von Kriegstein, H., & Scott, K. A. (2023). Business Ethics Denial: Scale development and validation. *Personality and Individual Differences*, *210*, 112229.

Business Ethics Denial: Scale Development and Validation

Hasko von Kriegstein and Kristyn A. Scott

Toronto Metropolitan University, Ted Rogers School of Management

Abstract

Economistic *Business Ethics Denial* (BED) is the belief that contemporary business has features that make it systematically incompatible with ethics. Using over 1200 participants across seven separate samples we established the substantive validity of a BED Scale, confirmed its theorized structure, psychometric properties, and convergent, discriminant, and criterion-related validity. The results suggest that the scale assesses four correlated factors of economistic BED. The scale can be used in future research on ethical decision making in business, and business ethics education.

Keywords: business ethics denial; scale development; economism;

Business Ethics Denial: Scale Development and Validation

Hasko von Kriegstein and Kristyn A. Scott

Toronto Metropolitan University, Ted Rogers School of Management

That 'business ethics' is an oxymoron expresses the cliché that, in business, doing the right thing plays second fiddle to self-interest or profit. Although members of the public increasingly want businesses to behave in socially responsible ways, they often suspect that publicized efforts to that effect are simply greenwash (Ioannou et al., 2022). This cynical outlook is partly explained by constant corporate scandals. Businesspeople are frequently in the news for disregarding both ethics and the law (see Blackwelder et al., 2016; McLean & Elkind, 2003; McLean & Nocera, 2011; Taub, 2023). But most people, however cynical about business ethics, would not be worried upon learning that businesspeople are moving into their neighborhood. You would not expect them to trash your car, dump garbage in your backyard, or take your mail to steal your identity. Businesspeople might make decisions, on behalf of their companies, that amount to similar behavior writ large, but we tend to think of these amoral (or immoral) impulses as arising from the business context itself (Brennan et al., 2021).

Business Ethics Denial (BED) is the belief that the lamentable state of ethics in business is no accident, but rather that features of the contemporary business world make ethics and business systematically incompatible. BED is part of an ideological package that has shaped our thinking about business in the past five or six decades. These ideological convictions are sometimes referred to as *economism* (Bruder, 2021; Kaufmann, 2022; Pirson, 2020; Ulrich, 2008). However, since the ideology in question is an extremely simplified and distorted representation of the views of actual economists, we call it *naïve economism*. The various ways

in which business and ethics are believed to be incompatible, according to naïve economism, provide tools of moral disengagement (Bandura, 1990) specifically suited for the business context (Newman et al., 2020). In other words, they can be used to rationalize behavior that would otherwise conflict with one's self-image as an ethically upright person (McGrath, 2021; Moore, 2008; van Onna, 2020). Over the last 30 years, Sumantra Ghoshal and others have suggested that BED and naïve economism provide a link between business education and unethical business behavior. We call this the *Ghoshal Conjecture* (Ghoshal, 2005; cf. Magnet, 1986; Ghoshal & Moran, 1996; Huehn, 2008). According to the Ghoshal Conjecture, the dissemination of economistic BED throughout high-profile business schools and subsequently certain industries, lead to behavior commensurate with these beliefs (Giddens, 1984). This, in turn, provided others with evidence of the incompatibility of business and ethics, perpetuating BED as a self-fulfilling prophecy (von Kriegstein, 2019; cf Hausman et al., 2016).

The purpose of this paper is to create a measure to assess the extent to which people subscribe to BED. In doing so, this research offers a number of contributions. First, we respond to calls in the ethical decision-making literature to better understand the impact of moral awareness, and particularly applications of (a)moral awareness in a business context (Tenbrunsel & Smith-Crowe, 2008). Relatedly, despite ample anecdotal evidence, there has been no systematic attempt to confirm the Ghoshal Conjecture. Creating an instrument to measure BED will allow for systematic research in this area. Second, we distinguish the measurement of BED from other constructs in the moral/ethical domain, including moral disengagement, moral identity, and moral attentiveness. In doing so, we provide an avenue for further exploration of domain-specific business ethics. Third, extant ethics scales measure what organizations should do (e.g., behave ethically, engage in CSR; Harrison et al., 2020) or the importance of personal

ethics (e.g., Plante & McCreadie, 2019). Our scale fills an important gap by assessing beliefs about the (in)compatibility of business and ethics. Finally, we demonstrate that, unlike other moral/ethical constructs, BED is related to unethical organizational behavior, but not to more general organizational deviance.

