

Moral Disengagement in Processes of Organizational Corruption

Celia Moore

ABSTRACT. This paper explores Albert Bandura's concept of moral disengagement in the context of organizational corruption. First, the construct of moral disengagement is defined and elaborated. Moral disengagement is then hypothesized to play a role in the *initiation* of corruption by both easing and expediting individual unethical decision-making that advances organizational interests. It is hypothesized to be a factor in the *facilitation* of organizational corruption through dampening individuals' awareness of the ethical content of the decisions they make. Finally, it is hypothesized to contribute to the *perpetuation* of corruption in organizations, because if individuals who have a greater propensity to morally disengage are more likely to make decisions that advance organizational interests regardless of the ethicality of those decisions, they may also be rewarded for those decisions in terms of organizational advancement. Together these studies form an argument that moral disengagement plays an important role in processes of organizational corruption.

KEY WORDS: moral disengagement, corruption, moral awareness, unethical decision-making, organizational advancement

Introduction

This article examines the concept of moral disengagement (Bandura, 1990a, b, 1999, 2002), defined here as an individual's propensity to evoke cognitions which restructure one's actions to appear less harmful, minimize one's understanding of responsibility for one's actions, or attenuate the perception of the distress one causes others. In particular, it explores three ways in which moral disengagement might pervade processes relevant to organizational corruption. First, it investigates how moral disengagement may help to *initiate* corruption, by

allowing individuals to pre-empt the discomfort of cognitive dissonance at the prospect of making organizationally expedient, but corrupt, decisions, since moral disengagement facilitates the cognitively reframing of issues to exclude moral considerations. Second, it investigates how moral disengagement may help to *facilitate* corruption within organizations, through dampening individuals' moral awareness (Butterfield et al., 2000), a key step in taking moral action (Rest, 1986). Finally, it investigates how moral disengagement may help to *perpetuate* corruption, by seeing whether organizations reward individuals who have a greater propensity to morally disengage and advance more quickly through organizations.

Moral disengagement

Albert Bandura's theory of moral disengagement was developed to explain why certain people are able to engage in inhumane conduct without apparent distress (Bandura, 1990a, b, 1999, 2002). In his theory, individuals with high levels of moral disengagement have made habitual the use of cognitive mechanisms which reframe those individuals' actions in ways which downplay their ethical content or import, thus suspending the self-regulatory processes that socio-cognitive theory suggests govern individual moral behavior. To date, the work on moral disengagement has remained primarily theoretical, used in explanations of political and military violence (Bandura, 1990a). The empirical work on moral disengagement has taken place predominantly in the context of predicting aggression and anti-social behavior children and adolescents (Bandura et al., 1996; Bandura et al., 2001), though it has also been effectively applied to adults in targeted ways, studying the relationship between moral disengage-

ment and the decline in civic behavior (Caprara and Capanna, 2006), computer hacking (Rogers, 2001), and reactions to war (Aquino et al., 2007).

It is reasonable to wonder whether moral disengagement might also play an important role organizational corruption. Bandura himself theorized that the mechanisms of moral disengagement “routinely” operate in individuals’ mundane decisions “to further their own interests or for profit” (Bandura, 1990b: 43). Though other scholars have also theorized that moral disengagement might be “the root cause of sanctioned corporate corruption” (Brief et al., 2001: 473), to date no thorough theoretical account of how moral disengagement may play a distinctive role in processes of organizational corruption has been offered in the literature, nor has the role of moral disengagement been empirically investigated in this context. This article provides such a theoretical account, and argues that the propensity of individuals to morally disengage may influence not only their awareness of the ethical content of the decisions they make, but also their likelihood of making unethical decisions which advance organizational interests, and ultimately, their ascent up the corporate ladder.

This research defines corruption as unethical actions undertaken to advance organizational interests, which may or may not directly advance the interests of the individuals undertaking them (following Clinard and Quinney, 1973; Schragger and Short, 1978; Szwajkowski, 1985).¹ Clearly, over a long time horizon, unethical decisions are rarely within an organization’s interest; they can be costly and even threaten an organization’s survival (Enron no longer exists). However, at the time, unethical decisions are commonly undertaken to meet some organizational interest.² For example, hiring foreign sales agents to pay bribes to potential customers has been a very productive way for many organizations to gain market share internationally and expand globally (Coleman, 1989). It was originally thought to be in Ford’s best financial interests not to recall the Pinto car, even in the face of evidence that even low-speed accidents caused their fuel tanks to rupture and ignite into flames (Gioia, 1992). Enron’s accounting practices before its bankruptcy, which established indirect partnerships to mask billions of dollars in corporate debt, allowed the corporation

to remain viable for longer than it should have (McLean and Elkind, 2003).

How does moral disengagement work? Bandura’s theory suggests that disengagement operates through eight different cognitive mechanisms. Three of these mechanisms (moral justification, euphemistic labeling, and advantageous comparison) facilitate the *cognitive restructuring of inhumane acts* to appear less harmful to the individual occupied in them; these cognitions work by making the act seem beneficial in some way. For example, moral justification might involve telling oneself that selectively disclosing product information to customers is critical to protecting the company’s public image. Similarly, euphemistic labeling renames harmful actions so as to appear benign. For example, Jackall notes that those who collude with unethical actions within corrupt organizations are often termed good “team players” (1988: 52–53). Advantageous comparison draws on even more harmful activities to make the action in question seem innocuous in contrast.

