 3.72,  $SD = 1.38$ ,  $M$  morality high = 5.01,  $SD = 1.11$ , while the univariate effect of competence condition was not significant  $F(1,404) = 0.12, p = 0.73$ . Thus, perceived moral image of Company A was more important than perceived competence of Company A for perceived moral motives for engaging in CSR.

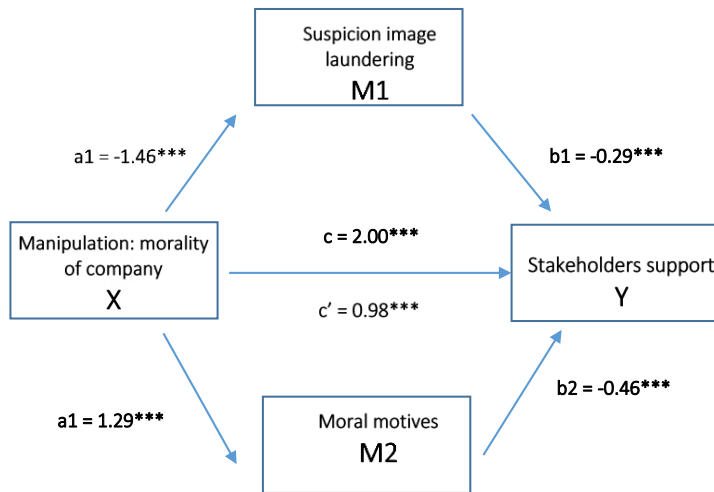
*Perceived business motives for engaging in CSR* The univariate effects of morality condition on business motives was similar to the effect of competence condition  $F(1,404) = 7.85, p = 0.005, \eta_p^2 = 0.02$ ,  $M$  morality low = 5.84,  $SD = 0.87$ ,  $M$  morality high = 5.62,  $SD = 0.77$  than the univariate effect of competence condition  $F(1,404) = 7.15, p = 0.008, \eta_p^2 = 0.02$ ,  $M$  competence low = 5.64,  $SD = 0.82$ ,  $M$  competence high = 5.84,  $SD = 0.82$ .

#### *Mediation analysis*

Having established that the morality condition had a stronger impact on the stakeholders' support, we then assessed how the effect of the experimental morality conditions on the



stakeholders' support was mediated by the suspicion of corporate image laundering and perceived moral motives. A mediation model analysis was conducted using PROCESS macro (Hayes, 2017) for SPSS.



Note: \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

Figure 3.1 Mediation model Experiment 3.1

As is depicted in Figure 3.1 the moral image of a company indirectly influenced stakeholders' support through its effect on suspicion of image laundering and perceived moral motives of a company. The confidence interval for the indirect effect was above 0. The analysis revealed that controlling for both mediators (M1 suspicion of image laundering and M2 moral motives), morality remained the significant predictor of stakeholders' support  $b = 0.99$ ,  $t(402) = 7.27$ ,  $p < 0.001$ , but its effect was significantly reduced by the mediators. The bootstrapped unstandardized indirect effect was 1.02, and the 95% confidence interval ranged from 0.83 to 1.23, with M1 unstandardized indirect effect of 0.43, 95% CI [0.25,0.61] and with M2 unstandardized

effect of 0.59, 95% CI [0.42,0.80] for 10000 bootstrap resamples. The results are consistent with Hypothesis 2: suspicion of image laundering had a mediating effect (partial mediation) on the relationship between the perceived morality of a company and stakeholders' support. Suspicion of image laundering emerges as a separate mediator from perceived moral motives thus providing further support to Hypothesis 4.

Perceived business motives did not emerge as a significant mediator for the relationship between the morality of the company and stakeholders' support (Sobel test,  $z = -1.63$ ,  $p = 0.103$ ). Hence, mediation analysis revealed that suspicion of image laundering is a separate mediator from business motives, i.e. providing further support to Hypothesis 3.

### **Experiment 3.2**

In Experiment 3.2, we wanted to replicate the results of Experiment 3.1 while adding a manipulation of the communicated reasons (moral vs. business) for CSR, resulting in a 2x2x2 design. Some prior research suggests that explicitly communicating competence vs. moral reasons for CSR behavior can have an impact on the stakeholders' support for a company (Forehand & Grier, 2003). Yet, in the context of examining how pre-existing images impact the interpretation of new company information, we expected that the pre-existing moral image of a company influences the way people interpret the motives underlying CSR behaviors, regardless of the stated reasons.

### **Method**

#### **Participants and design**

The sample for Experiment 3.2 consisted of 809 participants (499 female, 310 male),  $M$  age = 38 years ( $SD = 12$ ),  $M$  work experience = 18 years ( $SD = 12$ ). While in Experiment 3.1 no

reasons for engaging in CSR activities were given, in Experiment 3.2 we manipulated the stated reasons for engaging in CSR (business vs. moral reasons).

### **Dependent variables**

We measured all dependent variables with the same measures as in Experiment 3.1: morality ( $\alpha = 0.97$ ), competence ( $\alpha = 0.92$ ), *stakeholders' support* ( $\alpha = 0.96$ ), *suspicion of image laundering* ( $\alpha = 0.93$ ), *moral motives* for engaging in CSR ( $\alpha = 0.94$ ), *business motives* for engaging in CSR ( $\alpha = 0.80$ ).

### **Results**

*Morality and competence manipulation checks.* A MANOVA revealed significant main effects of morality ( $F(2,807) = 1114.03, p < 0.001, \eta_p^2 = 0.74$ ) and competence conditions ( $F(2,807) = 425.29, p < 0.001, \eta_p^2 = 0.51$ ). There was also an interaction effect ( $F(2,807) = 14.74, p < 0.001, \eta_p^2 = 0.04$ ).

At the univariate level, as we intended and similar Experiment 3.1, we found a highly significant main effect of the morality condition on the perceived morality of Company A,  $F(1,808) = 2223.09, p < 0.001, \eta_p^2 = 0.73, M$  morality low = 2.01,  $SD = 1.08, M$  morality high = 5.45,  $SD = 1.02$ . Similarly, we found a significant effect of the competence condition on the perceived competence of Company A,  $F(1,808) = 771.90, p < 0.001, \eta_p^2 = 0.49, M$  competence low = 3.28,  $SD = 1.47, M$  competence high = 5.35,  $SD = 1.07$ . Thus, these results show that our intended experimental manipulations of both morality and competence were successful.

### *Main dependent variables*

We conducted a 2x2x2 MANOVA with morality, competence and stated reasons (business vs. moral) as the between-subjects variables and stakeholders' support, suspicion of image laundering, perceived moral and business motives as dependent variables. This analysis revealed

significant main effects of the morality condition ( $F(4,805) = 115.39, p < 0.001, \eta_p^2 = 0.37$ ), the competence condition ( $F(4,805) = 22.37, p < 0.001, \eta_p^2 = 0.10$ ) and the stated reasons condition ( $F(4,805) = 16.36, p < 0.001, \eta_p^2 = 0.08$ ). There were no 2-way or 3-way interaction between the conditions.

*Stakeholders' support* At the univariate level, stakeholders' support was higher in the high morality condition than in the low morality condition ( $M$  morality low = 3.24,  $SD = 1.57$ ,  $M$  morality high = 5.12,  $SD = 1.24$ ). The same pattern was observed when comparing the effects of the high competence and the low competence conditions on the stakeholders' support ( $M$  competence low = 3.83,  $SD = 1.69$ ,  $M$  competence high = 4.60,  $SD = 1.61$ , see Figure 7). The effect of the communicated reasons for engaging in CSR was marginal and not significant  $F(1, 808) = 3.14, p = 0.08$ . This is in line with Hypothesis 1, perceived moral image was more important than perceived competence and stated reasons for engaging in CSR activities (morality  $\eta_p^2 = 0.33$ , competence  $\eta_p^2 = 0.08$ , reasons  $\eta_p^2 = 0.004$ ).

*Suspicion image laundering* At the univariate level, with suspicion of image laundering as a dependent variable, the analysis showed the main effect of morality condition ( $F(1,808) = 258.35, p < 0.001, \eta_p^2 = 0.24, M$  morality low = 4.59,  $SD = 1.16, M$  morality high = 3.30,  $SD = 1.14$ ) was stronger than the main effect competence  $F(1,808) = 15.60, p < 0.001, \eta_p^2 = 0.02, M$  competence low = 4.07,  $SD = 1.33, M$  competence high = 3.76,  $SD = 1.29$ . The main effect of the morality condition was stronger than the effect of the stated reasons  $F(1,808) = 0.41, p = 0.51$ .

*Perceived moral motives* At the univariate level, we observed significant effects of conditions on the perceived moral motives: morality  $F(1,808) = 140.10, p < 0.001, \eta_p^2 = 0.15, M$  morality low = 3.65,  $SD = 1.63, M$  morality high = 4.92,  $SD = 1.39$ ; competence  $F(1,808) = 3.89, p = 0.049, \eta_p^2 = 0.01, M$  competence low = 4.24,  $SD = 1.65, M$  competence high = 4.38,  $SD = 1.64$ ;

stated reasons  $F(1,808) = 41.68, p < 0.001, \eta_p^2 = 0.05$ ,  $M$  business reasons = 3.96,  $SD = 1.75$ ,  $M$  moral reasons = 4.67,  $SD = 1.44$ .

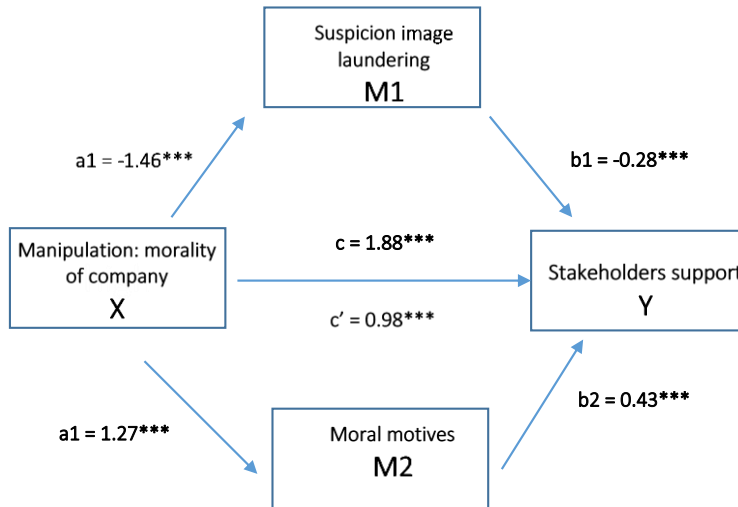
*Perceived business motives* At a univariate level there was no main effect of any of the conditions on this variable.

#### *Mediation analysis*

We established that in Experiment 3.2 morality experimental condition had a stronger impact on stakeholders' support. We then assessed how the effect of the experimental morality condition on the stakeholders' support was mediated by suspicion of image laundering and by moral motives. A mediation model analysis was conducted using PROCESS (Hayes, 2017).

As depicted in Figure 3.2, the morality of a company indirectly influenced stakeholders' support through its effect on suspicion of image laundering and perceived moral motives of a company. The confidence interval for the indirect effect was above 0. The analysis revealed that controlling for both mediators (M1 suspicion image laundering and M2 perceived moral reasons), morality remained the significant predictor of the stakeholders' support  $b = 0.98, t(807) = 10.68, p < 0.001$ , but its effect was significantly reduced by the mediator. The bootstrapped (10000 samples) unstandardized indirect effect was 0.91, and the 95% confidence interval ranged from 0.77 to 1.06, with M1 unstandardized indirect effect of 0.37, 95% CI [0.26,0.50] and with M2 unstandardized effect of 0.54, 95% CI [0.43,0.68]. Thus, the indirect effects were statistically significant, which is consistent with Hypothesis 2, that suspicion of image laundering had a mediating effect (partial mediation) on the relationship between the perceived morality of a company and stakeholders' support. We also note that suspicion of image laundering emerges as a separate mediator from perceived moral motives (Hypothesis 4a), thus providing further support to Hypothesis 4.

Perceived business reasons were not a significant mediator for the relationship between the morality of the company and stakeholders' support (Sobel test,  $z = -0.41$ ,  $p = 0.68$ ). Thus, mediation analysis revealed that suspicion of image laundering is a separate mediator from perceived business motives, providing further support to Hypothesis 3.



Note: \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$

Figure 3.2 Mediation model Experiment 3.2

### Experiment 3.3

#### Method

#### Participants and design

The sample for Experiment 3.3 consisted of 356 participants (227 female),  $M$  age = 38 years ( $SD = 12$ ),  $M$  work experience = 17 years ( $SD = 12$ ).

In Experiment 3.3, we wanted to test our hypothesis by examining 2 matched companies which we expected already would have a certain image in terms of morality in the minds of participants. We chose a bank as a company that we expected would have a relatively low morality

image and an organic producer and retailer, which we expected to have a higher moral image than a bank. Participants were shown a description of Company A as “an extract from Wikipedia”. The information was adapted from an actual Wikipedia description of a bank. Bearing in mind, previously observed halo-like effects of both morality and competence, we wanted to emphasize the competence of a bank so as to avoid a situation where a bank would be viewed equally low on both morality and competence. We wanted to have a bank’s competence to be significantly higher than morality. We explicitly included some competence focused wording in the description of a bank such as a large number of employees, multiple businesses. The organic company was prepared as a parallel condition.

Similar to Experiment 3.2, we manipulated the stated reasons the company had for CSR engagement as either moral reasons or business reasons. We added a control condition where the participants received no mention of CSR activities.

### **Dependent variables**

We measured perceived company’s morality and competence with the same 3 items as in Experiment 3.1,2 (morality  $\alpha = 0.96$ , competence  $\alpha = 0.87$ ) and stakeholders’ support with the same 4 items ( $\alpha = 0.96$ ).

Since the control group in this study received no CSR information, the dependent variables related to the perceptions of CSR activities were only relevant for the two CSR conditions (stated reasons business vs. stated reasons moral) ( $N = 235$ ).

We used the same measures we developed in Studies 1-2 (suspicion of image laundering, perceived moral motives, perceived business motives). We added four items to assess *expectancy violation* (e.g. “The stated reasons were not what I expected.”). PCA revealed that those 4 measures indeed represent 4 separate dimensions accounting for 74.22% of the variance in the

measured items (*suspicion of image laundering* ( $\alpha = 0.94$ ), *perceived moral motives* ( $\alpha = 0.95$ ), *perceived business motives* ( $\alpha = 0.80$ ) and *expectancy violation* ( $\alpha = 0.89$ )). This provides support to our Hypothesis 5a, that suspicion of image laundering and expectancy violation are orthogonal constructs. It provides further support to our Hypotheses 3 and 4.

## Results

*Morality and competence manipulation checks* We conducted a MANOVA to examine the effect of the type of company on perceived morality and competence. This evaluation revealed a multivariate significant main effect of the type of company experimental condition  $F(2,354) = 192.85$ ,  $p < 0.001$ ,  $\eta_p^2 = 0.52$ . We then examined univariate effects on each of the dependent variables.

*Morality* We expected that a bank is perceived as lower in morality than an organic company. At the univariate level, we observed a significant main effect on the perceived morality of the type of company  $F(1,354) = 378$ ,  $p < 0.001$ ,  $\eta_p^2 = 0.52$  ( $M$  bank = 2.90,  $SD = 1.27$ ,  $M$  organic company = 5.32,  $SD = 1.08$ ).

*Competence* We also observed a significant univariate effect of the type of company on perceived competence  $F(1,354) = 71.78$ ,  $p < 0.001$ ,  $\eta_p^2 = 0.17$  ( $M$  bank = 4.4,  $SD = 1.13$ ,  $M$  organic = 5.3,  $SD = 0.91$ ).

Paired samples t-tests analyses revealed that there was no significant difference between morality and competence of an organic company ( $t = 0.25$ ,  $df = 182$ ,  $p = 0.81$ ), while morality was significantly lower than competence for a bank ( $t = 16.02$ ,  $df = 172$ ,  $p < 0.001$ ). This effect was in line with our intentions for this manipulation.



### *Main dependent variables*

*Stakeholders' support* We conducted a 2x3 ANOVA, with a type of Company A (bank/organic) and reasons (no information/business reasons/moral reasons for CSR) as the between-subjects variable and stakeholders' support as the dependent variable. This revealed a main significant effect of the type of a company,  $F(1,355) = 225.72, p < 0.001, \eta_p^2 = 0.39$  ( $M$  bank = 3.07,  $SD = 1.51$ ,  $M$  organic = 5.27,  $SD = 1.19$ ). This also showed a main significant effect of the communications condition  $F(2,354) = 10.41, p < 0.001, \eta_p^2 = 0.06$  ( $M$  no information = 3.92,  $SD = 1.76$ ,  $M$  business reasons = 3.85,  $SD = 1.75$ ,  $M$  moral reasons = 4.81,  $SD = 1.57$ ). There was no interaction effect  $F(2,354) = 2.43, p = 0.089$ .