To situate our paper, we first discuss the model of ethical decision making proposed by Tenbrunsel & Smith-Crowe (2008) and how BED fits within this framework. We then present the results of a systematic scale development process, demonstrating the content, discriminant, and convergent validity of our measure of BED.

Ethical Decision Making and Decision Frames

Tenbrunsel and Smith-Crowe (2008) delineate two paths to (un)ethical decisions - moral and amoral decision making. The distinction depends on moral awareness which, according to Tenbrunsel and Smith-Crowe, is best understood via the concept of decision frames. Individuals categorize decisions as a certain type which will make corresponding features of the situation salient (e.g., March, 1994; Tversky & Kahneman 1981). When a decision is framed as an ethics decision, moral decision making ensues (though this does not guarantee an ethical outcome); amoral decision-making results from the decision being framed as, for example, a legal or business decision.

We concur that knowing which frame individuals use is important for understanding their moral or amoral decision making, and further that there are important differences between various non-ethical frames. We go beyond prior research by zeroing in on the "business frame." Tenbrunsel and Smith-Crowe (2008) characterize this as a non-ethical frame (cf Smith & Kouchaki, 2021). Implicit in this characterization is the assumption that people perceive business

and ethics as essentially orthogonal, and some research bears this out (e.g. Tenbrunsel and Messick 1999; Gneezy & Rustichini, 2000; Babalola et al., 2020). However, in light of the Ghoshal Conjecture this assumption appears both non-trivial and highly problematic. If the Ghoshal Conjecture is right, perceiving the business frame this way might be the result of a noxious ideology, and a leading cause of unethical behavior in business (Ghoshal, 2005; Heath, 2014; von Kriegstein, 2019). Thus, it is important to understand whether the business frame is universally amoral such that a "business decision" is always one in which ethical considerations are sidelined. The alternative is that individual factors will lead individuals to perceive ethics as either an important part of or as largely orthogonal to business. We suggest that one such factor might be whether individuals subscribe to BED.

Business Ethics Denial

BED is the belief that contemporary business is systematically incompatible with ethics. In this context, ethics is understood to include all behaviors in which someone is motivated by wanting to do the morally right thing, rather than by furthering their own self-interest. Thus, BED latches on to the contrast between self-interested motivation and (broadly) moral motivation, and denotes the belief that business actors never act (or never should act) on moral motivations. Thus, at the core of BED is a belief that individuals (or organizations) will act in pursuit of their personal self-interest and that ethical considerations will not supersede said self-interest (von Kriegstein, 2019; cf. Goodpaster, 1991; Ulrich 2008). Recent conceptual work in the business ethics literature outlines four different justifications for BED that rest on naïve economism:[1] psychological egoism, corporate law psychopathy, competitive pressures, and ethical markets.

[1] Kim et al. (2015) and von Kriegstein (2019) offer further justifications for BED, but these do not rest on naïve economism and will be ignored here (cf von Kriegstein, 2022; Ancell, 2022).

Psychological Egoism is the belief that all business practices are grounded in economic self-interest because all voluntary actions are motivated by self-interest. In the guise of the *homo economicus* model, psychological egoism is a foundational part of naïve economism (Efeoğlu & Çaliskan, 2018). Economists do not claim that psychological egoism accurately depicts human nature, but rather consider *homo economicus* helpful in economic modeling despite its descriptive shortcomings (Friedman, 1953). Nevertheless, uncritical exposure to the model masks these shortcomings and can lead to the belief that all human behavior can be explained by appeal to self-interested motives (Hausman et al., 2016; von Kriegstein, 2019).