Two cognitive mechanisms (displacement of responsibility and diffusion of responsibility) *minimize the role of the individual* in the harm that is caused by an individual’s actions. Cognitions which displace responsibility tend to attribute the responsibility for one’s actions onto authority figures, who may have tacitly condoned or explicitly directed one’s behavior (see Kelman and Hamilton, 1989). Cognitions which diffuse responsibility tend to distribute blame across the members of a group rather than on any individual. For example, research on the Space Shuttle Challenger disaster reveals that diffusion of responsibility was an important factor leading to the decision to launch (Vaughn, 1996). These mechanisms work by absolving individuals from moral agency: “I was made to do it by my boss”, for example, or “I played such a small part that I’m not really responsible,” are cognitions of this type.

The final three cognitive mechanisms (distortion of consequences, dehumanization and attribution of blame) *reframe the effects of one’s actions*, either by minimizing the outcomes of those actions or by minimizing the perception of distress those actions cause others. Unlike the first three mechanisms, these are not intended to reframe the activity in a positive light; rather, they work by minimizing the true consequences that those actions have on others. In the context of corruption, the distortion of

consequences is abetted by calling such criminal activity “victimless” (Schur and Bedau, 1974). Though dehumanization is often thought as extreme, Bandura points out that it occurs in more mundane circumstances as well, especially in conditions of bureaucratization, automation, and impersonal conduct (Bandura, 2002: 109). Attributing blame to the victim occurs in all types of contexts, from rape to white-collar crime (Douglas, 1995).

Together, these eight mechanisms restructure the way that individuals make decisions, and experience the choices they make. Moral disengagement, then, is an individual predisposition to evoke cognitions that allow individuals to restructure their actions to appear less harmful, minimize their role in the outcomes of their actions, or attenuate the distress that they cause to others, thereby disengaging the self-sanctions that socio-cognitive theory claims drive individual moral behavior.

A few things should be clarified about the way the construct is being conceptualized here. First, moral disengagement is not being conceptualized as a stable trait; rather, it is understood to be a cognitive orientation to the world that develops over time and is influenced by the social contexts in which one operates. Bandura described moral disengagement as explicitly interactive, and describes it as an outcome of the interplay between personal and social influences (Bandura, 2002). This means that it is important to think of disengagement as a malleable property of individuals, a result of the continued reciprocal influences of the individual on his or her environment and vice versa, rather than as a measure of the “bad apple”-ness of an individual. This conceptualization makes sense given that most work on moral development argues that our ethical orientation to the world is socially learned rather than a genetic inheritance (Bandura, 1986; Kohlberg, 1984; though see Hauser, 2006 for a different view). It also suggests that individuals’ levels of moral disengagement would be amenable to intervention or learning.

Moral disengagement is also understood to be context-dependent. Research on business ethics has been quite consistent in finding that individuals segment their moral lives, applying different set of ethical standards in different contexts (Jackall, 1988). Individuals may be more prone to operate in a morally disengaged way in war than at the U.N., or

with their gambling buddies than with their grandmother, for example. This article focuses on moral disengagement in the workplace context. However, moral disengagement is also understood to be a tendency which remains *relatively stable* over time, because the ongoing practice of cognitively restructuring the (unethical) actions in which one engages makes habitual the use of similar justifications in the future, and embeds those practices within an individual’s normative behavior.

This article makes the argument that the mechanisms of moral disengagement help to initiate, facilitate, and perpetuate corruption in organizations through their effect on moral awareness, unethical decision-making and organizational advancement. I now turn to these arguments (see Figure 1 for a pictorial representation of the hypotheses that follow).

Unethical decision-making: moral disengagement in the initiation of corruption

Models of organizational corruption tend to focus either at the macro-level, on variables that create environmental pressures that help trigger corruption (e.g., Baucus, 1994; Szwajkowski, 1985), or, at the micro-level, on how “otherwise ethical” individuals become effectively socialized into wrongdoing (e.g., Ashforth and Anand, 2003; Brief et al., 2001). However, if all individuals who enter organizations would not engage in unethical behavior unless pressured or socialized to do so, we have a proverbial chicken without an egg. In other words, the unethical decisions of some individuals need to set a tone within the organization before the socialization of other employees into the corrupt actions can occur.

Certainly, aspects of the situation (Mischel, 1977; Trevino, 1986), contingencies regarding the decision itself (Jones, 1991), and organizational role requirements (Gioia, 1992) can “override” individual values or motivations and compel employees to engage in acts in which they would not otherwise take part. However, the arguments for the role of these external forces in unethical behavior rest tacitly on an assumption that all organizational members are equally likely to enact the “initial, idiosyncratic