Furthermore, we conducted a 2x2 MANOVA to examine the effect of the type of the company and stated reasons on 4 variables indicating the perceptions of communicating about CSR activities. This revealed multivariate significant main effects of both the type of company  $F(4,231) = 24.02, p < 0.001, \eta_p^2 = 0.30$  and of the stated reasons  $F(4,231) = 10.47, p < 0.001, \eta_p^2 = 0.16$ . We also found a significant two-way interaction  $F(4,231) = 2.21, p = 0.03, \eta_p^2 = 0.05$ .

*Suspicion of image laundering* The main effect of the pre-existing (moral) image of a company was significant for suspicion of image laundering  $F(1,234) = 85.48, p < 0.001, \eta_p^2 = 0.27$ ,  $M$  bank = 4.59,  $SD = 1.25$ ,  $M$  organic = 3.09,  $SD = 1.16$ . Stated reasons had no significant univariate effect  $F(1,234) = 1.02, p = 0.31$ . The interaction was not significant.

*Perceived moral motives* We found univariate significant effects of both manipulations: company type ( $F(1,234) = 47.47, p < 0.001, \eta_p^2 = 0.17$ ,  $M$  bank = 3.32,  $SD = 1.56$ ,  $M$  organic = 4.84,  $SD = 1.617$ ) and stated reasons  $F(1,234) = 29.41, p < 0.001, \eta_p^2 = 0.11$ ,  $M$  business = 3.48,  $SD = 1.66$ ,  $M$  moral = 4.75,  $SD = 1.63$ . The two-way interaction was not significant. Thus, the pre-

existing (moral) image of a company had a stronger impact on the perceived moral motives for engaging in CSR than the explicitly stated reasons for engaging in CSR.

*Perceived business motives* The univariate level analysis revealed a significant main effect of the type of company ( $F(1,234) = 10.48, p = 0.001, \eta_p^2 = 0.04, M_{\text{bank}} = 5.86, SD = 0.99, M_{\text{organic}} = 5.46, SD = 0.93$ ). Stated reasons had no significant univariate effect ( $F(1,234) = 0.15, p = 0.70$ ). The 2-way interaction was significant ( $F(1,234) = 6.53, p = 0.011, \eta_p^2 = 0.03$ ).

*Expectancy violation.* The univariate main effect of company type condition on expectancy violation was significant ( $F(1,234) = 6.64, p = 0.011, \eta_p^2 = 0.03, M_{\text{bank}} = 3.88, SD = 1.61, M_{\text{organic}} = 3.25, SD = 1.48$ ). Stated reasons had also a significant effect ( $F(1,234) = 21.60, p < 0.001, \eta_p^2 = 0.09, M_{\text{business}} = 4.05, SD = 1.67, M_{\text{moral}} = 3.06, SD = 1.30$ ). Thus, the expectancy violation was significantly lower in moral reasons for CSR communications than in business reasons for CSR communications. This result is also different from suspicion of business laundering where only the initial image of a company led to a significant effect while the stated reasons had no effect on suspicion of image laundering. The 2-way interaction effect was not significant.

#### *Mediation analysis*

We assessed whether the effect of the type of company on stakeholders' support was mediated by suspicion of image laundering and perceived moral motives as in Experiment 3.1-2. Additionally, we compared those mechanisms with the effect of expectancy violation as a potential mediator. A mediation model analysis was conducted using PROCESS (Hayes, 2017).

The independent variable was company type (bank vs. organic), the dependent variable was stakeholders' support. The first mediator (M1) was suspicion of image laundering, the second mediator (M2) was perceived moral motives and the third mediator (M3) was expectancy

violation. Unstandardized indirect effects were computed for each of 10000 bootstrapped samples. All three mediators revealed statistically significant mediating effects: M1 unstandardized indirect effect of 0.59, 95% CI [0.38,0.87], M2 unstandardized effect of 0.57, 95% CI [0.36,0.83], M3 unstandardized effect of 0.06, 95% CI [0.001,0.15]. However, while there was no significant difference between the effect strength of M1 and M2 0.03, 95% CI [-0.37,0.41], both M1 and M2 had a stronger indirect effect than M3: indirect effect contrast C2 (M1-M3) 0.54, 95% CI [0.31,0.82] and indirect effect contrast C2 (M1-M3) 0.51, 95% CI [0.30,0.80]. These results provide further support to Hypotheses 2, 4 and 5b.

Perceived business motives were not a significant mediator (Sobel test  $z = 0.01$ ,  $p = 1.00$ ), thus providing further support to Hypothesis 3.

## **Discussion**

In three studies, we examined how the previous image of a company in terms of morality and competence affects the processing of the new CSR information to determine the way people evaluate companies. Specifically, we addressed *a priori* organizational features that limit the impact of new information on impression processing. We predicted and found that the company's existing moral image is sticky, meaning it has more impact on the subsequent processing of the new CSR information than the existing competence image. We demonstrated that pre-existing impressions about the morality of a company drove suspicion of image laundering raised by communications about CSR and influenced stakeholders' support.

## **Contributions of Present Research**

This paper makes several theoretical contributions. We show that our explicit impressions of companies are not as easily updated in the light of new information as sometimes can be expected (Rydell, McConnell, Strain, Heather, & Hugenberg, 2007). We extend current insights on

morality and competence as key dimensions in social judgment (Ellemers, 2017; see also Fiske et al., 2007; Wojciszke, 1994) by demonstrating that the initial moral image of companies is sticky, meaning that it has more impact on processing of new behavioral (CSR) information than the initial competence image of companies. We were able to extend existing insights in this way, due to our empirical approach, where we addressed the impact of communications about CSR activities in a dynamic process of impression processing. Explicitly considering the dynamic nature of the impression processing, instead of treating it as a one-off occurrence, also could help to resolve prior ambiguous findings about the impact of CSR information on stakeholders' support. A large body of research has shown that CSR communications lead to stakeholders' support (Du et al., 2010). Still, some recent research argued that this positive effect on customers' evaluation is not always there. We propose that these mixed findings might be resolved by paying careful attention to the prior moral image of companies communicating about CSR. This offers a more general framework than examining the case by case "fit" between different types of stakeholders and various types of CSR actions, as it has been sometimes proposed (Janssen et al., 2014; Jong & Meer, 2017).

Furthermore, building on the research about cognitive dissonance and ways to restore cognitive consistency (Festinger, 1957; Gawronski & Brannon, 2019), we develop and test the added value of a construct, *suspicion of image laundering*, capturing the notion of questioning the motives of a company for the provision of CSR information and specifically inferring that a company is trying to hide something behind CSR messages. We explain and provide empirical support for why it is crucial to distinguish suspicion of image laundering from perceived business motives and moral motives. We show why CSR actions of some companies lead to suspicious reactions even when those actions are sincere. Thus, we clarify some confusion in the literature by

explaining why people can see false CSR claims “everywhere” (Alves, 2009), while actual CSR misrepresentations are rare (Pope & Wæraas, 2016). Our work also expands limited to date research about mediators of the relationship between CSR communications and stakeholders’ support (Aguinis & Glavas, 2012).

Finally, our work contributes to the existing theory in the area of impression processing of nonhuman subjects. It is not always obvious that prior social psychology research would be fully applicable to non-human targets such as companies (Mitchell et al., 2005). We show that similar to our evaluations of social targets, morality has a stronger impact than competence on our subsequent interpretation of new information about companies. We show that people can be suspicious of companies’ communications while people are generally not suspicious of non-human objects such as computers (Fein, 1996). We also show that people don't necessarily reduce their positive evaluations of companies when they infer that a company does something for profit reasons, which might work differently for human targets (Ariely et al., 2009). Thus, our work contributes to the limited to date body of research in social psychology focused on the generalizability of impression processing findings about individuals to nonhuman subjects (Gawronski et al., 2018).

From the practical perspective, our findings explain why some companies might first get criticized for not doing CSR, only to get some more negative attention once they start being active in CSR, i.e. why some companies end up in situation where they are “damned if they don’t and damned if they do” CSR activities.

### **Limitations and Future Directions**

Of course, our research is not without limitations. In our work, we used an experimental paradigm where morality and competence were orthogonally manipulated and strictly controlled.

In real life, we tend to have more ambiguous information about different targets (people or companies), and it is usually less clear how this information speaks to the target's morality and competence. Our decision to orthogonally manipulate morality and competence in this way thus can be seen as a weakness of this research. Yet, given that morality and competence account for over 80% of the variance in our impressions of others (Wojciszke et al., 1998), we think it is important to study how the impact of new information is affected by the existing image of targets in terms of these two dimensions.

Furthermore, we note that our manipulations of the initial image of a company were successful with strong main effects of both morality and competence on the perceived morality and competence of the company. We also observed halo-like effects of the morality condition on the perceived competence and of the competence condition on the perceived morality. It can be perhaps suggested that this is a methodologic flaw as we have not succeeded in having strict orthogonal manipulations of morality and competence. However, these halo-like effects attest to the relevance of our research for more natural situations. Some companies do well on both dimensions, and some companies do worse on both. In fact, some recent work showed that those two dimensions might have more influence on each other than causing a mere halo-effect (Stellar & Willer, 2018). Hence this observed effect is not only a relevant reflection of more natural real-life situations, but it is also a theoretically meaningful result as it matches previous theoretical work.

In this research, we have documented that people might have difficulty processing or accepting new information once an initial impression or belief about the 'true nature' of a target is formed. Our research further suggests that this new information might not just be disregarded but invites a specific interpretation of why this new information is communicated. This tendency to

suspect a hidden motive to explain information that does not match *a priori* impressions, helps people restore cognitive consistency. Future research might reveal whether it is possible to avoid such suspicions when new information becomes available. If our reasoning is correct, a more explicit explanation for the inconsistency of new information with existing impressions might prevent people from inventing their own way to account for cognitive inconsistency. It is possible that companies, as non-human subjects, can have some advantage vs. humans where a character can be considered as a stable trait. For instance, a company can communicate specific reasons for increased engagement in CSR such as a change of strategy due to a new CEO. This might prevent people from construing image laundering as an explanation for the change of direction.

### **Conclusion**

Our research showed that *a priori* impressions of morality and competence limit the impact of new information on impression processing. The existing moral image of a company is sticky, meaning that it has more impact on the processing of the new behavioral (CSR) information and on the perceived favorability of a company than the existing competence image. We demonstrated that stakeholders' support is driven by the interplay between the initial image of a company and new CSR information provided, which can raise *suspicion of image laundering*. In doing so, we introduced and validated a new theoretical construct, suspicion of image laundering. From the practical perspective our findings explain why some companies might first get a lot of criticism for not doing CSR, only to get some more media or general public negative attention once they start being active in CSR, i.e. why some companies end up in situation where they are “damned if they don't and damned if they do” CSR activities.

## **CHAPTER 4: The Importance of Morality for Collective Self-Esteem and Motivation among Members of a Negatively Stereotyped Professional Group**

*‘The problem with the finance sector is that it is amoral...’ The Guardian.*

Morality, broadly defined as having beneficial intentions towards other people (Abele et al., 2016; Fiske et al., 2007), regulates interpersonal behavior and makes social life possible (Ellemers, 2017; Haidt, 2008). The importance attached to morality is universal, and it is at the core of our judgments of other people (Haidt, 2007; Wojciszke, 1994). Studies reveal that people want to be seen as moral, and they prefer to be part of groups that are seen as moral (Ellemers, Pagliaro, & Barreto, 2013; Ellemers, Pagliaro, Barreto, & Leach, 2008; Leach et al., 2015). Yet, after the financial crisis, the group of people working in the financial sector (professionals in finance or PIFs) was heavily criticized most notably about their morality (Cock & Nyberg, 2016; Roulet, 2015).

People who think that the morality or ethical values of PIFs are to blame for the crisis assume that finance professionals tend to be more dishonest than people in other professions (Cohn et al., 2014). Presumably, such criticism intends to increase the sensitivity of PIFs to moral issues and to motivate a positive behavioral change in the financial sector. Indeed, previous research showed that when public opinion negatively stereotypes certain practices, this can lead to an abandonment of those practices by people who are criticized (Clemente & Roulet, 2015). However, this work didn't explicitly look at situations where public opinion questions morality as the key trait of a group rather than criticizing a particular practice. Does this stereotyping of PIFs as immoral or amoral help to achieve a positive behavior change? Clearly, a properly working financial sector is the core of the world economy (Davis & Kim, 2015; Krippner, 2005); hence, it is natural that a lot of efforts are directed at trying to “fix” the sector after the financial crisis.



However, improvement attempts prompting PIFs to act more like “normal” people by criticizing their morals without knowing how PIFs react to this criticism and whether PIFs even care about morality can be counterproductive (van Hoorn, 2015). Not surprisingly, after being painted in a negative light, people in the financial sector are not that open to additional investigations by the press or academics. This lack of research and understanding about whether financial professionals are indeed different from “normal” people in this sense is problematic. In the present work, we address these issues. Specifically, we examine whether or not morality is important to PIFs and how to motivate this negatively stereotyped group to engage in positive moral behavior based on prior research and reasoning derived from Social Identity Theory (Tajfel, 1978; Tajfel, & Turner, 1986).

The present work contributes to the debate in social psychology about how groups react when the group’s morality is criticized. We aim to expand current knowledge about how to use group level moral affirmation or moral appeals at a group level as an effective tool to achieve behavioral change. We expand the current literature about group stereotyping by examining a negatively stereotyped professional group. We look at the attitudes and the reactions of an actual professional group that has been experiencing a lot of criticism by the general public, thus, addressing identified potential lack of generalizability issues of some prior convenience sample based research (e.g. Basu & Palazzo, 2008). Finally, we add to the emerging body of literature in business ethics and organizational psychology about the perceived morality of PIFs and how to motivate this professional group to engage in moral behavior.

### **Current Empirical Evidence about the Morality of PIFs**

In this research, we examine a unique sample of private equity investors. Private equity investors are a high-profile group within the financial sector, who make multi-million-dollar

decisions about which companies to buy and sell (Kaplan & Strömberg, 2009). They develop strategies to improve the profitability of these companies, such as restructuring or developing new product lines as a result of long term investment focus (Lerner, Sorensen, & Strömberg, 2011). If done well, these actions allow them to contribute to economic growth and ensure returns to their investors, including pension funds and foundations. If done badly, these actions can harm the interests and well-being of important stakeholders, such as employees, clients, and local communities. The criticism of the finance industry has been extensive, and it encompasses various subsegments by negatively stereotyping the whole sector (Roulet, 2015). Hence, private equity professionals experienced the same general criticism, which was directed at PIFs in general and thus, they represent a relevant group of PIFs to study.

As we noted above, there seems to be a general assumption that PIFs do not care very deeply about morality and ethical values. Although empirical evidence relevant to this assumption is emerging, the results of prior investigations are inconsistent (e.g. Cohn, Fehr, & Maréchal, 2017; Norberg, 2015; van Hoorn, 2015, 2017;).

We know of one study indicating a somewhat higher level of dishonesty of PIFs vs. “normal” people, when the professional identity of the group was made salient (Cohn et al., 2017). However, a control condition in the same research line revealed no evidence of increased dishonesty among PIFs. Hence, the authors concluded that while PIFs might not be more dishonest than others, the culture of the financial sector could elicit dishonest or less moral behavior among those who work there (Cohn et al., 2017). Other academics have argued that the observation of “increased dishonesty” among PIFs might stem from a negative portrayal of their professional identity (Roulet, 2015; van Hoorn, 2017). Indeed, studies conducted in a different line of research did not reveal consistent differences in values or professional culture between PIFs and non-PIFs

(van Hoorn, 2015, 2017). For example, it was shown that the differences in values concerning the pursuit of private gain (self-enhancement values) versus personal values concerning caring for others, which are seen to relate to morality (self-transcendence values) (Schwartz, 1992) between PIFs and other professionals were either trivial or non-existent (van Hoorn, 2015). Hence, we conclude that we cannot draw consistent conclusions about the importance of morality for PIFs from the currently available research. However, these prior studies do suggest that there is merit in further examining the importance of morality and ethics for the professional identity of PIFs.

### **Need to Establish Identity Threat among this Negatively Stereotyped Group**

Social Identity Theory (Tajfel, 1974; Tajfel & Turner, 1979, 1986) proposes that it is important to consider individuals as a part of various groups they belong to (e.g. family, work, etc.) and that people derive positive feelings from belonging to those groups or from identifying with those groups. Prior research has offered considerable evidence supporting the key premise of Social Identity Theory (Tajfel, 1978; Tajfel & Turner, 1986), namely that people's work-related identity is an essential part of people's views of themselves i.e. their self-concept (Ashforth, & Mael, 1989; Hogg, & Terry, 2000; Ellemers, De Gilder, & Haslam, 2004). So, in general, when this work-related identity is criticized, Social Identity Theory would predict that people will experience a threat to their identity and their reaction to the threat can lead to a change in their behavior, as an identity management strategy (Branscombe, Ellemers, Spears, & Doosje, 1999; Petriglieri, 2011). Thus, one can only anticipate that PIFs might be motivated to react or change their behavior due to public critique of their profession when they actually experience an identity threat. This is why first we need to examine the presence of identity threat.

Not every criticism will be experienced as a threat to identity, and we know from prior research that critique has to be viewed as relevant to one's identity to constitute an identity threat

(Petriglieri, 2011). If assumptions voiced (e.g., in the media) about the amorality of PIFs are correct (implying that they simply do not care about moral issues), then PIFs should not experience identity threat, as criticizing the morality of this group would not affect them. This could be the case either because PIFs are unaware that others view their morality as low or because PIFs do not see such judgments as relevant to their identity. So our first research goal is to establish whether PIFs experience the stereotyped lack of morals of their professional group as an identity threat. This is a relevant research question in its own right as it directly addresses “obvious or misleading” speculations about the morality and ethics of PIFs (Donaldson, 2012), which are lacking clear empirical support (van Hoorn, 2015).

Since there are no universally accepted standards for the assessment of identity threat (Petriglieri, 2011), we apply insights from Social Identity Theory to capture the identity threat experienced by this group in two steps. First, we examine whether PIFs think that others have an overly negative view of their morality – while this is not the case for their competence. Second, we investigate whether the perceived morality of the group matters for the self-views of members of this group.

### **Perceived Morality of PIF’s: Is there a Discrepancy Between Self- and Meta-Perceptions?**

An examination of people working in negatively stereotyped industries concluded that such criticism could also isolate people working in those industries – making them somewhat immune to judgments held by the rest of society (Vergne, 2012). In parallel, it might be the case that PIFs have become so isolated from the society that they are not aware of negative judgments others have of their morality.

Yet, prior work on meta-perceptions, i.e. how people believe others view them (Carlson, Vazire, & Furr, 2011; Kamans, Gordijn, Oldenhuis, & Otten, 2009) posits that, in general, people tend to consider the way they are viewed by others, and that this is relevant to the self-perceptions of the members of these groups (Kamans et al., 2009; Vorauer, Main, & O'Connell, 1998, see also Tajfel, 1975, 1978). Furthermore, studies on the importance of morality for people's self-perceptions and social identities suggest that people tend to be particularly attuned to the perceptions others have of the moral standing of their group. In fact, psychophysiological evidence suggests this affects them more severely than other types of evaluations (e.g. Ellemers, 2017; Ellemers, et al., 2013; Leach et al., 2007, Ashforth, & Kreiner, 2014).

Based on Social Identity Theory and prior research on the importance of morality for people's social identities and group-based self-views, we posit that reality constraints, namely the extensive criticism by the media and general public of morality of this group, will make PIFs, the professional group we examine, self-describe their group as being lower in morality than competence as seen by themselves (self-perceptions) and as seen by the others (meta-perceptions). In the light of general tendencies to hold a positive view of one's group (ingroup favoritism) and negative commentary about PIFs by the media (Roulet, 2015), self-perceptions are likely to be more positive across the board than meta-perceptions. Importantly, however, we posit that this difference between self- and meta-perceptions should be larger in the domain of morality than in the domain of competence (*Hypothesis 1*). That means that PIFs believe that the general public views PIFs not just negative in general but in particular, on the dimension of this group's morality.

### **Importance of Morality for Positive Evaluation of the Ingroup among PIFs**

Our next aim is to examine whether PIFs actually care about the (perceived) morality of their group. Indeed, establishing that there is a larger gap between self and meta-perceptions of

morality than competence does not necessarily mean that these meta-perceptions matter for the way people feel about their group (Hornsey & Imani, 2004). This is why we need to determine whether the (self-perceived and meta-perceived) morality (vs. competence) matters for the self-views of members of this group – their collective self-esteem, which evaluates people’s personal judgments of how good their social groups are (Luhtanen & Crocker, 1992).

When multiple dimensions are available to compare and assess different groups, Social Identity Theory (SIT) (Tajfel & Turner, 1979, 1986) would suggest that people prefer to focus on dimensions on which the relative position of the group is high, as a source of positive identity. According to this reasoning, competence should be the main determinant of collective self-esteem when this is the dimension on which the group can be distinguished positively from other groups. However, recent research offers a more nuanced view on the interchangeability of comparative dimensions and suggests that morality is central to a group’s identity across different comparative contexts (Ellemers, 2017). People tend to focus on moral information to form judgments of others because they see this as more revealing of the ‘true character’ of other individuals and groups (Goodwin et al., 2014; Ellemers, 2017; Brambilla, & Leach, 2014; Pagliaro et al., 2016). This is the case when people form impressions about other individuals and groups (Brambilla et al., 2019; Brambilla, Sacchi, Pagliaro, & Ellemers, 2013b; Cottrell, Neuberg, Li, Cottrell, & Li, 2007; Fiske et al., 2007; Hack et al., 2013; Hartley et al., 2016; Wojciszke, 2005; Ybarra, Chan, & Park, 2001). People seem to be aware this is the case, as they generally consider morality as a central aspect of their self-concept (e.g., Aquino & Reed, 2002; Blasi, 1980) and of their positive evaluation of ingroups (Leach, Carraro, Garcia, & Kang, 2017).

We propose to evaluate how morality and, in contrast, competence affect personal feelings about the group’s identity. We know that there is a relation between groups’ characteristics and

personal feelings of a group's identity, which can be evaluated by collective self-esteem (Luhtanen & Crocker, 1992). Hence, based on recent insights on the importance of morality for evaluations of other groups and for self-evaluations, we propose that morality should be more strongly correlated than competence with the collective self-esteem of PIFs, even though this group evaluates itself more positively for its competence than for its morality. (*Hypothesis 2*).

### **Raising the Willingness of Private Equity Professionals to Engage in Moral Behavior**

As mentioned above, the experience of an identity threat can lead to attempts to behave in ways that might improve one's social standing, yet this is not the only reaction to an identity threat (Branscombe et al., 1999; Petriglieri, 2011). Social Identity Theory posits that the presence of identity threat will motivate people to improve their social identity. However, multiple -cognitive and behavioral- strategies can serve this purpose, and trying to improve one's behavior is only one of the different available options (Tajfel & Turner, 1979; Ellemers, 1993). At the individual level, negative moral evaluations of one's past behavior are perceived as highly stressful and difficult to cope with (Pagliaro et al., 2016). When focusing on past behavior, evaluations of immorality, compared to incompetence, diminish group members' perceived coping abilities (Van der Lee et al., 2016). At the group level, previous research suggests that communications that threaten the moral image of the group by referring to past wrongdoings are particularly likely to lead to defensive reactions instead of behavioral change (Doosje et al., 1998). Based on Social Identity Theory specifying different strategies that can be used for identity management and prior work suggesting that people are likely to experience lack of ability to cope with situations that threaten their moral identity, we argue that referring to PIFs questionable moral behavior in the past can elicit defensive responses that stand in the way of individuals' motivation to improve (Täuber & van Zomeren, 2013).

Prior research suggests that people are better able to cope with others who question the morality of themselves or their group when they are offered an opportunity for moral improvement (Van der Lee et al., 2016). Previous studies point to individuals' need to restore a damaged identity to achieve positive outcomes by, for example, asking people to affirm their positive identity by reflecting on their own positive traits. Such a restoration of a damaged identity has been shown to be effective as it reduced the threat and improved the performance of individuals (Steele, 1988; Cohen, Aronson, Steele, 2000; for a review, see Cohen & Sherman, 2014). This intervention can also work at the group level i.e. people are able to affirm the positive view of their group (Derks et al., 2009). From prior research, we know that people might be more inclined to engage in constructive moral actions if those actions are communicated in a positive way, such as moral ideals they might achieve rather than obligations or negative actions they should avoid. For instance, in a study on how to avoid ethnic discrimination in the labor market, moral ideal framing led to lower levels of social identity threat, and participants reported more positive desire to engage in activities promoting equality than in the moral obligation condition (Does, Derks, & Ellemers, 2011). Although this prior research did not focus on affirming the group's moral image, we theorize that a positive moral message about the ingroup's moral behavior should work in a similar way i.e., it should diminish feelings of threat and defensive reactions and therefore motivate ingroup members to engage in moral behavior.

Thus, we posit that to the extent that research participants experience a threat to their professional identity in the domain of morality as PIFs (Hypothesis 1 and 2), providing a group-level moral affirmation (i.e., positive information about ingroup moral behavior) will be more effective to regulate negative emotions and motivate this group to engage in moral behavior than providing group-level moral criticism (i.e., negative information about ingroup moral behavior).



Group-level moral affirmation should lead to less defensive emotional reactions than group-level moral criticism (*Hypothesis 3a*). Group-level moral affirmation should lead to greater motivation to engage in moral behavior than group-level moral criticism (*Hypothesis 3b*). Furthermore, since we argue that this professional group experiences a morality threat (Hypothesis 1 and 2), the effect of the effect of the manipulation (group-level affirmation vs. group level threat) would be moderated by a priori perceived morality. Hence, the more a priori moral threat (low meta-morality) these professionals experience the more they would react to the manipulation i.e. these professionals would be less inclined to engage in moral behavior in a group level moral threat condition vs. more inclined to engage in moral behavior in a group level moral affirmation condition (*Hypothesis 3c*).

### **The Current Research**

To examine our hypotheses, we conducted a two-part study. In the correlational part, Study 4.1, we assessed whether this group experienced an identity threat relating to the group's morality by examining 1) whether the difference between self and meta-perceptions of morality is larger than the difference between self- and meta-perceptions of competence (*Hypothesis 1*); 2) whether the group's perceived morality -rather than its competence- is stronger correlated with the collective self-esteem of PIFs (*Hypothesis 2*). In Experiment 4.2, we used an experimental design in which participants were randomly assigned to different conditions, which exposed these professionals to either group-level moral affirmation or to moral criticism. This allowed us to test the prediction that group-level moral affirmation should lead to less defensive emotional responses than moral criticism of the group (*Hypothesis 3a*). Also, group moral affirmation should lead to more motivation to engage in moral behavior (indicated by intentions to invest in CSR activities)

than group moral criticism (*Hypothesis 3b*), this effect would be moderated by a prior perceived morality of the group (*Hypothesis 3c*).

### **Study**

We recruited professionals working in the private equity industry. The participants were recruited by an email using personal connections in the private equity industry of one of the authors. Both studies were conducted via an online questionnaire. We sent 201 email invitations, and we received 124 full replies to Part 1 (62% full reply rate) and 119 full replies to Part 2.

We used the fact that private equity gets a lot of publicity and that people in the industry rarely provide comments to the press, thus our study was presented as an opportunity to express their own opinion. When we were designing the study, we carefully considered the way the participants were invited to participate to avoid potential bias. We would like to point out that we did not explicitly say in the recruitment email that the media comments were negative. Given that private equity is a high-profile sector within financial services and the news about companies being bought for hundreds of millions (or several billion) by various private equity managers is very common, people could have interpreted the comments in the recruitment email about “a lot of publicity” in a positive sense.

This research was approved by the ethics committee of the relevant University.

### **Part 1, Study 4.1- Morality and Positive Evaluation of the Ingroup**

**Participants, design and procedure.** One hundred twenty-four private equity investors participated in the correlational part. The sample was 80% male (100 men), which reflects the gender distribution in this industry (source: PREQIN, 2017).

The mean age of the sample was 41 years ( $SD = 10$ ). Participants were senior professionals and they had, on average, 18 years of total work experience, with 12 years of experience as private

equity investors. The sample geographical diversification was as follows: 43% worked and lived in the UK, 18% in the Netherlands, 14% in Germany, 5% in Sweden, 9% in other countries.

Participation was voluntary. In the introduction to the first part of the study, we repeated the neutrally phrased text from the invitation email. After this, all the participants read the following:

We observe that there was negative publicity regarding the industry. Some people even question the morality of all individuals working in the private equity industry. In that light, we are interested in your view, and we very much appreciate your participation.

The goal of this introduction was to make negative questions pertaining to morality salient for all participants. The goal of our study was to examine the existence of the threatened group identity and responses to it. We deliberately kept this introduction brief. We did not provide any examples to allow participants to relate to this statement based on their own feelings.

**Dependent variables.** *Perceived morality and competence of the ingroup.* To test our predictions about the way this group views itself in terms of morality and competence, we used the measures developed by (Leach et al., 2007).

Morality was assessed by using honesty, sincerity and trustworthiness. Competence was assessed by asking about perceived competence, skill and intelligence of the ingroup. We also assessed the traits friendly, warm and likeable, to indicate warmth. The factor analysis revealed three orthogonal factors, indicating morality, warmth, and competence, together explaining 78% of the variance in the individual items. We used a 7-point Likert-type scale in this and all other measures unless stated otherwise. The order of traits was randomized. To test our predictions, we focus on morality (Cronbach  $\alpha = 0.88$ ), and competence (Cronbach  $\alpha = 0.82$ ).

*Self- and meta-perceptions of morality and competence*

We used overall self- and other-perceived trustworthiness and competence of the group to directly compare participants' self- and meta-perceptions of the morality and competence of the group (see also Leach et al., 2015). We presented participants with four scales on the same page to indicate their comparative scores on these indicators. We asked the participants to rank the trustworthiness of private equity professionals (a) according to their own impression and to rank the trustworthiness of private equity professionals (self-perceptions) and (b) according to the perception of the general public (meta-perceptions). In the same way, we then asked the participants to rank the competence of private equity professionals (c) according to their own impression and (d) according to the perception of the general public. Participants were asked to use sliders that could be moved from 0 to 7 to indicate their ranking. We used this method to allow for a better visual presentation.

*Collective self-esteem.* We used the scale developed to assess private collective self-esteem (Luhtanen & Crocker, 1992) as a measure of collective self-esteem, which contained 4 items, e.g. “In general, I am glad to be a member of a private equity industry” (Cronbach  $\alpha = 0.82$ )<sup>3</sup>.

## **Results**

**Perceived morality and competence of the ingroup.** Participants perceived their group's competence as higher at 6.22 ( $SD = 0.67$ ), than the group's morality, 4.59 ( $SD = 0.67$ ; (paired samples t-test:  $t = -19.36$ ,  $df = 123$ ,  $p < 0.01$ ).

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<sup>3</sup> We also measured group identification: affective group identification and identity centrality. In line with Hypothesis 2, morality was stronger correlated to both identification measures than competence.

**Self-perceptions and meta-perceptions of morality and competence.** We tested whether participants' self-perceptions and meta-perceptions of morality and competence are significantly different from each other. To compare self- and meta-perceptions, we conducted a repeated measures analysis of variance with two within-participants factors: dimension (competence vs. morality) and source (self- vs. meta-perceptions). We found a main effect of dimension: perceived competence was always higher than morality, regardless of the source,  $F(1,123) = 302.8, p < 0.001$ . We also found a main effect of source (self-perceptions were always more positive than meta-perceptions,  $F(1,123) = 350.3, p < 0.001$ ), as well as a significant interaction effect  $F(1,123) = 65.5, p < 0.001$ , see Figure 4.1).

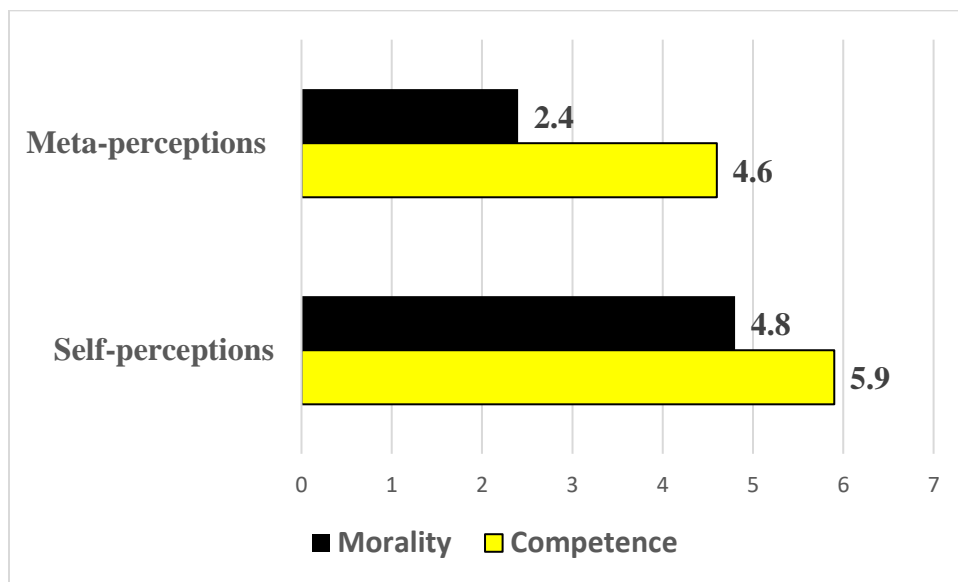


Figure 4.1. Self-perceptions and meta-perceptions of morality and competence.