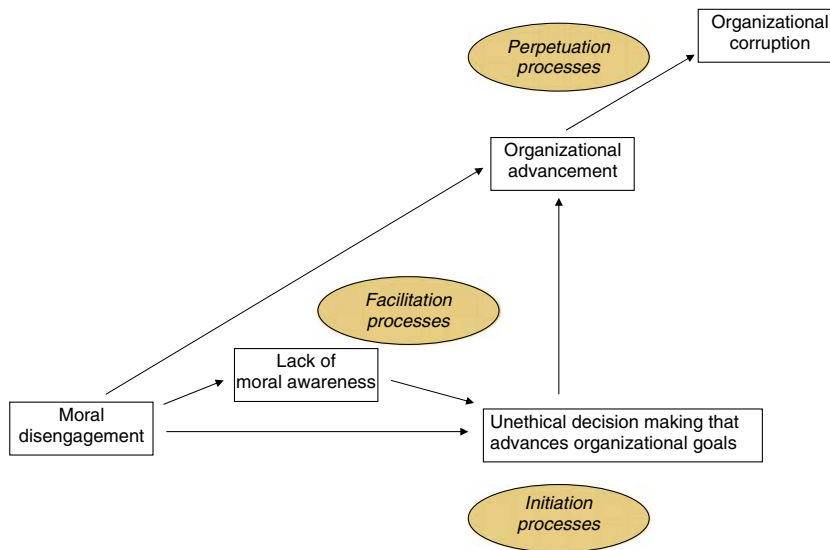


Figure 1. Moral disengagement in processes of organizational corruption.

corrupt practices” (Ashforth and Anand, 2003: 4) responsible for the initiation of corruption within organizations. The argument here is that moral disengagement may play a role in instigating corruption within organizations because individuals may not be equally likely to trigger those initial, idiosyncratic practices: individuals who have a greater propensity to morally disengage might be more likely than others to make those key early decisions that are required in order for corruption to be normalized within organizations.

Specifically, moral disengagement may assist individuals in more *easily* and *expediently* making unethical decisions that are in the organization’s interest. Moral disengagement may *ease* unethical decision-making by *pre-empting* the psychological discomfort (cognitive dissonance) experienced by individuals at the prospect of making an organizationally valued but morally questionable decision. In this context, being able to more *easily* make unethical decisions means being able to make unethical decisions without resultant psychological discomfort. Moral disengagement may also *expedite* unethical decisions by operating to shield competing values from adding to the cognitive complexity of the decision. Here, *expediting* unethical decisions means being able to make unethical decisions using fewer cognitive resources and less complex reasoning.

Cognitive dissonance theory provides support for the argument that individuals with greater propensities to morally disengage will be able to more *easily* make unethical decisions in the organization’s interest. The theory holds that individuals will go to great lengths to change their attitudes to fit with their behavior, or enhance the value of their choices (vis-a-vis alternative choices), when two cognitions relevant to a decision are dissonant (Festinger, 1957; Harmon-Jones, 2000). However, dissonance research tends to focus on *outcomes* of dissonance (the mental gymnastics required to reduce that dissonance) rather than what might predict a lack of dissonance in the first place. The argument here is that moral disengagement plays into our cognitive processes in a way that allows individuals to *pre-empt* the simultaneous cognitions that create dissonance.

How would this work in practice? As Tetlock reminds us, recognizing an issue as a moral dilemma inherently involves acknowledging a tension between two conflicting values; moreover, the dilemma or conflict of interest is worse for the individual experiencing it to the degree to which both values are strongly held (Tetlock, 1986). For example, imagine an individual is faced with a strong incentive to bribe a foreign official in order to secure a large contract. For many, a conflict would arise between the value of benefiting one’s organization with the

contract (and oneself with a hefty commission), and the moral (and in most jurisdictions, legal) value prohibiting bribery of foreign nationals in the effort to secure local contracts. In this case, the cognitive mechanisms of moral disengagement would operate to minimize the importance of the value against bribery (for example, evoking a cognition which diffuses responsibility away from oneself, such as “everyone bribes in this culture”), leaving no conflicting values to be resolved (between the importance of the contract and the prohibition against bribery), and no cognitive dissonance to result. It will therefore be cognitively *easier* for the morally disengaged individual to make the unethical decision (offer the bribe), because that individual will not face the discomfort of cognitive dissonance in the face of the ethical dilemma. There is no need, in other words, to engage in the discomfiting mental gymnastics of changing one’s attitude (from valuing the prohibition against bribery) to fit with one’s behavior (offering the bribe), if moral disengagement has already cognitively reframed the action for that individual in such a way that makes it acceptable behavior.

The second argument uses cognitive moral development theory to argue that individuals high in moral disengagement will be able to make unethical decisions more *expediently* than individuals low in moral disengagement. Theorists of moral development hold that advanced moral reasoning requires high levels of cognitive complexity (Kohlberg, 1984; Rest, 1986). For example, Kohlberg understood that the most advanced moral reasoning involves applying universal ethical principles in a logically comprehensive way, while the least advanced moral reasoning conceives of moral choices in terms of pure self-interest, asking questions such as “Will I be punished for this act?” (Kohlberg, 1984). In other words, it takes more time and greater mental capacity to engage in principled moral reasoning. This fits nicely with Tetlock’s work on integrative complexity, which suggests that individuals can make decisions more expediently when they reason in less complex ways (Tetlock, 1986). If this is true, it will be more *expedient* for individuals high in moral disengagement to make unethical choices, because they are not otherwise occupied in the cognitive complexity of advanced moral reasoning.

Moral disengagement *expedites* unethical decision making by helping to simplify individuals’ moral

reasoning, which has the additional benefit of leaving cognitive capacity available to better focus on the goals of best serving their organization’s interest. Basic research in social psychology confirms that engaging self-regulatory processes in one area of life can deplete one’s self-regulatory resources, and lead to less available effort to extend to other spheres of behavior (Baumeister et al., 1998; Muraven et al., 1998). Research on goal-shielding indicates that individuals are better able to focus on and meet specific goals when alternate, and potentially competing goals, have been “shielded” from immediate relevance, and as such, leave more cognitive room to focus in a targeted way on the goal of interest (Shah et al., 2002). This would indicate that there can be organizational payoffs to pre-empting cognitive dissonance and simplifying one’s moral reasoning to a calculus that minimizes ethical concerns: one can imagine a strongly organizationally relevant goal such as meeting quarterly sales targets might be better met if individuals were not simultaneously concerned with a secondary (and dissonance inspiring) goal such as ensuring that the actions involved in meeting those sales targets did not violate moral codes of behaviour.

In sum, individuals high in moral disengagement will pre-empt cognitive dissonance at the prospect of making unethical choices because they will not have competing values to resolve, *easing* unethical decision-making, as well as reason about moral choices in less complex ways, *expediting* unethical choices and leaving cognitive capacity available to better focus on the most organizationally relevant goals.

H1: Individuals high in moral disengagement will be more likely to make unethical decisions than individuals low in moral disengagement.

Moral awareness: Moral disengagement in the facilitation of corruption

The next argument is that moral disengagement leads to a dampened awareness of the moral content of our decisions, which will *facilitate* the spread of organizational corruption. Moral awareness is the first step in the parsimonious and respected framework developed by Rest to describe the stages of

moral cognition and action (1986). In Rest's model, which is used as a framework in many of the most influential theoretical (e.g., Jones, 1991; Trevino, 1986) and empirical studies (see O'Fallon and Butterfield, 2005) of ethical decision-making in organizations, ethical decision-making requires that an individual (1) recognize a moral issue – have a moral *awareness*, (2) make a moral *judgment* about the issue, (3) establish moral *intent* regarding one's behavior by prioritizing moral concerns above others, and (4) act – proceed with moral *behavior*. Moral awareness involves the recognition that the issue at hand involves factors that could detrimentally affect others' welfare or operate against one's own or society's ethical standards, the understanding that one's actions could contribute to those detrimental effects, and the sensitivity to realize how the outcomes of one's actions may be at odds with internal (self-regulatory) or external (societal) moral standards (Butterfield et al., 2000; Rest, 1986: 5–7).

Surprisingly little research has investigated moral awareness empirically. The majority of empirical research on ethical decision-making focuses on the second and third steps in Rest's framework: making moral judgments and establishing moral intent. The most recent review of the ethical decision-making literature examined 384 separate findings related to Rest's framework, and found 185 findings relating to moral judgment, 86 for moral intent, 85 for moral behavior, and only 28 for moral awareness (O'Fallon and Butterfield, 2005). This indicates that moral awareness may be a misunderstood phenomenon with an important influence on both moral judgment and moral intent: what is currently viewed as errors or missteps in judgment or intent may be more accurately attributed to dampened moral awareness.

This does not mean that people have been uninterested in how our awareness of the moral content of our decisions affects the ethicality of those decisions. The understanding that individuals' capacity to process information is always *bounded* has been around since Simon (1957) introduced the notion of bounded rationality in the 1950s. Recently, researchers have begun to think about the ways in which our cognitive biases make us boundedly *ethical* as well as boundedly *rational* (Chugh et al., 2005; Murnighan et al., 2001; Tenbrunsel and Messick, 2004). Theoretical interest

in exactly how individuals blind themselves to ethical concerns is clearly growing, and there is an attendant call for furthering empirical investigation into exactly how our awareness of the ethical content of our actions can become bounded, and how that boundedness then affects our ethical decision-making.

It is important to specify the difference between moral disengagement and moral awareness. Moral disengagement describes an intra-individual property, the generalized tendency to evoke cognitions which suspend the self-regulatory processes that typically direct our moral behavior. It is a cognitive orientation to the world to which we become habituated, which then affects how we approach decisions. Moral awareness describes how an individual views the moral content of a particular decision. It is the perspective one has toward a particular decision. Being morally disengaged – having a predisposition to evoke the cognitive mechanisms of moral disengagement – will *result* in that individual's lack of moral awareness about the ethical content of the specific decisions they make.

H2: Individuals high in moral disengagement will demonstrate lower levels of moral awareness of ethical issues within a business context than individuals low in moral disengagement.

It is further argued that moral awareness will operate as a mediator in the relationship between moral disengagement and unethical decision-making. Moral disengagement operates to frame our decisions in ways which dampen moral awareness, thus making unethical decisions in the interest of an organization more likely. While it is not new to acknowledge that the way decisions are framed dramatically influences the choices individuals make (Tversky and Kahneman, 1981), most of the research on scripts and framing in terms of decision-making looks at *external, situational* stimuli as the source of the ethically compromised frame (Batson and Moran, 1999; Messick, 1999; Tenbrunsel and Messick, 1999). For example, Gioia's description of the situation surrounding the recall of the Ford Pinto suggests that scripts are often formulated and stored in memory as a result of exposure to amoral or corrupt organizational norms (Gioia, 1992).

This research does not challenge the view that many behavioral scripts that drive individual decisions in organizations are organizationally acquired and controlled. It does make room for the possibility that individuals enter organizations with *pre-existing* behavioral scripts that may be activated without the need for additional external stimuli. Moral disengagement frames the way individuals conceptualize the choices they are faced with, providing an *intra-individual* trigger of the ethically compromised frame, dampening individuals' awareness of the ethical content of the decisions they are making. This idea is supported by research that has found that individuals' ideological world views, which arguably pre-exist organizational entry, are strong predictors of manager's reactions to scenarios about accountability within organizations and models of corporate governance (Tetlock, 2000). I suggest that individuals high in moral disengagement, through its influence on moral awareness, will access pre-existing behavioral scripts that frame their decisions in ways that obviate moral concerns.