We then performed paired sample t-tests to further examine the nature of this interaction. Paired sample t-tests revealed that the competence of the group is always perceived to be higher than its morality, regardless of whether judgements refer to participants' self-perceptions ( $t = 10.09, df = 123, p < 0.001$ ) or meta-perceptions ( $t = 18.14, df = 123, p < 0.001$ ).

However, as shown in Figure 4.1, the difference in own vs. meta-perceptions of morality is substantially larger (2.4) than the difference in own vs. meta-perceptions of competence (1.3) (paired sample t-tests of the two differences ( $t = 8.10$ ;  $df = 123$ ,  $p < 0.001$ ). This is in line with **Hypothesis 1**, the difference between self- and meta-perceptions should be larger in the domain of morality than in the domain of competence. That means that PIFs believe that the general public views PIFs not just negative in general but in particular, on the dimension of this group’s morality.

To test our **Hypothesis 2** that morality rather than competence is more strongly correlated with the collective self-esteem of PIFs, even though this group evaluates itself more positively for its competence than for its morality, we ran stepwise regressions, predicting collective self-esteem from the group’s self-perceived and meta-perceived morality and competence. The results were consistent with **Hypothesis 2**: self-perceived morality emerges as the key predictor in the model, while self-perceived competence was not a significant predictor of collective self-esteem (see Table 4.1).

	Private CSE				
	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i>
Included variable					
Morality (self-perceived)	0.34	0.07	0.39	4.79	<0.01
Excluded variable					
Competence (self-perceived)				1.08	0.28

*Table 4.1* Stepwise Regression Results: Predicting Collective Self-Esteem from Self-Perceived Morality and Competence.

Similarly (lower) meta-perceptions of the group’s morality are stronger correlated to the group’s collective self-esteem than (higher) meta-perceptions of the group’s competence (see Table 4.2), which is in line with *Hypothesis 2*.

	Private CSE				
	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i>
Included variable					
Morality meta-perceptions	0.18	0.06	0.28	3.16	0.02
Excluded variable					
Competence meta-perceptions				1.32	0.19

*Table 4.3* Stepwise Regression Results for Meta-Perceptions: Predicting Collective Self-Esteem from Meta-Perceptions of Morality and Competence.

**Discussion.** Study 4.1 provides evidence that this group experiences a group identity threat as a result of the criticism of their morality by the general public. We assessed this in two steps. First, we showed that PIFs believe that others view their morality substantially more negatively than their competence. Second, we demonstrated that this lower morality is more strongly correlated with the group’s collective self-esteem than this group’s higher competence.

Study 4.1 provides evidence that morality is important for the self-views of members of this group. That means that this group is not amoral, as morality is shown to be a relevant part of their self-concept. Also, as anticipated, Study 4.1 offers evidence to support our reasoning and latest research about the importance of morality in the definition of the social self, and counters

the alternative notion that group members always focus on the dimension that affords their group a positive identity (in this case, competence).

Now it is relevant to examine whether and how the concern about the group's morality can be recruited to motivate these professionals to invest in Corporate Social Responsibility (CSR) activities – attesting to their motivation to engage in moral behavior.

## **Part 2, Experiment 4.2- Willingness of PIFs to Engage in Moral Behavior: Experimental Design Study**

Experiment 4.2 examined the impact of experimentally induced group-level moral criticism vs. group-level moral affirmation on behavioral intentions of private equity investors. We provided different frames (affirmation vs. criticism) to characterize current involvement of PIF's in CSR as an experimental manipulation, and we assessed emotional responses indicating defensiveness as well as willingness to engage in CSR as a moral improvement strategy. The association between CSR and morality has been established in number of studies and in multiple definitions of CSR (e.g Carroll, 2000; Reed, Aquino, Levy, & Ii, 2007; Rupp et al., 2013), which makes it a suitable indicator to assess the moral intentions of these professionals in a business context.

We predicted that group-level moral affirmation should lead to less defensive emotional responses, vs. the condition compared to a condition that emphasizes group level moral threat by offering moral criticism (*Hypothesis 3a*). Finally, we predicted that group-level moral affirmation should lead to greater motivation to engage in moral behavior vs. group-level moral criticism condition (*Hypothesis 3b*), which would be moderated by a priori perceived morality of the group (*Hypothesis 3c*).



## **Participants and Design**

This part was designed as a second part of the same online questionnaire examining the same sample of participants. In this study, we measured the willingness to engage in CSR activities. Participants were randomly assigned to one of two experimental conditions, and either received a moral criticism or a moral affirmation manipulation. We received 119 responses; five participants who participated in Study 4.1 chose not to continue with Experiment 4.2 after reading the manipulation. We excluded four participants who failed the manipulation check (three in the moral criticism condition and one in the moral affirmation condition) and two participants who showed no engagement in the study by selecting the same answer for all 14 (sometimes contradictory) emotions.

For our analysis, we retained 113 responses (90 male, 23 female; mean age 41,  $SD = 10$ , mean work experience = 18,  $SD = 10$ )<sup>4</sup>.

## **Manipulation**

Participants were asked to read some information related to the level of progress of CSR practice adoption in the private equity industry. This information was based on an actual PricewaterhouseCoopers (PwC, consultancy firm) report. In the moral affirmation text, the positive side of this information was emphasized, and in the moral criticism text, the negative side of the same information was emphasized. The manipulation was completed by providing information emphasizing the perceived (in)sincerity of the CSR activities from the perspective of the general public (see Figure 4.2). We used a standard manipulation check where after reading

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<sup>4</sup> We checked the results, including all participants who completed the questionnaire, and the main patterns remained the same.

the test participants were asked if the conclusion from the report was that things were either improving or problematic.

**Group moral affirmation text:**

Private equity (PE) firms have a great opportunity to create social value and improve the environment. This can be done, for example, by integrating environmental, social, and governance issues (CSR integration) into all aspects of the PE process.

A 2013 survey of 103 PE firms in 18 countries by PwC found a **very positive development** in the industry. It discovered that **most PE firms already recognize the importance of CSR** information and adoption: an impressive number of private equity firms (close to 60%) worldwide have CSR guidelines in place.

This strong **focus on CSR activities leads to the substantial improvement of the moral image** of the private equity industry in the eyes of the general public. This is viewed as a **genuine expression of moral concern**, and it attests to the clear willingness of people in the industry to do the right thing and to positively contribute to the society.

**Group moral criticism text:**

Private equity (PE) firms have a great opportunity to create social value and improve the environment. This can be done, for example, by integrating environmental, social, and governance issues (CSR integration) into all aspects of the PE process.

However, a 2013 survey of 103 PE firms in 18 countries by PwC found a **very negative development** in the industry. It uncovered that almost half of the PE firms fail to recognize the importance of CSR information and adoption: close to **50% of private equity firms worldwide have no CSR guidelines in place, which is worrying.**

**This troubling lack of focus on CSR activities leads to serious questions about the moral image** of the private equity industry in the eyes of the general public. Moreover, even when the **CSR activities are in place, this is perceived as insincere** or as window dressing, further proving to the general public that the industry is unwilling to do the right thing. This **raises further questions about the morality of individuals** working in the private equity industry.

*Figure 4.2: Text moral affirmation / criticism conditions*

Participants were asked to further consider this information and to produce examples of positive or negative (insincere) CSR activities (depending on experimental condition) that they had actually observed in their work environment. Asking to provide positive examples from one's own experience is a standard procedure used in affirmation manipulations (Derks et al., 2009; Steele, 1988; Tesser & Cornell, 1991). We mirrored this instruction and asked participants to provide negative examples of insincere CSR activities in the moral criticism condition.

### **Dependent Variables**

*Emotions.* To examine the degree to which participants displayed defensive emotional responses between two conditions (*Hypothesis 3a*), we asked them to indicate how they felt about the image of the private equity industry after completing the manipulation. In total, 14 emotions were measured: 7 negative and 7 positive emotions. We included emotion terms indicating defensiveness (Threatened, Angry, and Anxious); negative moral emotions (Guilty and Ashamed); and general negative emotions (Sad and Disappointed). Similarly, we selected 7 positive terms indicating the experience of engagement (Inspired and Enthusiastic); positive moral emotions (Proud and Elevated); and general positive emotions (Satisfied, Happy, and Reassured).

A first PCA including all 14 emotion terms simply distinguished positive from negative emotions. We then conducted a second PCA for negative emotions, which confirmed that these emotions fell into 3 clusters as intended, accounting for 76% of the variance: negative emotions (sad, disappointed; Cronbach's alpha = 0.80), moral emotions (guilty, ashamed; Cronbach's alpha = 0.70) and defensive emotions (threatened, angry, anxious: Cronbach's alpha = 0.68).

A follow-up factor analysis on the positive emotions revealed that all positive emotions loaded on a single factor, which accounted for 75% of the variance (Cronbach's alpha = 0.94).

*Motivation to engage in CSR activities.* To examine our prediction (*Hypothesis 3b*), we needed to measure participants' intentions related to CSR activities. We asked participants to reflect on the image of the private equity industry and state their personal intentions to engage in CSR in four questions e.g. "I believe that it is necessary to invest in CSR activities at the industry level; I feel motivated to contribute to CSR practices in the industry".

A factor analysis confirmed that the four questions represent a single construct, indicating the participants' motivation to engage in CSR activities, which accounted for 81% of the variance (Cronbach's alpha = 0.94).

## **Results**

We conducted a MANOVA to examine the effect of the experimental condition on the dependent variables: the four emotion clusters and motivation to engage in CSR activities. This evaluation revealed a multivariate significant main effect of experimental condition ( $F(5,107) = 2.38, p = 0.04$ ), which was caused by a univariate significant effect on the cluster indicating defensive emotions, and by a univariate significant effect on motivation to engage in CSR activities. We will now discuss those univariate effects in turn.

*Emotions.* Consistent with *Hypothesis 3a*, our experimental manipulation revealed a significant effect on the cluster of defensive emotions (threatened, anxious, and angry). The relevant means show that participants in the criticism condition reported experiencing higher levels of threat emotions ( $M = 2.98$ ) than in the affirmation condition ( $M = 2.41, F(1,111) = 5.35, p = 0.02$ ). Univariate tests for all other emotion clusters were not significant: negative moral emotions ( $F(1,111) = 2.9, p = 0.09$ ); general negative emotions ( $F(1,111) = 1.6, p = 0.2$ ); positive emotions ( $F(1,111) = 0.98, p = 0.3$ ). These results offer support for *Hypothesis 3a*, as we show that CSR-induced group-level criticism (vs. affirmation) specifically affects emotional responses indicating

defensiveness, instead of more generally raising negative emotions or suppressing positive emotions.

*Motivation to engage in CSR activities.* In the second part of our prediction, **Hypothesis 3b**, we anticipated that group-level moral affirmation would be more effective in motivating this group's members to engage in moral behavior vs. providing group-level moral criticism. Our experimental manipulation revealed a significant univariate effect on motivation to engage in CSR activities ( $F(1, 111) = 4.3, p = 0.04$ ). The relevant means show that this motivation was higher ( $M = 5.80, SD = 1.02$ ) in the moral affirmation condition than in the moral criticism condition ( $M = 5.35, SD = 1.26$ ). These results are consistent with our hypothesis that exposing PIFs to a group-level moral affirmation (rather than moral criticism) raises more motivation to engage in CSR activities (**Hypothesis 3b**). Furthermore, we conducted moderation analysis to examine **Hypothesis 3c**, that the more a priori moral threat these professionals experience the more they would react to the manipulation i.e. being less inclined to engage in moral behavior in a group level moral threat condition vs. more inclined to engage in moral behavior in a group level moral affirmation condition. Using PROCESS (Hayes, 2017) with 5000 bootstrap sample, meta-perceived morality is a significant moderator for the manipulation (R<sup>2</sup> increase due to interaction = 0.06,  $F(4,109) = 6.89, p = 0.01$ ). Moderator value defining Johnson-Neyman significance region is 2.46, with 56.63% of values below that value. Meta-perceived competence was not a significant moderator in the model (R<sup>2</sup> increase = 0.01,  $F(4,109) = 1.38; p = 0.24$ ).

## **Discussion**

In this research, we examined whether PIFs experience a group identity threat as a result of moral criticism of this group by the general public and how this impacts their motivation to behave morally. We proposed that morality would be an important factor for this group, even

though both self and meta-assessment of the morality of this group was predicted to be lower than its perceived competence. The results of both the correlational and experimental studies clearly support our hypotheses. The data showed that 1) the difference between self- and meta-perceptions was larger in the domain of morality than in the domain of competence (*Hypothesis 1*). This indicates that PIFs believe that the general public views PIFs not just negatively in general but in particular, on the dimension of this group's morality. Further, 2) estimates of the group's morality are stronger correlated with the collective self-esteem of PIFs than estimates of this group's competence even in this group that evaluates itself more positively for its competence than for its morality (both self-and meta-perceptions) (*Hypothesis 2*). We argued that the combination of being aware that others view PIFs as low in morality and the fact that morality is important for the collective self-esteem of PIFs, means that this group experiences a morality threat to their group identity (Petriglieri, 2011). Leveraging on those findings, we demonstrated that (3) exposing professionals of this group to group-level moral affirmation (rather than moral criticism) alleviated defensive reactions displayed in the moral threat condition and raised more motivation to engage in CSR activities as a relevant aspect of moral workplace behavior (*Hypothesis 3a,b,c*).

**Theoretical implications.** Multiple theoretical implications follow from our work. First, our work extends relatively limited literature in social psychology (for a review, see Leach et al., 2015) on the importance of morality for the way people think about their own groups and social identities. Extending prior research (e.g., Leach et al., 2007), the present data provide evidence for our predictions regarding the importance of morality for the group's collective self-esteem. This is not a trivial observation, as members of this particular group might have preferred to focus on the high competence of their group (rather than its low morality) to establish positive collective self-esteem. Our results indicate an important qualification of the predictions generally derived

from Social Identity Theory (Tajfel & Turner, 1979), assuming interchangeability of dimensions on which groups can be compared. Prior work has demonstrated that people generally prefer to focus on the dimension on which an ingroup compares positively to other groups (Kervyn, Yzerbyt, & Judd, 2011). Indeed, in this literature, other dimensions such as morality have long been considered only as secondary sources of positive esteem that are invoked by groups lacking in competence. Our research reveals that morality is considered to be of primary importance even by members of a group that has higher competence than morality. This evidence supports a more nuanced view on the interchangeability of comparative dimensions (see also Ellemers, 2017). In fact, our data suggests that an asymmetry in the relative importance of various dimensions may also favor morality rather than competence as the primary dimension relevant to collective self-esteem. Future work might further explore when such asymmetries in dimensions for overall group judgments are most likely to emerge, what conditions determine whether competence or morality is considered the key determinant of group-based self-esteem, and how this impacts other people's responses.

Our research also makes a contribution to the existing theory examining the impact of group morality on the motivation of individuals. There is a growing body of research that investigates the possibilities for using moral appeals as a motivational tool to prompt behavioral change (Bauman & Skitka, 2012; Does et al., 2011; Lee et al., 2016; Skitka, Bauman, Sargis, & Adams, 2005; Täuber & van Zomeren, 2013; Van Nunspeet, Ellemers, Derks, & Nieuwenhuis, 2014). This work generally shows that moral criticism is likely to be threatening to individuals and easily raises defensive responses. It is important to consider this effect in attempts to motivate people to improve their behavior. Our research connects these insights to research on group affirmation (Derks et al., 2009; Does et al., 2011) and extends existing insights by showing that -

in a context where the group is negatively stereotyped on the dimension of morality- offering group-level moral affirmation (rather than additional criticism) can alleviate defensive emotional responses and increase the motivation to engage in moral activities. As far as we know, our experimental results are the first to demonstrate that group-level affirmation in the domain of morality can increase the motivation of individual group members to engage in moral behavior.

Finally, our work contributes to the current literature about the importance of morality for PIFs, a professional group whose morality is negatively stereotyped (Norberg, 2015; van Hoorn, 2015, 2017). Building on the emerging research in business ethics and social psychology, we demonstrate that morality is important for the collective self-esteem of this group. While our observations go against common perceptions of the general public and narratives in the media (Roulet, 2015), our findings are supported by the emerging body of evidence in the literature showing that this negative common rhetoric is not always supported by the empirical evidence (van Hoorn, 2015, 2017; Rusch, 2015) and that subscribing to this public view can even be unhelpful or misleading (Donaldson, 2012). Our work reveals that this group of PIFs both know and care about the views others have of their group's morality. This is also in line with the latest reasoning in economics which argues that the view of humans as inherently selfish (the 'economic man' metaphor) might have to be updated to emphasize human nature as being inherently social, and morally motivated (Collier, 2018).