H3: Moral awareness will mediate the relationship between moral disengagement and unethical decision-making.

Organizational advancement: Moral disengagement in the perpetuation of corruption

The arguments posed thus far make the case that moral disengagement helps to initiate organizational corruption through fostering unethical decision making advancing organizational goals and helps to facilitate organizational corruption through dampening individuals' moral awareness. However, in order to truly make the argument that moral disengagement is implicated in the perpetuation of corruption in organizations, disengagement needs to be connected to how individuals move through organizations and up the corporate hierarchy. The final and most important connection this article makes is between morally disengagement and organizational advancement.

The hypothesis specifying the connection between the propensity to morally disengage and organiza-

tional advancement follows from the argument that individuals high in moral disengagement are able to make unethical decisions in the organizational interest both more easily and more expediently than others, and proposes that the organization will reward those who act in its interest, regardless of the morality of those actions. The ability to prioritize organizational goals above all other concerns has been shown to be an enormously valued leadership skills, especially in times of crisis or uncertainty (Bligh et al., 2004). It is not unreasonable to think that those who are best at doing that would advance more quickly through organizations. Scott Sullivan quickly rose through the ranks of WorldCom in part because of his willingness to misrepresent financial statements (Jeter, 2003). Andrew Fastow was hand-picked by the leadership at Enron in part because it was understood that he would do "whatever it took" for Enron to make its numbers (McLean and Elkind, 2003). It is not difficult to find other accounts of corrupt organizations that reward individuals who are most willing to collude in corrupt practices (e.g., Eichenwald, 1995).

Even in the face of these corporate examples, ethics and advancement have rarely been studied together in organizational research, though the fact that reward structures in many organizations prioritize short-term gains over long-term survival, and profit over all else, has not gone unnoticed (e.g., Carroll, 1975; Gellerman, 1986). An analysis of corporate offences by Yeager notes that, in certain results-oriented environments, the "implicit message received from the top may be that much more weight is attached to job completion than to legal or ethical means of accomplishment" (Yeager, 1986: 110).

Why would an organization fail to proscribe employees' unethical behavior? Regardless of the efforts to have corporations acknowledge that they might have ethical responsibilities to stakeholders outside the shareholders (Dodd, 1932; Sundaram and Inkpen, 2004), the understanding that the primary purposes of a corporation are survival and growth (Thompson, 1967: 128) has remained intransigent. In one way, there is simply a lack of intentionality on the level of the organization about how its structures or processes might influence unethical behavior to serve its interest, and some of the research on corruption has stressed the lack of

intentionality at the organization level in creating favorable conditions for corruption (Baucus, 1994). As major organizational theories point out, dominant coalitions in organizations effectively make *their* interests the organizational interests (Cyert and March, 1963; Thompson, 1967), and when these coalitions have an interest in collectively sanctioning corrupt behavior, organizational norms will reflect those interests.

In other words, it should not be surprising that organizations do not prohibit unethical behavior that serves their interests (or the interest of a dominant coalition within it); there is nothing in the dual purpose of survival and growth that requires meeting those objectives ethically. Estimates of organizational involvement in criminal activity indicate that this is true: one of the only thorough studies of the illegal activities of *Fortune* 500 companies indicated that 60% had violated federal law within a two-year period (Clinard and Yeager, 1980: 113). It is not a far leap to hypothesize that individuals who can be strong performers without worrying the ethical implications of that performance may advance more quickly into positions of organizational leadership. It has been argued as far back as Chester Barnard that leadership is responsible not only for setting the company's strategic direction, but also for its ethical tone (Barnard, 1938: 272ff). Certainly, anecdotal evidence and media coverage of corrupt organizations provide support for the focus on senior leadership in setting the moral climates and ethical directions of organizations: witness the accounts of how Andrew Fastow (McLean and Elkind, 2003), Bernie Ebbers (Jeter, 2003), and John Gutfreund (Sims and Brinkmann, 2002), who did so at Enron, WorldCom, and Salomon Brothers, respectively.

If individuals predisposed to evoke cognitive mechanisms that facilitate unethical decision making are more likely than others to advance within organizations, they will then be in positions of leadership replete with opportunities to model, reward, or further embed corrupt practices into the social structure of the organization (Ashforth and Anand, 2003). These norms then become strong situational pressures for all organizational members to perpetuate the corrupt actions (Sims and Brinkmann, 2002). It is therefore reasonable to

propose that individuals who are more likely to engage in unethical behavior on behalf of an organization advance more quickly than others through corporate hierarchies, attaining the positions of leadership from which corrupt norms are created and become compelling directives for other organizational members.

H4: Individuals high in moral disengagement will advance more quickly through organizations than individuals low in moral disengagement.

There are other reasons, beyond prioritizing the goals of the organization over all others, to hypothesize that moral disengagement may predict organizational advancement and the accrual or organizational rewards. Johns' theory of self-serving behavior suggests that disengaged individuals could be rewarded within organizations because disengagement allows one to rationalize self-serving behaviors, including taking undue credit for success, avoiding taking responsibility for failure, and making self-enhancing presentations that assist in resource accrual such as salary gains or organizational advancement (Johns, 1999). Johns' theory of self-serving behavior, at the individual level, encompasses self-serving perceptions and positive impression management strategies (Jones and Pittman, 1982) that have been shown to relate positively to leadership (Sosik et al., 2002; Wayne and Green, 1993). Moral disengagement could facilitate impression management because impression management "represents conscious presentation of a false front" (Zerbe and Paulhus, 1987: 253), a deception that might be easier to rationalize if one's moral self-sanctions against intentional misrepresentation are disengaged. Therefore, moral disengagement is also posited to predict organizational advancement through the mediating factor of impression management, which functions as self-serving behavior in the interest of resource accrual.

H5: Individuals high in moral disengagement will advance more quickly through their organizations than individuals low in moral disengagement, through the mediating factor of impression management.

Conclusion

This article aims to position moral disengagement as an important construct that plays a key role in unethical decision-making, and ultimately, to our understanding of how organizational corruption is initiated, facilitated, and perpetuated. Though there has been some mention in theoretical work of the importance of moral disengagement in processes of organizational corruption (Bandura, 1990b; Brief et al., 2001), to date the mechanisms by which this influence plays out have not been articulated. This article attempts to articulate three of those mechanisms, linking moral disengagement to lower levels of moral awareness (*facilitating* corruption inside organizations), and higher levels of unethical decision-making in the organizational interest (paving the way for the *initiation* of organizational corruption), as well as to organizational advancement, explaining in part how corruption may be *perpetuated* in organizations. Clearly, future work is required to determine whether the hypotheses suggested by this theoretical account can be supported empirically. The aim of this article is to provide some clear direction for future areas of empirical research on moral disengagement in organizational contexts, broadly, and its role in organizational corruption, specifically.

Notes

¹ Looking specifically at unethical decisions in the organization's interest distinguishes this research from the majority of the research on deviance (Robinson and Greenberg, 1998), misbehavior (Vardi and Weitz, 2004), and counterproductive workplace behavior (Sackett and DeVore, 2001), which together represent actions that are clearly *against* organizational interests – theft, vandalism, sabotage, substance abuse, violence, unsafe behavior, and misuse of time or resources.

² “Organizational interest” can be defined both at an abstract level and at a stakeholder level. At an abstract level, the two traditional interests of a corporation are survival and growth (Thompson, 1967: 128). At a stakeholder level, it is typically the interests of a dominant coalition in leadership positions whose interests come to represent the “organizational interest” (Cyert and March, 1963; Thompson, 1967).

References

- Aquino, K., A. Reed, II, S. Thau and D. Freeman: 2007, ‘A Grottesque and Dark Beauty: How the Self-Importance of Moral Identity and the Mechanisms of Moral Disengagement Influence Cognitive and Emotional Reactions to War’, *Journal of Experimental Social Psychology* **43**, 385–392.
- Ashforth, B. E. and V. Anand: 2003, ‘The Normalization of Corruption in Organizations’, *Research in Organizational Behavior* **25**, 1–52.
- Bandura, A.: 1986, *Social Foundations of Thought and Action* (Prentice-Hall, Englewood Cliffs, NJ).
- Bandura, A.: 1990a, ‘Mechanisms of Moral Disengagement’, in W. Reich (ed.), *Origins of Terrorism: Psychologies, Ideologies, States of Mind* (Cambridge University Press, New York), pp. 161–191.
- Bandura, A.: 1990b, ‘Selective Activation and Disengagement of Moral Control’, *Journal of Social Issues* **46**, 27–46.
- Bandura, A.: 1999, ‘Moral Disengagement in the Perpetuation of Inhumanities’, *Personality and Social Psychology Review* **3**, 193–209.
- Bandura, A.: 2002, ‘Selective Moral Disengagement in the Exercise of Moral Agency’, *Journal of Moral Education* **31**, 101–119.
- Bandura, A., C. Barbaranelli, G. V. Caprara and C. Pastorelli: 1996, ‘Mechanisms of Moral Disengagement in the Exercise of Moral Agency’, *Journal of Personality and Social Psychology* **71**, 364–374.
- Bandura, A., G. V. Caprara, C. Barbaranelli, C. Pastorelli and C. Regalia: 2001, ‘Sociocognitive Self-Regulatory Mechanisms Governing Transgressive Behavior’, *Journal of Personality and Social Psychology* **80**, 125–135.
- Barnard, C.: 1938, *The Functions of the Executive* (Harvard University Press, Cambridge, MA).
- Batson, C. D. and T. Moran: 1999, ‘Empathy-Induced Altruism in a Prisoner’s Dilemma’, *European Journal of Social Psychology* **29**, 909–924.
- Baucus, M. S.: 1994, ‘Pressure, Opportunity and Predisposition: A Multivariate Model of Corporate Illegality’, *Journal of Management* **20**, 699–721.
- Baumeister, R. F., E. Bratslavsky, M. Muraven and D. M. Tice: 1998, ‘Ego Depletion: is the Active Self a Limited Resource?’, *Journal of Personality and Social Psychology* **74**, 1252–1265.
- Bligh, M. C., J. C. Kohles and J. R. Meindl: 2004, ‘Charisma Under Crisis: Presidential Leadership, Rhetoric, and Media Responses Before and After the September 11th Terrorist Attacks’, *The Leadership Quarterly* **15**, 211–239.