**Practical implications.** Our work also has clear practical implications. It contributes to the current societal debate on how to motivate high-level business professionals to engage in moral behavior. People in positions such as the private equity investors we examined can create positive social change if they direct their competence and resources to societally positive activities. Our work can inform future research focused on PIFs and other professional groups, whose morality is



negatively stereotyped. Our work suggests that continually criticizing PIFs for their moral behavior in public opinion or media, is likely to raise defensive responses instead of motivating them to improve their moral behavior. Thus, publicly questioning the morality of PIFs-which is what many politicians and members of the general public tend to do- might not be the most effective way to positively engage with those groups. Instead, our research suggests that attempts to motivate PIFs to engage in CSR activities would likely be more effective if they focus on the positive examples of the moral behavior of those groups. This approach would offer the group the opportunity for moral affirmation, which should reduce defensive reactions and increase motivation to engage in CSR activities.

In this context, it is important to note that our operationalization of moral behavior as engagement in Corporate Social Responsibility (CSR) allowed us to use concrete examples of CSR activities from participants' work experience that were particularly relevant to them. This approach implies that when research participants were asked to report their motivation to engage in CSR activities, they were not thinking in hypothetical terms, but rather, they were relating this to specific examples in their everyday work activities. We evaluated not general dispositions (e.g. empathy, altruism) or answers to hypothetical moral dilemmas but relevant behavioral motivation in a concrete business context. We argue that this feature increases the ecological validity of our research.

**Limitations and future directions.** Of course, our research is not without limitations, some of which relate to choices we made to strengthen other aspects of our research. We used a two-step approach to capture existing perceptions before examining how to enhance CSR motivation in a difficult-to-access professional sample. This method allowed us to conduct an experimental study with high-level financial decision-makers whose everyday work decisions

relate to large business investments that impact society. The strategy we used to combine a field study with an experimental approach to examine this exceptional sample represents an important strength of our research. Yet it also has a downside as we do not know and could not keep constant the actual work conditions that inspired these responses. We acknowledge this drawback, but we argue that given the nature of our research question, the advantages of this field study approach outweigh its limitations. Furthermore, although the uncertainty about work conditions adds to the random error or may mask relevant contextual moderators, this issue does not devalue the validity of the observed results, which support our hypotheses. Further, despite these differences that we could not control, we note that participants responded in the theorized way to the experimental manipulations according to the conditions to which they were randomly assigned. Now that we have established support for our predictions in this professional group, additional factors that impact on these mechanisms, as well as relevant moderators, may be further examined in future research. For instance, future work can address how self-efficacy beliefs influence motivation to engage in moral behavior/CSR. This research would further enrich our understanding of how group-level affirmation can be moderated by both self-efficacy and group efficacy beliefs.

When introducing our work to participants, at the beginning of the study, we mentioned that some people question the morality of this professional group to make the moral context of our examination salient. One might argue that this does not reflect real-life situations in which people would not explicitly confront others to question their morality. In response to this argument, we refer to media reports that have, in fact, quite explicitly and repeatedly communicated such messages questioning the morality of this professional group. Therefore, we think our approach adequately captures the situation that we aim to study and allows us to determine what happens when the moral standing of the ingroup is explicitly challenged by others. Future research should

explore whether and how the effects of such challenges to the group's moral standing differ depending on how they are expressed and by whom they are communicated.

Another potential concern is that the first part of the study was structured as a correlational study. We examined the relationship between competence, morality and collective self-esteem in a stepwise regression. Consistent with Hypothesis 2, we concluded that self- and meta-perceptions of the group's morality were the key predictor of collective self-esteem. However, given that this relation is documented with correlational data, we cannot draw firm conclusions about the causal nature of this relationship. Indeed, as an alternative to our preferred interpretation that perceived group characteristics impact group-based self-esteem, it is certainly possible that the reverse is true: the esteem people have for their group (or lack of it) drives the way they rate their group's morality. Even if this were the case, this would not explain why collective self-esteem is not stronger related to the perceived competence of the group. In fact, even a reverse causal relation would still be consistent with our reasoning that the collective self-esteem of group members is more strongly related to the group's self- and meta-perceptions of morality than the group's perceived competence. Also, this would not alter the news value of the observation that this is the case despite the fact that the group's competence is considered to be clearly higher than the group's morality. Nevertheless, future research might add experimental evidence in which meta-perceptions of groups with higher competence than morality are manipulated.

### **Conclusion**

The morality of PIFs has elicited scientific and societal debates suggesting that they lack in morals, and generally do not seem to care about the moral implications of their business decisions. Our research shows that these highly competent and successful professionals do care about the (perceived) morality of their professional group; it matters for their self-definition, as

well as for their motivation to behave morally. We also documented that questioning the moral standing of PIFs can be a counterproductive strategy. Our findings reveal that moral affirmation can help overcome defensive emotional responses that stand in the way of working towards moral improvement.

**CHAPTER 5: Green and Moral: How perceived organizational morality mediates the relationship between companies' communications about its Environmental CSR activities and positive impact on customers and employees.**

Environmental Corporate Social Responsibility (CSR) activities that include initiatives focused on environmental sustainability and on eliminating the negative impact of corporate actions on the natural environment have been increasingly linked to morality in the public debate (Feinberg & Willer, 2013; Wolsko et al., 2016). This is a relatively new development. Historically, western religious and ethical thinking was mainly human-centric, where human actions affecting non-humans were not perceived as morally relevant (Pandey, Rupp, & Thornton, 2013). From a social psychological perspective, several features that characterize the environmental concerns, such as abstractness, cognitive complexity, and a long term horizon, can prevent individuals from perceiving environmental protection as a moral issue (Markowitz & Shariff, 2012). This is why it is perhaps not surprising, that prior research about whether Environmental CSR activities are linked to perceived organizational morality presents mixed findings (Ellemers et al., 2011; Farooq et al., 2014; Hillenbrand et al., 2013). In our work, we examine how communications about environmental sustainability activities of companies impact on perceived company's morality in the eyes of customers and employees. By doing so, we respond to the call indicating the need to study the extent to which individuals do or do not identify environmental activities as morally relevant (Markowitz & Shariff, 2012).

We also address a number of issues in the literature on CSR that merit further research attention. There is now an extensive body of evidence showing that both customers and employees (i.e. companies' key stakeholders) tend to be supportive of general CSR activities of companies (Aguinis & Glavas, 2012; Du et al., 2010; Mohr & Webb, 2005; Turban & Greening, 1996).

However, the necessity to study both mediators and moderators of the connection between CSR and stakeholders' support remains, as we need to be able to understand when this relationship is likely to be relevant, and how it might be modified (Glavas, 2016; Jones, Willness, & Glavas, 2017). Furthermore, many of the previous inferences about the relevance of CSR for stakeholders' support are primarily based on correlational studies. This means that while prior studies clearly contribute to the notion that CSR is relevant for organizational outcomes, it is not always possible to draw firm conclusions about the causal direction of theorized relationships. The few studies that have used experimental designs to examine the link between CSR and stakeholders' support have employed hypothetical situations and companies asking about imaginary responses of potential customers or employees (e.g. (De Vries et al., 2015; van Prooijen, 2019). As yet, it is insufficiently clear whether or how conclusions of these prior efforts also apply to the situation of existing companies and their stakeholders (Basu & Palazzo, 2008; Hillenbrand et al., 2013; Glavas, 2016; Starkey & Madan, 2001).

Our work contributes to the existing literature by addressing the above concerns in several ways. First, we expand current theorizing about people's tendency to perceive a link between a company's communications about organizational environmental activities and organizational morality, answering prior research calls (Markowitz & Shariff, 2012). Second, our investigation enhances the current understanding of how communications about Environmental CSR activities impact support from customers and employees by applying insights from prior theory and research in social psychology. Specifically, we explain why, how and when environmental CSR communications affect customers and employees by building on the reasoning offered by Social Identity Theory (Tajfel, 1974; Tajfel & Turner, 1979, 1986), which has led researchers to document the importance of morality for willingness to associate the self with others, including

companies or products (Abele & Wojciszke, 2007; Cuddy et al., 2009; Leach et al., 2007; van Prooijen & Ellemers, 2015; Wojciszke, 1994). Third, extending prior correlational research, we investigate the causal relations between communications about Environmental CSR, perceived organizational morality and stakeholders' support in two experimental design studies. Finally, we examine the reactions of actual stakeholders i.e. both existing customers and actual employees to real Environmental CSR messages of a large company. These people would already have a certain image and attitude towards the company, and it is not obvious that those existing attitudes can be affected by Environmental CSR communications in the same way as presented in prior studies of artificial situations. Thus, our research addresses the concern that results from prior work on imaginary companies might not generalize to real-life situations (Basu & Palazzo, 2008; Starkey & Madan, 2001).

### **Organizational morality as a source of stakeholders' support**

Morality (referring to perceived trustworthiness of others), together with competence (referring to task ability), accounts for over 80% of the variance in our impressions of others (Wojciszke et al., 1998). Those two dimensions are used for assessing individuals, social groups and companies (Fiske et al., 2007; Goodwin et al., 2014; Kervyn et al., 2012; Leach et al., 2007; Mishina et al., 2012; Wojciszke, 1994).

In a business-related context, it seems evident that positive competence evaluations would result in support for a company from stakeholders. This is less obvious with morality. The fact that perceived morality is important for our impression formation of others including companies (Goodwin et al., 2014; Ellemers, 2017), means that any information about a company that would positively impact its perceived morality would result in a positive overall impression of a company or in the overall increase in stakeholders' support for a company.

This reasoning follows from research based on Social Identity Theory (Tajfel, 1974; Tajfel & Turner, 1979, 1986). Social Identity Theory (Tajfel, 1974; Tajfel & Turner, 1979, 1986) proposes that it is important to consider individuals as a part of various groups they belong to (e.g. family, work, etc.) and that people derive positive feelings from belonging to those groups or from identifying with those groups. It has been argued and shown that the perceived characteristics of an organization determine its subjective status, and drive the willingness of employees to associate with that organization (Ashforth & Mael, 1989; Ellemers, De Gilder, & Haslam, 2004; Haslam & Ellemers, 2005; Cornelissen, Haslam, & Balmer, 2007; Haslam, Postmes, & Ellemers, 2003; Van Dick et al., 2004). Furthermore, people tend to identify with companies not only as employees but also as consumers (Fennis & Pruyn, 2007; MacInnis & Folkes, 2017; Stokburger-Sauer et al., 2012). Since both employees and consumers tend to identify with companies – even in a business context – the perceived morality of an organization should have an impact on their support for the company. This was recently demonstrated in empirical research, where the importance of morality was revealed in a business context. This prior work showed that the perceived morality of a company was the driving force for participants’ intentions to work for a company (van Prooijen & Ellemers, 2015). In our research, we aim to extend the evidence for this relationship by demonstrating that an increase in perceived morality would positively impact stakeholders’ support for a company (Hypothesis 1).

### **Environmental CSR and morality**

General CSR is seen as a form of organizational moral behavior (Aguilera, Rupp, Williams, & Ganapathi, 2007; Aguinis & Glavas, 2012; Carroll, 1979, 1991, 2016; Frederiksen, 2010). The earliest definitions of CSR referred to ethical responsibilities of companies or morality related concerns (Carroll, 1979). Another example is a framework arguing that various stakeholders can



pressure companies to engage in CSR activities for moral reasons, in addition to instrumental and relational reasons (Aguilera et al., 2007).

Initial evidence for this relationship between CSR and perceived organizational morality or perceived trustworthiness of a company, which is viewed as a key measure for perceived morality (Brambilla & Leach, 2014) was obtained in a number of correlational studies (Ellemers et al., 2011; Farooq et al., 2014; Hillenbrand et al., 2013). Recent experimental design work extended those findings by demonstrating that learning about CSR activities of a company elicits perceived corporate morality, which in turn leads to increased stakeholders' support (the authors, 2020; manuscript under editorial consideration).

Yet, as noted above, previous findings about the relationship between Environmental SCR and morality have been mixed. For example, one line of research divided CSR activities into four groups: CSR towards employees, CSR towards the community, CSR towards customers, and CSR towards the environment (Farooq et al., 2014). Using a correlational design survey, they found that companies' perceived trustworthiness was a statistically significant mediator for the relationship between human-focused CSR activities and employees' support for the company, but this was not the case for CSR towards the environment. These findings seem to be in line with the view that people generally have difficulty in perceiving environmental support activities as a moral issue (Markowitz & Shariff, 2012; Gardiner, 2011). Indeed, while CSR towards employees, community and customers centers on the immediate human beneficiaries of those activities, it can be easily linked to morality. However, CSR towards the environment does not have a direct human beneficiary, hence the relation with perceived morality is less obvious. Yet, if we believe that the increase in perceived morality happens because the good intentions of a company are trusted more when they engage in CSR by demonstrating care for their employees and customers, then a

company's good intentions should also be trusted more when it displays care about the environment. Care or cherishing and protecting others as the opposite of harm is a key foundation of moral judgments that seem to be universal, as care is relevant for people across the world, independent of their political persuasion (Graham et al., 2011). Furthermore, one can even argue that display of care for the environment is the best indicator of whether the company truly cares for others, as CSR activities directly benefiting key human stakeholders could be carried out for exchange purposes. That is, there could be a direct business benefit to a company serving the interests of their customers or employees. For example, helping employees can lead to an increase in job motivation and improve job performance. Similarly, serving the interests of customers can induce customers to buy more products of the company. It is less obvious that there is a direct exchange benefit to a company from environmental CSR activities. Thus, we argue that Environmental CSR activities represent a stronger test of companies actual "caring" that allows us to examine the general concept that CSR communications positively affect perceived morality or trustworthiness of companies. Thus, we propose that there are appropriate theoretical grounds to believe that Environmental CSR activities positively impact the perceived morality of a company.

A closer examination of the existing empirical evidence provides some preliminary support for our theoretical analysis (e.g. (Ellemers et al., 2011; Hillenbrand et al., 2013). However, both research lines, which show initial support to the premise that Environmental CSR and morality are linked, were based on correlational data. In our work, based on relevant theory and prior evidence that is available, we propose that communicating about Environmental CSR activities would positively impact the perceived morality of a company (Hypothesis 2). Furthermore, based on Hypothesis 1 and 2, we propose that morality would mediate the

relationship between Environmental CSR communications and stakeholders' support (Hypothesis 3).

**When does environmental CSR induce perceptions of organizational morality: organizational identification as a moderator of employees' positive reactions**

Communicating about Environmental CSR activities to real customers and employees can be different from communicating about Environmental CSR in imaginary vignette studies. Recent research shows that people react differently to Environmental CSR communications depending on their *a priori* political views (Druckman & McGrath, 2019; Feinberg & Willer, 2013; Wolsko et al., 2016). In a business context, both customers and employees would already have a certain *a priori* image of a company, which might not be easily influenced by new information about the company's environmental efforts. This can be particularly true for employees who interact with a company on a daily basis and have formed established views of what the company's really values. This can represent an important boundary condition that likely relates to variables that can moderate the relationship between Environmental CSR communications and stakeholders' support.

Prior social psychological research demonstrated that people tend to react differently depending on the degree to which they associate with a group (i.e. group identification) (Derks et al., 2011; Doosje et al., 1998, 2006; Ellemers, Spears, & Doosje, 1997; Tanghe et al., 2010). Earlier work showed that high identifiers seem to be generally more involved with their group, they derive more self-esteem from their group membership than low-identifiers, and they generally react more positively to appeals from their group members or related to their group membership (e.g. Derks, Laar, & Ellemers, 2009).

In business contexts, employees' reactions to various organizational actions or communications are also not always uniform. Prior work suggests that responses of employees can differ depending on the degree of organizational identification (Cremer, 2005; Tangirala & Ramanujam, 2008; Umphress, Bingham, & Mitchell, 2010; Bartels, Douwes, De Jong, & Pruyn, 2006; ). Therefore, in line with the aforementioned literature, we theorize that employees who are high-identifiers will react more positively to positive messages from their company, including Environmental CSR messages. Thus, high-identifiers employees will be more positively influenced by Environmental CSR messages of their company (Hypothesis 4). Furthermore, since we generally expect perceived organizational morality to be a mediator for the relationship between Environmental CSR and positive stakeholders' support, we propose that this mediation is likely to be moderated by the organizational identification of employees (Hypothesis 5).