- Brief, A. P., R. T. Buttram and J. M. Dukerich: 2001, 'Collective Corruption in the Corporate World: Toward a Process Model', in M. E. Turner (ed.), *Groups at Work: Theory and Research* (Erlbaum, Mahwah, NJ), pp. 471–499.
- Butterfield, K. D., L. K. Trevino and G. R. Weaver: 2000, 'Moral Awareness in Business Organizations: Influence of Issue-Related and Social Context Factors', *Human Relations* **53**, 981–1018.
- Caprara, G. V. and C. Capanna: 2006, 'Moral Disengagement in the Exercise of Civic-Ness', in L. Zsolnai (ed.), *Interdisciplinary Yearbook of Business Ethics* (Peter Lang, New York), pp. 87–98.
- Carroll, A. B.: 1975, 'Managerial Ethics: A Post-Watergate View', *Business Horizons* **18**(2), 75–80.
- Chugh, D., M. H. Bazerman and M. R. Banaji: 2005, 'Bounded Ethicality as a Psychological Barrier to Recognizing Conflicts of Interest', in D. A. Moore, D. M. Cain, G. Loewenstein and M. H. Bazerman (eds.), *Conflicts of Interest: Challenges and Solutions in Business, Law, Medicine, and Public Policy* (Cambridge University Press, New York), pp. 74–95.
- Clinard M. B. and R. Quinney: 1973, *Criminal Behavior Systems: A Typology*, 2nd Edition (Holt, Rinehart and Winston, New York).
- Clinard, M. B. and P. C. Yeager: 1980, *Corporate Crime* (The Free Press, New York).
- Coleman, J. W.: 1989, *The Criminal Elite: The Sociology of White-Collar Crime*, 2nd Edition (St. Martin's Press, New York).
- Cyert, R. and J. G. March: 1963, *A Behavioral Theory of the Firm* (Prentice-Hall, Englewood Cliffs, NJ).
- Dodd, M. E.: 1932, 'For Whom are Corporate Managers Trustees?', *Harvard Law Review* **45**, 1145–1163.
- Douglas, T.: 1995, *Scapegoats: Transferring Blame* (Routledge, New York).
- Eichenwald, K.: 1995, *Serpent on the Rock* (HarperBusiness, New York).
- Festinger, L.: 1957, *A Theory of Cognitive Dissonance* (Row, Peterson, Evanston, IL).
- Gellerman, S. W.: 1986, 'Why "Good" Managers Make Bad Ethical Choices', *Harvard Business Review* **86**(4), 85–90.
- Gioia, D. A.: 1992, 'Pinto Fires and Personal Ethics: A Script Analysis of Missed Opportunities', *Journal of Business Ethics* **11**, 379–389.
- Harmon-Jones, E.: 2000, 'An Update on Cognitive Dissonance Theory, with a Focus on the Self', in A. Tesser, R. B. Felson and J. M. Suls (eds.), *Psychological Perspectives on Self and Identity* (American Psychological Association, Washington, DC), pp. 119–144.
- Hauser, M.: 2006, *Moral Minds: How Nature Designed our Universal Sense of Right and Wrong* (Ecco Press, New York).
- Jackall, R.: 1988, *Moral Mazes: The World of Corporate Managers* (Oxford University Press, New York).
- Jeter, L. W.: 2003, *Disconnected: Deceit and Betrayal at WorldCom* (Wiley, Hoboken, NJ).
- Johns, G.: 1999, 'A Multi-Level Theory of Self-Serving Behaviour in and by Organizations', *Research in Organizational Behavior* **21**, 1–38.
- Jones, E. E. and T. S. Pittman: 1982, 'Toward a General Theory of Strategic Self-Presentation', in J. Suls (ed.), *Psychological Perspectives on the Self* (Lawrence Erlbaum, Hillsdale, NJ), pp. 231–261.
- Jones, J. M.: 1991, 'Ethical Decision Making by Individuals in Organizations: An Issue-Contingent Model', *Academy of Management Review* **16**, 366–395.
- Kelman, H. C. and V. L. Hamilton: 1989, *Crimes of Obedience* (Yale University Press, New Haven, CT).
- Kohlberg, L.: 1984, 'Moral Stages and Moralization: The Cognitive Developmental Approach', in L. Kohlberg (ed.), *Essays on Moral Development: Vol. 2. The Psychology of Moral Development: The Nature and Validity of Moral Stages* (Harper & Row, San Francisco), pp. 170–205.
- McLean, B. and P. Elkind: 2003, *The Smartest Guys in the Room: The Amazing Rise and Scandalous Fall of Enron* (Portfolio, New York).
- Messick, D. M.: 1999, 'Alternative Logics for Decision Making in Social Settings', *Journal of Economic Behavior and Organization* **39**, 11–28.
- Mischel, W.: 1977, 'The Interaction of Person and Situation', in D. Magnusson and N. S. Endler (eds.), *Personality at the Crossroads: Current Issues in Interactional Psychology* (Lawrence Erlbaum Associates, Hillsdale, NJ), pp. 333–352.
- Muraven, M., D. M. Tice and R. F. Baumeister: 1998, 'Self-Control as Limited Resource: Regulatory Depletion Patterns', *Journal of Personality and Social Psychology* **74**, 774–789.
- Murnighan, J. K., D. A. Cantelon and T. Elyashiv: 2001, 'Bounded Personal Ethics and the Tap Dance of Real Estate Agency', in J. A. Wagner, J. M. Bartunek and K. D. Elsbach (eds.), *Advances in Qualitative Organizational Research*, Vol. 1, (Elsevier/JAI, New York), pp. 1–40.
- O'Fallon, M. J. and K. D. Butterfield: 2005, 'A Review of the Empirical Ethical Decision Making Literature: 1996–2003', *Journal of Business Ethics* **59**, 375–413.
- Rest, J. R.: 1986, *Moral Development: Advances in Research and Theory* (University of Minnesota Press, Minneapolis).