### **Overview of studies**

In Studies 1 and 2 we focused on the impact of Environmental CSR communications on both customers and employees of a large beverage company. To guard the anonymity of the company, we will refer to it as FrisCo. In Experiment 5.1, we investigate whether and how environmental CSR messages affect the reactions of customers (Hypothesis 1,2,3). In Experiment 5.2, we examine how a priori organizational identification of employees affects the impact of Environmental CSR communications on the perceived morality of the company and job motivation of employees (Hypothesis 4,5).

All studies were pre-approved by the Ethics Committee of our university. Since we did not have the necessary data for a priori power calculations, we aimed to have at least 100 participants per cell, which power analysis revealed to be sufficient to detect medium-small size effects ( $d = 0.4$ ).

## **Experiment 5.1**

### **Method**

#### **Participants and design**

The sample consisted of 195 participants (120 female), M age = 40 years (SD = 12), M work experience = 19 years (SD = 12). All participants were based in the UK and recruited via Prolific. All participants read the same general information about a real beverage company. Since the company is well known and most people regularly buy various beverages, we expected that the recruited participants will be customers of the company. In line with our expectations, close to 80% of participants confirmed that they had tried products of the company and 96% of participants reported to be a regular consumer of beverages of the type that the company sells. When we exclude either participants who did not try products or don't regularly consume those type of products, the results largely remain the same. Below we present the analyses for all participants.

After reading the company description, participants were randomly assigned to one of two experimental conditions. In the control condition, participants saw a tweet of an unknown person depicting the logo of FrisCo and a general social media text promoting the beverage of the company. In the experimental condition, the same tweet included information about the environmental activities of the company, and an actual image of the sustainability page from the corporate website, which features a picture of a farmer woman and a text stating that the company wants to use its business as a positive force and that the company focuses on sustainability efforts.

#### **Dependent variables**

*Morality.* We evaluated perceived morality of the company with the items used by (Leach et al., 2007) (morality, 3 items: honest, trustworthy, sincere ( $\alpha = 0.91$ )). Similar to Leach et al. (2007), we also assessed perceived competence, 3 items: intelligent, competent, skillful ( $\alpha = 0.88$ ))

and sociability of the company with 3 items: friendly, warm and likeable ( $\alpha = 0.91$ ). This allows us to check whether the experimental manipulation affects stakeholders' responses because it improves the general impression people have of the company or whether the observed effects are specific to increases in its perceived morality. A Likert-type scale from 1 to 7 was used to measure participants' reactions for all variables in both studies unless stated otherwise. Items were randomized. Factor analysis confirmed that the items clustered around three different constructs resulting in three scales, as intended.

*Customers' support* We measured with six items asking about purchasing intentions and interest in receiving extra information about the company's products, e.g. "How likely is it that you would purchase products of this company?", "Would you be interested in signing up to updates about FrisCo's products in the UK?" ( $\alpha = 0.93$ ).<sup>5</sup> Factor analysis showed that the items loaded on a single construct.

## **Results**

We conducted a MANOVA with the communication conditions (environmental communication vs. control) as the between-subjects variable and perceived organizational morality, competence, sociability and customers' support as dependent variables. A MANOVA revealed a significant multivariate main effect of the conditions on the dependent variables ( $F(4,194) = 10.26, p < 0.001$ ).

At the univariate level, the effect of the condition was significant for morality ( $F(1,194) = 5.63, p = 0.019$ ), competence ( $F(1,194) = 32.12, p < 0.001$ ), and customers' support ( $F(1,194) = 5.71, p = 0.018$ ). There was no significant univariate effect for sociability ( $F(1,194) = 3.95, p =$

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<sup>5</sup> We also measured "dispositional skepticism" (introduced as a relevant individual difference moderating variable by De Vries et al., 2015). As anticipated, these items emerged as a separate construct. Considering this variable did not alter the results presented in this research.

0.067). This is in line with our reasoning and shows that the Environmental CSR communication does not simply increase overall positivity of the company image.

The relevant means show that in the experimental condition participants perceived the company as more moral (M experiment = 5.17, M control = 4.80), than in the control condition, which is in line with Hypothesis 2. Participants perceived the company to be more competent (M experiment = 5.61, M control = 4.78) than in the control condition. They also expressed more support for the company (M experiment = 4.11, M control = 3.55) in the experimental condition compared to the control condition.

Next, to examine Hypothesis 1, we used a step-wise regression with customers’ support as a dependent variable and both morality and competence as its possible predictors. Using a stepwise regression method, morality emerged as the only significant predictor in the model for the customers’ support ( $F(1, 193) = 73.62, p < 0.001, R^2 = 0.28$ ), see Table 5.1 adding competence in the model does not change  $R^2$  significantly ( $R^2 = 0.30$ ).

	Customers’ Support				
	<i>B</i>	<i>SE</i>	$\beta$	<i>t</i>	<i>p</i>
Included variable					
Morality	0.79	0.09	0.53	8.58	<0.001

Table 5.1 Stepwise Regression Results: Predicting Customers’ Support from perceptions of Morality and Competence.

### Mediation analysis

Finally, we assessed how the effect of experimental condition (environmental CSR communication vs control) on customers' support was mediated by the perceived morality of the company. A mediation model analysis was conducted using the PROCESS macro (Hayes, 2017) for SPSS.

Figure 5.1 shows that the experimental condition indirectly influenced customers' support through its effect on perceived company morality, in line with Hypothesis 3. Participants in the environmental CSR communication condition, perceived FrisCo to be more moral and this explained why they showed more customers' support for FrisCo. The confidence interval for the indirect effect was above 0, M (morality) unstandardized indirect effect of 0.141, 95% CI [0.03,0.27], indicating that morality is a statistically significant mediator of the relationship between Environmental CSR communications and customers' support, which is in line with Hypothesis 3.

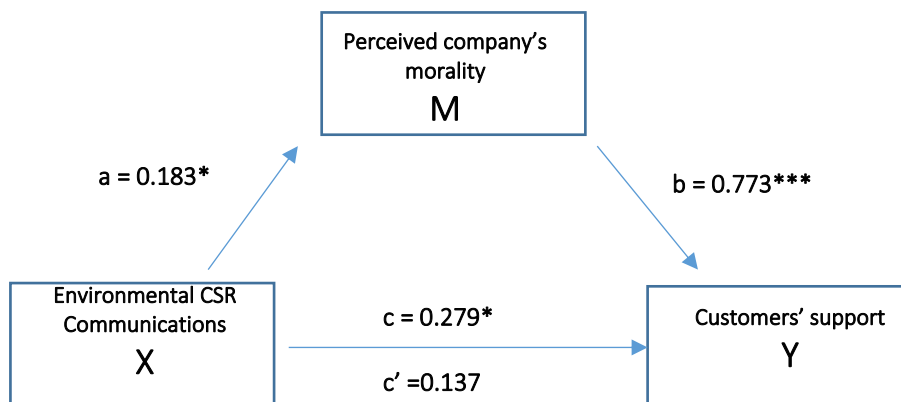


Figure 5.1 Mediation model, using the PROCESS macro (Hayes, 2017) for SPSS. Note:

\* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$



## **Experiment 5.2**

In Experiment 5.2, we focused on the employees of FrisCo. to establish whether and how perceived morality mediates the relationship between the company's CSR environmental communications and job motivation. We proposed that this relationship would be moderated by high vs. low organizational identification of employees.

### **Method**

#### **Participants and Design**

The participants are all employees of the same company that we examined in Experiment 5.1. After approaching the company, the Sustainability Department sent out the questionnaire to employees at FrisCo. The results were collected and analyzed anonymously by the researchers who reported back aggregated level results to the company. The total amount of participants was  $N = 282$  (89.7% men; 10.3% women). The average age of all the participants was  $M = 46.7$  ( $SD = 12.1$ ). 98.9% of the participants had a Dutch nationality. Our goal was to examine how organizational identification moderates the reaction to the company's Environmental CSR communications in an experimental design study; thus, we did not aim to collect a representative sample of FrisCo employees. As in Experiment 5.1, based on the power analysis, we aimed to have approximately 100 participants per experimental condition, and we stopped data collection when we saw that the number was reached. Participants were randomly allocated to either the experimental ( $N = 136$ ) or the control group ( $N = 146$ ).

The questionnaire consisted of two parts. The first part assessed a priori levels of Perceived Environmental CSR and Organizational Identification. The second part contained the experimental manipulation. In the experimental group, participants were shown a text describing FrisCo's

initiatives regarding environmental CSR. The actual information from FrisCo's internal website was used for this purpose. This information contained a list of multiple environmental activities carried out by the company, but there was no reference to morality or ethical motives in this text. After presenting the text, two questions were asked to check whether people had read the text and considered the company's environmental CSR activities. The results confirmed that people read the text and their answers showed that they were indeed considering the environmental activities of the company rather than general CSR activities. People in the control group did not receive the text and control questions and immediately continued to the dependent variables, that assessed Perceived Organizational Morality, and Job motivation, followed by the option to leave comments and the demographic details<sup>6</sup>. All questions from English questionnaires were translated to Dutch to accommodate the context of this study.

### **Dependent Variables**

*Perceived Environmental CSR.* We used six items to assess Perceived Environmental CSR, measuring the extent FrisCo engages in different Environmental CSR activities. Three items were adopted from the subscale used in prior research (Ellemers et al., 2011), three items were added to match the full range of the company's actual environmental CSR activities. A PCA analysis indicated that these items loaded on a single factor ( $\alpha = .86$ ).

*Organizational Identification.* We used six items to assess Organizational Identification, which were adopted from the scale by Mael and Ashfort (1992). An example item is 'When I talk

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<sup>6</sup> We also measured perceived moral motives, perceived business motives and perceived greenwashing. Considering those variables does not impact on the results of hypothesis testing presented here.

about FrisCo, I usually say ‘we’ rather than ‘they’’. A PCA analysis indicated that these six items loaded on a single factor ( $\alpha = .90$ ).

*Perceived Organizational Morality.* Perceived Organizational Morality was measured with the same as in Experiment 5.1. A PCA analysis indicated that these three items loaded on a single factor ( $\alpha = .94$ ).

*Job Motivation.* We used eight items to assess Job Motivation. Four of these items were adopted from the intrinsic job motivation scale developed by Hui and Lee (2000), for example ‘I feel a sense of satisfaction when I do my job at FrisCo well’. Four general motivation items were added for the present study, e.g. ‘In general, I enjoy the work that I do’. A PCA analysis indicated that these eight items loaded on a single factor ( $\alpha = .92$ ).

## **Results**

### **A priori indicators**

The overall scores ( $M$  perceived environmental CSR = 4.88,  $SD = 0.97$ ;  $M$  organizational identification = 4.80,  $SD = 1.23$ ) are above the scale midpoint (one-sample t-tests for perceived environmental CSR,  $t(281) = 15.25$ ,  $p < .001$ , and organizational identification,  $t(281) = 10.93$ ,  $p < .001$ ). The bivariate association between the organization’s environmental CSR and the organization’s perceived morality was examined. There is a medium size, positive relation between these two variables ( $r = .32$ ,  $p < .001$ ).

### **Experimental Data**

#### *Perceived organizational morality*

To test Hypothesis 4, a moderation model analysis was conducted using PROCESS (Hayes, 2017). In support of Hypothesis 4, the results showed a significant interaction effect for organizational identification in the relationship between the experiment and perceived organizational morality,  $b = .22$ ,  $SE B = .09$ ,  $t = 2.33$ ,  $p = .020$  with a 95% confidence interval of [0.034; 0.405].

Figure 5.2 shows that people with high organizational identification perceive the company to be significantly more moral in the experimental group than in the control group. These results support Hypothesis 4.

Because perceptions of environmental CSR correlate with a priori organizational identification, we examined whether high vs. low a priori perceptions of environmental CSR might function as an alternative moderator of the effect of our experimental manipulation on perceived organizational morality. The analysis shows that perceived environmental CSR is not an alternative moderator, as no interaction effect was found  $b = .095$  with a 95% confidence interval of [-0.13;0.32]. This rules out the possibility that initial perceived environmental CSR explains the relationship between environmental CSR communications and perceived organizational morality.

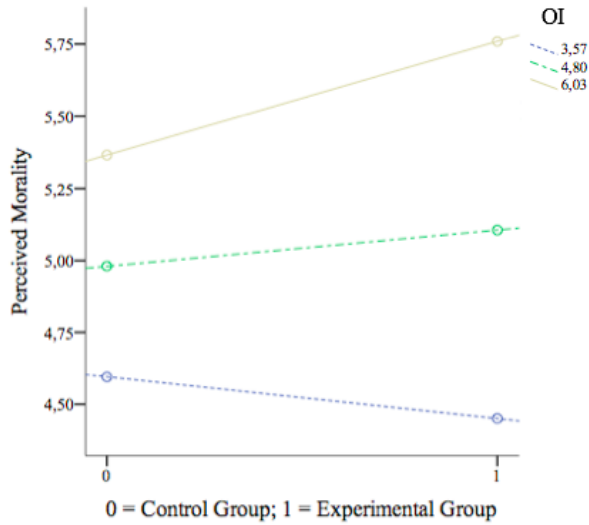


Figure 5.2. The effect of experimental condition on perceived morality, moderated by organizational identification (OI). High OI = 6.03, moderate OI = 4.80, low OI = 3.57.

### *Job Motivation*

To test Hypothesis 4, a moderation model analysis was conducted using PROCESS (Hayes, 2017). In support of Hypothesis 4, there was a significant interaction effect for organizational identification in the relationship between the experiment and job motivation,  $b = 0.18$ ,  $SE B = 0.07$ ,  $t = 2.59$ ,  $p = 0.01$  with a 95% confidence interval of [0.042; 0.310].

Figure 5.3 shows that people with high organizational identification in the experimental group report higher job motivation than people in the control group and that their overall job motivation is higher than that of people with moderate or low organizational identification. People with low organizational identification have significantly lower job motivation in the experimental group compared to the control group. These results support Hypothesis 4.

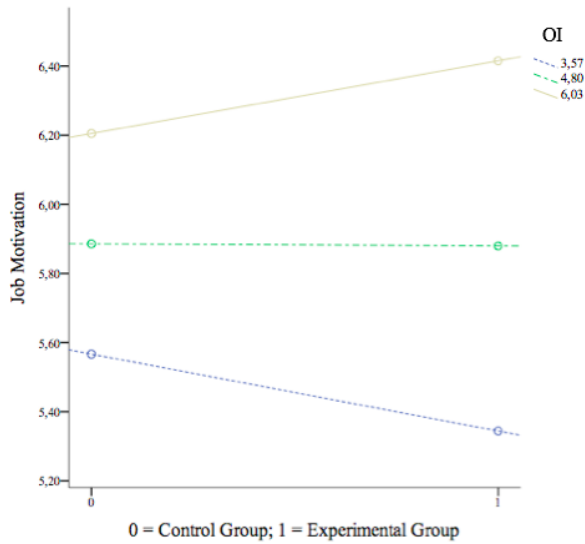


Figure 5.3. The effect of the experiment on job motivation, moderated by organizational identification (OI). ). High OI = 6.03, moderate OI = 4.80, low OI = 3.57.

We also examined whether high vs low a priori perceptions of environmental CSR might function as an alternative moderator. Using perceived environmental CSR as a moderator, no interaction effect was found  $b = 0.123$  with a 95% confidence interval of  $[-0.06;0.31]$ . This indicates that while the level of organizational identification has a moderating effect on job motivation, initial perceived environmental CSR is not a moderator for this relationship.

### Moderated mediation

Next, we tested Hypothesis 5, that communications about environmental activities of a company positively impact job motivation through morality, moderated by organizational identification. The model generated 5,000 bootstrap samples was produced using PROCESS macro model 7 for SPSS (Hayes, 2017).

This analysis showed that at the high level of organizational identification, the relationship between Environmental CSR communication and job motivation was mediated by the perceived

morality of a company ( $\beta = 0.158$ , 95% CI: 0.035 to 0.312). This effect was not significant for people with low level of organizational identification. This supports Hypothesis 5, that for high identifiers perceived morality mediates the relationship between communicating about Environmental CSR activities and motivation to work for the company.

## **Discussion**

### **Theoretical contributions**

Several theoretical implications follow from our work. First, we demonstrate that Environmental CSR communications of companies can lead to an increase in the perceived morality of companies among customers and employees. We make a connection between environmental actions of companies and universal moral values of perceived honesty, sincerity and trustworthiness, thus linking corporate environmental activities to morality and moral values (Haidt, 2007, 2008). In doing so, we respond to the call revealing the need to study the extent to which individuals do or do not identify environmental activities as morally relevant (Markowitz & Shariff, 2012). The argument for perceiving Environmental CSR as a moral activity of a company is not self-evident as humans tend to have difficulty in identifying activities related to combatting climate change as moral activities (Markowitz & Shariff, 2012). Indeed, the link between human-focused CSR and morality is stronger than the link between environmental CSR and morality (Farooq et al., 2014). Yet, we argue and show that the Environmental CSR actions of a company can be seen as a genuine test of a company's good intentions and a sign of willingness to display moral behavior.

Second, we contribute to CSR literature by enhancing the current understanding of how communications about Environmental CSR activities impact support from customers and

employees by applying insights from prior theory and research in social psychology. In our work, we explained why, how and when Environmental CSR communications affect customers and employees by building on the reasoning offered by Social Identity Theory (Tajfel, 1974; Tajfel & Turner, 1979, 1986). *Why?* Both employees and consumers tend to identify with companies (Ashforth & Mael, 1989; Ellemers et al., 2004; Fennis & Pruyn, 2007; Haslam et al., 2003; Tuškej et al., 2013). People want to identify with groups or companies that they perceive as moral (Goodwin et al., 2014; Ellemers, 2017). This means that any information about a company that would positively impact its perceived morality would result in a positive overall impression of a company or in the overall increase in stakeholders' support for a company. *How?* We extend prior correlational research by investigating the causal relations between communications about Environmental CSR, perceived organizational morality and stakeholders' support in two experimental design studies. We convincingly demonstrate that morality mediates the relationship between Environmental CSR activities and stakeholders' support. *When?* We show the importance of considering boundary conditions when communicating about Environmental CSR conditions to employees. In particular, we reveal that *a priori* organizational identification can impact on the reaction of employees. Specifically, our work extends prior organizational behavior research, which showed the reactions of employees are not uniform and can depend on the degree of identification with a company (Cremer, 2005; Tangirala & Ramanujam, 2008; Umphress et al., 2010). In the present contribution, we theorize and empirically demonstrate that the positive relationship between Environmental CSR communications and perceived organizational morality and job motivation is more pronounced for employees who are *a priori* high identifiers. In doing so, we also broaden the current CSR literature by demonstrating that it can be relevant to consider



*a priori* organizational identification of employees for determining how those employees would react to corporate CSR communications.

### **Practical implications**

Our work also has clear practical implications. We examine the responses of actual stakeholders i.e. both existing customers and actual employees to real Environmental CSR messages of a large company. These people would already have a certain image of and attitude towards the company, and it is not obvious that those existing attitudes can be affected by Environmental CSR communications in the same way as presented in prior studies of contrived messages about non-existing companies. Thus, our research addresses the concern that results from prior work on hypothetical companies might not generalize to real-life situations (Basu & Palazzo, 2008; Starkey & Madan, 2001).

Additionally, there seems to be some evidence in the literature that business people tend to neglect moral considerations as relevant reasons for engaging in CSR activities. For example, previous work in a banking industry showed that reports of “value-based CSR activities lack ethical justification” (Norberg, 2015). Recently, this focus on the business case was demonstrated to be harmful to managers’ inclinations to engage in CSR (Hafenbradl & Waeger, 2017). Our work suggests that companies should not refrain from showing to their stakeholders that they engage in Environmental CSR for moral reasons and that this increase in perceived organizational morality can be even beneficial to the business case as it can elicit an increase in stakeholders’ support. These recommendations support recent claims that business interests can go together with sustainability efforts (Porter & Kramer, 2011).

## Limitations

We used actual Environmental CSR messages of a company. Environmental CSR messages of companies also tend to refer to the company's success in achieving environmental targets. For example, many Environmental CSR messages refer to the percentage reduction in CO<sub>2</sub> and water usage. This can be viewed as communicating about the competence of the company. We also see this competence aspect in messages of the company we examined. Indeed, this might explain why the company's environmental message also led to an increase in the perceived organizational competence of the company (Experiment 5.1). One can argue that this is a limitation because Environmental CSR communications positively impacted not only perceived organizational morality, which was our key focus but also increased perceived organizational competence. However, we also demonstrated that perceptions of morality of the company constituted the key factor that influenced stakeholder's attitudes, even though competence is also important in business contexts. We also believe that the increase in the ecological validity of our research by using actual corporate communications outweighs potential limitations.

The fact that we only examined Dutch employees of a large multinational company in Experiment 5.2 could be seen as a limitation, as this implies that the sample might not be fully representative. Countering this concern, we emphasize the experimental nature of the design in this study, which allowed us to examine how *a priori* differences in organizational identification moderate the impact of specific Environmental CSR messages. Thus, we did not aim nor needed a representative sample of the company's employees to provide empirical support for our hypotheses. Furthermore, the fact that we find consistent results across two studies examining the reactions of customers and employees both in the UK and in the Netherlands speaks to the strength

of our work. Most prior research examines CSR and the impact of CSR in a single country context, which might limit the generalizability of those findings (Lim et al., 2018).

### **Future directions**

At the time these data were collected, there were no specific negative publicity that undermined the morality of the company we examined. In cases of some integrity-related incidents, communicating about Environmental CSR may not be enough to improve the moral image of a company. This can be particularly relevant for companies, well-known for their prior sustainability effects (Nardella, Brammer, & Surdu, 2019). Possibly, such a context might cause suspicion about the true motives of the company, and communications that emphasize environmental activities may backfire when these are seen as instances of ‘image laundering’ (see also the authors, 2020; manuscript under editorial consideration). Future research might examine the boundary conditions of whether and how engagement in Environmental CSR activities and communications impact the perceived organizational morality of companies with a damaged moral image.

In the two studies, we demonstrate that people are able to see a link between caring for the environment, which is non-human and morality, which is usually human-focused. Future scholars might want to explore whether the degree to which people tend to anthropomorphize the environment issues might be an individual difference variable that affects the perceived organizational morality resulting from corporate Environmental CSR activities. Furthermore, future scholars might want to see if framing communications about Environmental CSR activities in anthropomorphic terms (e.g. as caring about the poor of this world (Pope Francis, 2016) or the future generations (Sarkis, 2001)) can make the positive effect of Environmental CSR activities on the perceived organizational morality reported in this contribution even stronger.

## **Conclusion**

We apply insights from social psychology to enhance the current understanding of how Environmental CSR communications impact support from stakeholders. We demonstrate that communications about Environmental CSR can positively affect perceived organizational morality, which in turn leads to an increase in stakeholders' support. We also show that a priori organizational identification should be taken into account when communicating with the existing employees of a company. We hope that our research inspires other scholars to evaluate the connection between caring for the environment and morality and related theoretical and practical implications.

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## SUMMARY

The question about the importance of morality in a business context has been long debated. We see this discussion replayed again in the current COVID-19 pandemic. Two competing thoughts are emerging about how businesses should/will behave in the new era. Some people believe that Corporate Social Responsibility (CSR), corporate social or environmental activities that focus on outcomes beyond financial results will be moved to the backburner as businesses will be forced to focus on profitability first just to survive. Others believe in “building back better”, meaning that businesses should use this time to re-focus their efforts on CSR activities. CSR activities are deemed to be activities demonstrating ethical or moral concerns of businesses. Therefore effectively, those statements reason respectively against and for considering morality as a part of business decision making. Recently most companies seemed to have embraced CSR activities, thus recognizing the importance of considering the interests of not only owners and investors but also other stakeholders such as employees, customers and the general community. Yet, current evidence suggests that not all companies benefit equally from CSR activities in terms of stakeholders’ support. In the current thesis, I examine whether and why CSR activities, as indicators of corporate moral behavior, are important to different stakeholders. Moreover, I address when CSR “works” and is effective in increasing support from various stakeholders and when it is less effective and becomes more peripheral to people’s evaluations.

In four empirical chapters, I examine reactions to positive moral behavior in business contexts from a social psychological perspective. The current work aims to shed more light on what happens when companies or individuals engage in CSR and how communications about CSR activities impact on reactions of relevant stakeholders. This dissertation draws upon social judgment and impression formation theories to explore the socio-cognitive processes that shape

the reactions of different people to CSR communications. The empirical evidence of this research is based on studies using an experimental design, where the responses of stakeholders to different types of CSR communications are systematically compared. This allows me to draw causal conclusions, therefore pointing out the possibilities for relevant interventions in real life.

In the current dissertation, building on Social Identity Theory and social evaluation research, I propose an overall model explaining how, why and when communications about positive corporate moral behavior, CSR, impact on reactions of various stakeholders. The general prediction is that the assessment of morality plays a crucial role in our evaluations of not only individuals but also companies. I argue that learning about CSR activities might enhance the perceived morality of the company. I examine whether and when the perceived morality of the company mediates the relationship between learning that a company is engaged in CSR activities and increased stakeholders' support for this company. Furthermore, I propose that there are at least two types of boundary conditions that matter: 1) conditions that relate to the target (its a priori morality image vs. competence image); 2) conditions that relate to the perceiver (perceiver's a priori connection to the company). In addition to two key boundary conditions, I examine other relevant factors such as different types of expectations that might play a role in influencing the impact of CSR communication on stakeholders' support: (a) broader cultural expectations about the role of organizations in society, (b) expectations about likely reasons for engaging in CSR, and (c) expectations about the domains targeted by these efforts. Importantly, I assess the robustness of the general mechanisms outlined in the core model, in the context of those factors (as moderators).

In Chapter 2, I report two experiments (N=299), in which I examine the extent to which individuals identify CSR activities as morally relevant, and how this affects their support of a

company engaging in these activities. The results reveal that both perceived organizational morality and stakeholders' support were positively influenced by information about the CSR activities of a company. I also demonstrate that CSR communications impact on stakeholders' support because they affect the perceived morality of the organization. To address the concern that over 90% of the psychological research is conducted in WEIRD samples (Western, Educated, Industrialized, Rich, Democratic), while only 12% of the world lives in WEIRD countries, I decided to test the robustness of this model in a non-WEIRD context, by replicating these results in a non-WEIRD national context. I compared the results of experiments conducted in the UK and in Russia and showed that while there are differences in mean levels of perceived morality and stakeholders' support between two countries, the psychological mechanism explaining how CSR communications impact on stakeholders' support works similarly in both countries. Thus, I cross-validated the robustness and generality of the predicted model in two countries with different business practices and cultural expectations about the role of organizations in society.

In Chapter 3, I explain when and why some companies might not be benefiting as much from informing the general public about their CSR activities as might be expected. It appears that CSR messages of some companies are not taken at face value, suspecting them of 'greenwashing'. Across 3 studies (total N=1570), I demonstrate that a priori moral impressions are more 'sticky' than impressions of the companies' competence. I reveal how this a priori image colors the interpretation of new CSR information about behaviors and impacts on further impression formation. I examine the mediating role of the perceived motives for the relationship between CSR communications and stakeholders' support. To be able to understand and specify this mechanism, I refer to this as perceived organizational image laundering. I define this construct as capturing how people respond to the inconsistency between their notion that the organization is lacking in

morality and the information that it invests in CSR activities. I argue that they can restore cognitive consistency by questioning the motives of a company for CSR communications. In my research, I examine this mechanism and show that it differs from related constructs such as the perceived motives organizations may have for engaging in CSR activities.

In Chapter 4, I examine a priori perceived morality vs. competence of a professional group of investors and business owners that was negatively stereotyped in the moral domain. I look at how this impacts on the reactions of this group to CSR communications and, in particular, on their motivation to engage in CSR as moral behavior. This chapter consists of two parts. First, I examine how they view their current situation and the standing of their professional group in society. I demonstrate the importance of (low) morality (vs. high competence) for this group's collective self-esteem. Given that this group is criticized for their morality, I argue that those professionals experience a group identity threat, specifically, morality threat. In the second experimental part of the study, I manipulate CSR communications about how CSR efforts of this group are viewed by the general public (group-level moral threat/affirmation) in order to see whether public responses to this group may be a factor in their motivation (not to) invest in CSR. I reveal that reinforcing the moral threat leads to less motivation to engage in moral behavior. Positive information about ingroup moral behavior (group-level moral affirmation) increases the motivation to engage in future moral behavior. Furthermore, this relationship is more pronounced for the participants who believe their a priori moral image is viewed particularly negatively by the general public (i.e. people with low meta-perceptions of morality). Thus, Chapter 4 complements and extends findings obtained in Chapters 2 and 3, which were focused on the impact of a priori organizational morality. Chapter 4 applies the CSR communications model to an a priori image of an important group of



investors and business owners. This chapter demonstrates that public responses to the priori moral image of a professional group can influence their subsequent motivation to engage in CSR.

In Chapter 5, in addition to validating the overall model, I test whether the proposed mechanisms remain the same, regardless of the behavioral domain that is addressed by CSR efforts such as environment CSR behavior of companies vs. general CSR behavior examined in previous chapters. Furthermore, I examine how differences between perceivers (in terms of their a priori connection to the company or organizational identification) affects the relationship between CSR communications and stakeholders' support. I test this in two studies using experimental design conducted in the UK (N=195) and the Netherlands (N=282) among real customers and employees of one large multinational company. I propose and empirically demonstrate that the organization's Environmental CSR communications positively impact on perceived organizational morality compared to the control condition where customers and employees are not exposed to Environmental CSR communications. Perceived organizational morality, in turn, leads to an increase in stakeholders' support. I also show the importance of considering boundary conditions when communicating about Environmental CSR conditions to employees. The results reveal that a priori organizational identification moderates responses of employees to Environmental CSR communications. Specifically, people with high organizational identification in the experimental group report higher job motivation as a result of CSR communications than people in the control group.

The research reported in this dissertation has several implications for organizational behavior, CSR and social psychological theory. First, I explain why, in business contexts, not only competence but also morality can be important for evaluating others, including companies. In particular, I argue that perceived organizational morality is important to a range of different

stakeholders: owners, customers and employees. In doing so, I extend current social psychological research about the importance of morality of evaluating of other humans to the context of organizational evaluations. Second, I investigate how CSR activities and related communications impact on the reactions of various stakeholders. I build and expand on the CSR literature by proposing to examine CSR activities, related communications and reactions of stakeholders. I do this at a higher level of aggregation than prior studies examining a case by case fit between the type of CSR and targeted stakeholders. This more general approach and proposed model could help to clarify and explain some of the inconsistent findings in prior research on CSR. Positive appraisals of individuals and companies do not exist in a vacuum, but rather, these assessments depend on the prior image of a company and, in particular, on the prior moral image of a company. Therefore, both companies and people working in these companies can be caught in either virtuous or vicious circles where the support of others is dependent on how people view an a priori moral image of a company or a group. Unfortunately for companies in morally negatively stereotyped sectors, the initial moral image of a company matters more for positive stakeholders' evaluations than the content of current CSR reports. Thus, this dissertation also responds to concerns among researchers and organizations that people's evaluation of companies should not be examined as a static one-time snapshot. In response, I offer a dynamic model for studying the way people's evaluation of companies develops. Third, I build upon and extend existing insights on greenwashing by specifying a construct indicating suspicion of image laundering, which measures the assumption that a company is engaged in CSR to hide bad news. I clarify that companies are not penalized by stakeholders for engaging in CSR for business reasons but rather for when companies are suspected of image laundering. This allows for the important distinction that companies can be punished by stakeholders based on the suspicion that a company is involved in

greenwashing rather than being based on actual evidence of greenwashing. This can explain the paradoxical findings of prior research that companies are regularly accused of greenwashing when they engage in CSR while the actual occurrence of CSR-washing is shown to be rare. I argue that the construct of suspicion of image laundering is particularly influenced by a priori perceptions of the morality of a company. This helps to explain why companies can differ in the extent to which they benefit from CSR even if they engage in exactly the same CSR activities. I also argue and demonstrate that suspicion of image laundering is distinct from related constructs, such as the perception of business vs moral reasons, or expectancy violation. Finally, this dissertation also contributes to the limited to date body of research in social psychology focused on the generalizability of insights about the impressions we form of individuals, to nonhuman subjects. Since the process of anthropomorphizing nonhuman targets is not straightforward from a psychological perspective, it is relevant to demonstrate that mechanisms that are known from impression formation about individuals can be generalized to nonhuman subjects.

## SUMMARY

In Dutch

Over de vraag naar het belang van moraliteit in een zakelijke context wordt al lang gedebatteerd. We zien deze discussie opnieuw opspelen in de huidige COVID-19-pandemie. Hierin komen twee tegenstrijdige gedachten naar voren over hoe bedrijven zich in het nieuwe tijdperk zouden moeten gedragen, wat betreft hun activiteiten op het gebied van Maatschappelijk Verantwoord Ondernemen – ofwel Corporate Social Responsibility (CSR). Sommige mensen zijn van mening dat, deze sociale of milieuactiviteiten die gericht zijn op het bereiken van maatschappelijke doelen die verder gaan dan financiële resultaten op een laag pitje zullen komen te staan. In deze tijd van economische neergang zullen bedrijven gedwongen worden zich in de eerste plaats op winstgevendheid te concentreren om te overleven. Anderen geloven in 'beter terug bouwen'. Dit houdt in dat bedrijven deze bijzondere periode kunnen benutten om hun inspanningen meer te richten op CSR-activiteiten.