- Robinson, S. L. and J. Greenberg: 1998, 'Employees Behaving Badly: Dimensions, Determinants, and Dilemmas in the Study of Workplace Deviance', in C. L. Cooper and D. M. Rousseau (eds.), *Trends in Organizational Behavior* (John Wiley & Son, Chichester, England, UK), pp. 1–30.
- Rogers, M.: 2001, A Social Learning Theory and Moral Disengagement Analysis of Criminal Computer Behavior: An Exploratory Study. Unpublished Doctoral Dissertation. University of Manitoba, Canada.
- Sackett, P. R. and C. J. DeVore: 2001, 'Counterproductive Behaviors at Work', in N. Anderson, D. S. Ones, H. Sinagil and C. Viswesvaran (eds.), *Handbook of Industrial, Work, and Organizational Psychology* (Sage, Thousand Oaks, CA), pp. 145–164.
- Schrager, L. S. and J. F. Short: 1978, 'Toward a Sociology of Organizational Crime', *Social Problems* **25**, 407–419.
- Schur, E. M. and H. A. Bedau: 1974, *Victimless Crimes: Two Sides of a Controversy* (Prentice-Hall, Englewood Cliffs, NJ).
- Shah, J. Y., R. Friedman and A. W. Kruglanski: 2002, 'Forgetting all Else: On the Antecedents and Consequences of Goal Shielding', *Journal of Personality & Social Psychology* **83**, 1261–1280.
- Simon, H. A.: 1957, *Models of Man* (Wiley, New York).
- Sims, R. R. and J. Brinkmann: 2002, 'Leaders as Moral Role Models: The Case of John Gutfreund at Salomon Brothers', *Journal of Business Ethics* **35**, 320–327.
- Sosik, J. J., B. J. Avolio and D. I. Jung: 2002, 'Beneath the Mask: Examining the Relationship of Self-Presentation Attributes and Impression Management to Charismatic Leadership', *Leadership Quarterly* **13**, 217–242.
- Sundaram, A. K. and A. C. Inkpen: 2004, 'The Corporate Objective Revisited', *Organization Science* **15**, 350–363.
- Szwajkowski, E.: 1985, 'Organizational Illegality: Theoretical Integration and Illustrative Application', *Academy of Management Review* **10**, 558–567.
- Tenbrunsel, A. E. and D. M. Messick: 1999, 'Sanctioning Systems, Decision Frames, and Cooperation', *Administrative Science Quarterly* **44**, 684–707.
- Tenbrunsel, A. E. and D. M. Messick: 2004, 'Ethical Fading: The Role of Self-Deception in Unethical Behaviour', *Social Justice Research* **17**, 223–236.
- Tetlock, P. E.: 1986, 'A Value Pluralism Model of Ideological Reasoning', *Journal of Personality and Social Psychology* **50**, 819–827.
- Tetlock, P. E.: 2000, 'Cognitive Biases and Organizational Correctives: Do Both Disease and Cure Depend on the Politics of the Beholder?', *Administrative Science Quarterly* **45**, 293–329.
- Thompson, J. D.: 1967, *Organizations in Action* (McGraw-Hill, New York).
- Trevino, L. K.: 1986, 'Ethical Decision Making in Organizations: A Person-Situation Interactionist Model', *Academy of Management Review* **11**, 601–617.
- Tversky, A. and D. Kahneman: 1981, 'The Framing of Decisions and the Psychology of Choice', *Science* **211**, 452–458.
- Vardi, Y. and E. Weitz: 2004, *Misbehavior in Organizations: Theory, Research, and Management* (Lawrence Erlbaum Associates, Mahwah, NJ).
- Vaughn, D.: 1996, *The Challenger Launch Decision: Risky Technology, Culture, and Deviance at NASA* (University of Chicago Press, Chicago).
- Wayne, S. J. and S. A. Green: 1993, 'The Effects of Leader-Member Exchange on Employee Citizenship and Impression Management Behavior', *Human Relations* **46**, 1431–1440.
- Yeager, P. C.: 1986, 'Analyzing Corporate Offenses: Progress and Prospects', in J. Post (ed.), *Research in Corporate Social Performance and Policy* (JAI, Greenwich, CT), pp. 93–120.
- Zerbe, W. J. and D. L. Paulhus: 1987, 'Socially Desirable Responding in Organizational Behavior: A Reconciliation', *Academy of Management Review* **12**, 250–264.

*Rotman School of Management,
University of Toronto,
105 St. George Street, Toronto, ON,
Canada, M5S 3E6,
E-mail: celia.moore@rotman.utoronto.ca*

*Present Address:
London Business School,
Regent's Park,
London NW1 4SA,
United Kingdom
Email: cmoore@london.edu*

Copyright of *Journal of Business Ethics* is the property of Springer Science & Business Media B.V. and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.