CSR-activiteiten zijn te beschouwen als activiteiten die blijk geven van de ethische of morele principes die belangrijk zijn voor bedrijven. De laatste jaren leken steeds meer bedrijven CSR-activiteiten te hebben omarmd. Hiermee gaven ze aan rekening te willen houden met de belangen van niet alleen eigenaren en investeerders, maar ook andere belanghebbenden zoals werknemers, klanten en de bredere sociale gemeenschap. Toch zijn er aanwijzingen dat niet alle bedrijven evenveel baat hebben bij CSR-activiteiten als manier om meer steun te verwerven van dit soort belanghebbenden. In dit proefschrift onderzoek ik of en waarom CSR-activiteiten, als indicatoren van moreel gedrag van bedrijven, belangrijk zijn voor verschillende belanghebbenden. Bovendien bespreek ik wanneer CSR 'werkt' en effectief is in het vergroten van de steun van

verschillende belanghebbenden en wanneer het minder invloed heeft op de manier waarop mensen tegen deze bedrijven aankijken.

In vier empirische hoofdstukken onderzoek ik reacties op positief moreel gedrag in zakelijke contexten vanuit een sociaal psychologisch perspectief. Het huidige onderzoek is bedoeld om meer licht te werpen op wat er gebeurt als bedrijven of individuen zich bezighouden met CSR en hoe communicatie over CSR-activiteiten de reacties van relevante belanghebbenden beïnvloedt. Dit proefschrift is gebaseerd op theorieën over sociale oordeelsvorming en impressie formatie. Het heeft als doel om de sociaal-cognitieve processen te onderzoeken die de reacties van verschillende mensen op communicatie van bedrijven over hun betrokkenheid bij CSR-activiteiten bepalen. Ik rapporteer resultaten van onderzoek dat is gebaseerd op studies met een experimentele proefopzet, waarbij de reacties van belanghebbenden op verschillende soorten CSR-communicatie systematisch worden vergeleken. Hierdoor kan ik conclusies trekken over causale relaties (de invloed van bepaalde communicaties op de beeldvorming over de organisatie) en daarmee wijzen op de mogelijkheden voor relevante interventies in het echte leven.

In het huidige proefschrift bouw ik voort op de sociale identiteitstheorie en onderzoek naar sociale evaluaties. Op grond hiervan heb ik een algemeen model opgesteld, dat aangeeft hoe, waarom en wanneer communicatie over positief moreel gedrag van bedrijven (hun CSR-activiteiten), reacties van verschillende belanghebbenden beïnvloedt. De algemene voorspelling is dat de beoordeling van moraliteit een cruciale rol speelt in onze evaluaties van niet alleen individuen maar ook bedrijven. Ik betoog dat informatie die mensen ontvangen over CSR-activiteiten de waargenomen moraliteit van het bedrijf zou kunnen versterken. Ik onderzoek of en wanneer de waargenomen moraliteit van het bedrijf verklaart waarom informatie over de CSR-activiteiten van een bedrijf invloed hebben op de steun van belanghebbenden voor dit bedrijf.

Verder stel ik voor dat er ten minste twee soorten randvoorwaarden zijn die hierbij van belang zijn: 1) de kenmerken van het bedrijf dat wordt beoordeeld (het a priori beeld dat er bestaat ten aanzien van moraliteit vs. competentie); en 2) kenmerken van de waarnemer (de psychologische betrokkenheid van de waarnemer bij het bedrijf). Naast deze twee randvoorwaarden, onderzoek ik de invloed van andere relevante factoren, met name de verschillende soorten verwachtingen die een rol kunnen spelen in de relatie tussen CSR-communicatie en de ondersteuning van stakeholders. Dit zijn: (a) algemene culturele verwachtingen over de rol van organisaties in de samenleving, (b) verwachtingen over de redenen om CSR-activiteiten te ondernemen, en (c) verwachtingen over de domeinen (milieu, werknemers, samenleving) waarop deze inspanningen gericht zijn. Op deze manier toets ik de robuustheid van de algemene mechanismen die in het kernmodel worden geschetst, in de context van deze verschillende soorten verwachtingen (als mogelijke moderatoren).

In Hoofdstuk 2 rapporteer ik twee experimenten (N = 299). Hierin onderzoek ik in hoeverre individuen CSR-activiteiten als moreel relevant zien, en hoe dit hun steun aan een bedrijf dat zich met deze activiteiten bezighoudt, beïnvloedt. De resultaten laten zien dat zowel de waargenomen moraal van de organisatie als de steun van belanghebbenden positief worden beïnvloed door informatie over de CSR-activiteiten van een bedrijf. Ik laat ook zien dat CSR-communicatie invloed heeft op de ondersteuning van belanghebbenden, omdat ze de waargenomen moraliteit van de organisatie beïnvloeden. Hierbij kom ik tegemoet aan de kritiek dat meer dan 90% van het psychologisch onderzoek wordt uitgevoerd in steekproeven van mensen die leven in westerse, hoogopgeleide, geïndustrialiseerde, rijke, en democratische samenlevingen (zogenaamde WEIRD-populaties), terwijl slechts 12% van de wereldpopulatie in deze landen woont. Daarom heb ik besloten om de robuustheid van dit model te testen door deze resultaten te repliceren in een

nationale context die niet WEIRD is. Ik vergeleek de resultaten van experimenten uitgevoerd in het VK en in Rusland. Op deze manier kon ik aantonen dat er weliswaar verschillen zijn in de gemiddelde niveaus van gepercipieerde moraliteit en de steun van belanghebbenden tussen twee landen, maar dat het psychologische mechanisme door middel waarvan CSR-communicatie van invloed is op de steun van belanghebbenden op dezelfde manier werkt in beide landen. Op deze manier heb ik de robuustheid en algemene toepasbaarheid van het voorspelde model in twee landen met verschillende bedrijfspraktijken en culturele verwachtingen over de rol van organisaties in de samenleving aan elkaar kruislings gevalideerd.

In hoofdstuk 3 leg ik uit wanneer en waarom sommige bedrijven misschien niet zoveel baat hebben bij het informeren van het grote publiek over hun CSR-activiteiten als te verwachten is. Het lijkt erop dat CSR-berichten van sommige bedrijven niet zomaar worden aangenomen, in de veronderstelling dat ze de zaken mooier voorstellen dan gerechtvaardigd is. Dit wordt ook wel ‘greenwashing’ genoemd. In drie onderzoeken (totaal aantal deelnemers  $N = 1570$ ) laat ik zien dat a priori morele indrukken van bedrijven hardnekkiger zijn dan indrukken van de competentie van het bedrijf. Ik laat zien hoe dit a priori beeld de interpretatie van nieuwe CSR-informatie de verdere indruk die men van het bedrijf vormt kleurt. Ik toets daarbij of waargenomen motieven de relatie tussen CSR-communicatie en de steun die stakeholders het bedrijf willen geven kunnen verklaren. Om het mechanisme dat ik op deze manier op het spoor ben gekomen aan te duiden introduceer ik de term ‘imago witwassen’ (image laundering). Ik definieer dit construct als een reactie op de inconsistentie tussen het idee dat mensen hebben over het gebrek aan moraliteit van de organisatie en de informatie die zij krijgen over investeringen in CSR-activiteiten. Ik beargumenteer dat ze de cognitieve consistentie kunnen herstellen door de motieven van een bedrijf voor CSR-communicatie in twijfel te trekken. In mijn onderzoek breng ik dit mechanisme in kaart en laat ik

zien dat het verschilt van verwante constructies, zoals de waargenomen zakelijke motieven die organisaties kunnen hebben om CSR-activiteiten te ontplooiën.

In Hoofdstuk 4 onderzoek ik het zelfbeeld en de motieven van professionele investeerders en bedrijfseigenaren. Dit is een groep financiële professionals die negatief gestereotypeerd worden in het morele domein – terwijl hun competentie niet ter discussie wordt gesteld. Ik kijk hoe dit negatieve morele stereotype van invloed is op de reacties van deze groep op communicatie over CSR en in het bijzonder op hun motivatie om zich in te zetten voor CSR als vorm van moreel gedrag. Dit onderzoek bestaat uit twee delen. Om te beginnen onderzoek ik hoe deze groep professionals naar hun eigen situatie en de positie van hun beroepsgroep in de samenleving kijken. De resultaten laten zien dat het collectieve zelfrespect van deze groep meer samenhangt met de (lage) moraliteit dan met de hoge competentie van deze groep. Gezien het feit dat deze groep in de samenleving wordt bekritiseerd vanwege hun vermeende gebrek aan moreel besef, stel ik dat deze professionals een bedreiging van hun groepsidentiteit ervaren, meer specifiek een bedreiging van hun gezamenlijke morele identiteit. In het tweede deel van dit onderzoek voer ik een experiment uit. Hier manipuleer ik de inhoud van de informatie die zij krijgen over hoe CSR-inspanningen van deze groep worden bekeken door het grote publiek. Op deze manier vergelijk ik een situatie van morele dreiging met een situatie van morele bevestiging van de identiteit van de groep. Dit stelt mij in staat na te gaan of en hoe publieke reacties op het professionele gedrag van deze groep invloed hebben op hun motivatie om (al of niet) te investeren in CSR. De resultaten laten zien dat het versterken van de morele dreiging de motivatie om moreel gedrag te vertonen verlaagt. In vergelijking hiermee heeft positieve informatie over het morele gedrag binnen de groep als effect dat men juist meer gemotiveerd raakt om in de toekomst moreel gedrag te vertonen. Deze relatie is sterker aanwezig bij onderzoeksdeelnemers die het idee hebben dat het morele beeld



van hun groep bij het grote publiek bijzonder negatief is. Hoofdstuk 4 vormt daarmee een aanvulling op de bevindingen die zijn beschreven in de hoofdstukken 2 en 3, die waren gericht op de impact van a priori beelden bij het grote publiek over het morele gedrag van organisaties. Hoofdstuk 4 past het CSR-communicatiemodel toe op de beeldvorming over een belangrijke groep investeerders en ondernemers. Het onderzoek in dit hoofdstuk laat zien dat reacties van het grote publiek op het morele gedrag van deze professionele groep hun motivatie om zich in te zetten voor CSR kan beïnvloeden. In tegenstelling tot wat vaak gedacht wordt, is het -vanwege het gevoel van morele identiteitsbedreiging- niet zo dat negatieve kritiek het meeste effect heeft. In tegendeel, wanneer de morele identiteit bedreigd is, wordt de motivatie om zich in te zetten voor CSR juist vergroot wanneer mensen op een positieve manier worden bevestigd in de gedachte dat hun groep op de goede weg is.

In hoofdstuk 5 toets ik het gehele theoretische model. Daarnaast onderzoek ik of de voorgestelde mechanismen een rol blijven spelen, ongeacht het doel van CSR-activiteiten. In dit onderzoek vergelijk ik CSR-gedrag van bedrijven dat zich specifiek richt op het voorkomen van schade aan het milieu met het meer algemene CSR-gedrag dat centraal stond in mijn eerdere onderzoeken. In dit hoofdstuk onderzoek ik daarnaast of de reactie op CSR-communicatie samenhangt met de mate waarin mensen zich op voorhand verbonden voelen met het bedrijf. Ik test dit in twee onderzoeken met experimentele proefopzetten uitgevoerd in het VK (N = 195) en Nederland (N = 282) onder klanten en medewerkers van één grote multinational. Ik voorspel en toon aan dat de milieu-CSR-communicatie van de organisatie een positieve invloed heeft op de waargenomen moraliteit van de organisatie, in vergelijking met de controleconditie waarbij klanten en werknemers niet worden blootgesteld aan milieu-CSR-communicatie. De waargenomen moraliteit van de organisatie leidt op zijn beurt tot een toename van de steun van

zowel klanten als werknemers. Ik laat in dit hoofdstuk ook zien hoe belangrijk het is om rekening te houden met randvoorwaarden bij het communiceren over milieu-CSR-activiteiten naar medewerkers. De resultaten laten zien dat de mate waarin werknemers zich identificeren met de organisatie invloed heeft op hun reacties van werknemers op communicatie over milieuvriendelijke CSR-initiatieven van het bedrijf. Vooral werknemers die zich sterk identificeren met de organisatie rapporteren een hogere werkmotivatie wanneer zij de CSR-communicatie ontvangen, in vergelijking tot de controlegroep.

Het onderzoek dat in dit proefschrift wordt beschreven, heeft verschillende implicaties voor organisatiegedrag, CSR en sociaalpsychologische theorie. Eerst leg ik uit waarom in zakelijke contexten niet alleen competentie maar ook moraliteit belangrijk kan zijn voor het evalueren van anderen, inclusief bedrijven. In het bijzonder betoog ik dat waargenomen organisatorische moraliteit belangrijk is voor een reeks verschillende belanghebbenden: eigenaren, klanten en werknemers. Daarbij breid ik huidig sociaal-psychologisch onderzoek over het belang van moraliteit van het evalueren van andere mensen uit naar de context van organisatorische evaluaties. Ten tweede onderzoek ik hoe CSR-activiteiten en aanverwante communicatie van invloed zijn op de reacties van verschillende stakeholders. Ik bouw voort op de CSR-literatuur uit door voor te stellen om CSR-activiteiten, gerelateerde communicatie en reacties van belanghebbenden te onderzoeken. Ik doe dit op een hoger aggregatieniveau dan eerdere studies die geval per geval onderzoeken of er overeenstemming is tussen het type CSR en de beoogde belanghebbenden. Mijn meer algemene benadering en het voorgestelde model zouden kunnen helpen om enkele van de inconsistente bevindingen uit eerder onderzoek naar CSR te verduidelijken en te verklaren. Positieve beoordelingen van individuen en bedrijven bestaan niet in een vacuüm, maar deze beoordelingen zijn veeleer afhankelijk van het eerdere imago van een bedrijf en, in het bijzonder,

van het morele imago van een bedrijf. Daarom kunnen zowel bedrijven als mensen die in deze bedrijven werken, in deugdzaam of vicieuze cirkels terechtkomen waar de steun van anderen afhangt van hoe mensen een a priori moreel beeld van een bedrijf of een groep zien. Helaas voor bedrijven in sectoren waarover een negatief moreel stereotiepe bestaat, is het aanvankelijke morele beeld van een bedrijf belangrijker voor de beoordelingen van positieve belanghebbenden dan de inhoud van de huidige CSR-rapporten. Dit proefschrift speelt dus ook in op de zorg van onderzoekers en organisaties dat de evaluatie van bedrijven door mensen niet als een statische eenmalige momentopname moet worden onderzocht. Als reactie daarop bied ik een dynamisch model aan voor het bestuderen van de manier waarop de evaluatie van bedrijven door mensen wordt onderzocht. Ten derde bouw ik voort op bestaande inzichten over greenwashing en breid ik deze uit door een constructie te specificeren die wijst op een vermoeden van het witwassen van afbeeldingen, dat de veronderstelling meet dat een bedrijf zich bezighoudt met CSR om slecht nieuws te verbergen. Ik maak duidelijk dat bedrijven niet worden gestraft door belanghebbenden omdat ze zich bezighouden met CSR om zakelijke redenen, maar eerder omdat ze ervan worden verdacht hun imago te willen witwassen. Dit maakt duidelijk dat bedrijven door belanghebbenden kunnen worden afgestraft op basis van het vermoeden dat een bedrijf betrokken is bij greenwashing in plaats van op basis van feitelijk bewijs van greenwashing. Dit kan de paradoxale bevindingen van eerder onderzoek verklaren dat bedrijven regelmatig worden beschuldigd van greenwashing wanneer ze zich bezighouden met CSR, terwijl het feitelijk voorkomen van CSR-greenwashing zelden voorkomt. Ik betoog dat het vermoeden van het witwassen van afbeeldingen vooral wordt beïnvloed door a priori percepties van de moraliteit van een bedrijf. Dit verklaart mede waarom bedrijven kunnen verschillen in de mate waarin ze profiteren van CSR, zelfs als ze precies dezelfde CSR-activiteiten ondernemen. Ik beargumenteer en laat ook met mijn onderzoek

zien dat een vermoeden van het witwassen van het bedrijfsimago verschilt van gerelateerde constructies, zoals de perceptie van zakelijke versus morele redenen, of schending van eerdere verwachtingen. Ten slotte draagt dit proefschrift ook bij aan het tot op heden beperkte onderzoek in de sociale psychologie gericht op de generaliseerbaarheid van inzichten over de indrukken die we vormen van individuen naar niet-menselijke proefpersonen. Aangezien het proces van het antropomorfiseren van niet-menselijke doelwitten psychologisch niet vanzelfsprekend is, is het relevant om aan te tonen dat mechanismen die bekend zijn uit impressievorming over individuen gegeneraliseerd kunnen worden naar niet-menselijke subjecten.

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