Corporate Law Psychopathy is the belief that businesses are legally constituted to be incapable of acting on any motive other than economic self-interest. (Ladd, 1970; Jones, 2012). The underlying assumption is that corporate law requires corporate executives to maximize shareholder value as part of their fiduciary duties towards shareholders (Bakan, 2004; Hinkley, 2002). This implies that foregoing economic gains for the sake of ethics is legally prohibited. Thus, the structure of corporate law would force corporate decision makers to behave like ruthless psychopaths.

Competitive Pressures is the belief that business ethics is impossible because, over time, unethical businesses outcompete ethical ones which leads to the disappearance of the latter. If business ethics imposes economic costs, the competitiveness of ethical businesses is reduced (Hausman et al., 2016; Ulrich, 2008; Vogel, 2005; von Kriegstein, 2019). Unethical corporations will be able to offer lower prices, for example, and thereby gain market share (cf Kavka, 1983; Sethi, 1994) or ethical companies might be bought out by groups that can run them more profitably by disregarding ethics (e.g., Hausman et al., 2016; Reich, 2007). Thus, in a competitive climate, ethical businesses will not survive (Boda, 2019).

Ethical Markets is the belief that markets obviate the need for moral motivation. The idea is that the purpose of moral motivation is to prevent people from engaging in behavior that results in socially suboptimal outcomes (Baier, 1958), and that free markets are an arrangement which coordinates self-interested behavior in socially optimal ways (Gauthier, 1982). These premises imply that ethics is superfluous in the market (Heath, 2014; Ulrich, 2008; von Kriegstein 2019).

These four arguments for business ethics denial are conceptually distinct, and one can subscribe to any combination or none of them (von Kriegstein, 2019). However, they all rely on the style of reasoning we termed naïve economism. Thus, while we expect that the four types of BED will be separate factors, we also expect them to be highly correlated.

Research Overview

To create and validate the BED Scale we started by following the recommendations of Anderson and Gerbing (1991) and Hinkin et al. (1997), assessing substantive validity by completing an item-sort task (Sample 1A and B), and then used Exploratory Factor Analysis (EFA) to assess the initial factor structure of the scale (Sample 1C) We next established the psychometric properties of the scale, confirmed the factor structure of the measure using Confirmatory Factor Analysis (CFA), and established that the scale is not unduly influenced by either positive or negative mood, or impression management (Samples 2 and 3). We then conducted two separate validation studies to assess convergent and discriminant validity of the BED Scale (Samples 4 and 5). See Table 1 for the overall demographic characteristics of the samples.

Table 1

Overview of demographic characteristics for each sample.

Variable	Sample						
	1A	1B	1C	2	3	4	5
N	27	39	196	196	194	202	415
Male	48 %	39 %	51 %	48 %	45 %	54 %	54 %
Female	52 %	61 %	49 %	52 %	55 %	46 %	46 %
M_{age}	33.48	34.03	37.42	34.93	37.22	33.73	35.39
SD_{age}	7.28	6.52	10.13	7.95	8.19	8.36	9.38
Employed full-time	78 %	82 %	79 %	73 %	61 %	70 %	70 %

Phase 1: Item Generation, Reduction, Substantive Validity, and EFA

The first step was to create a set of items and establish substantive validity – the extent to which the items are theoretically related to BED (Anderson & Gerbing, 1991; Hinkin, 1988). Drawing on the theoretical framework outlined above, we created 36 items - nine for each sub-factor of BED - and recruited eleven colleagues (graduate students and professors with business ethics expertise) for an informal item sort task, providing them with the items and BED definitions. We asked them to sort the items based on the definition of best fit and to provide feedback on sorting difficulty and item redundancy. Based on their feedback we eliminated, combined, and reworded items, leaving us with 24. We then set up two separate item sort tasks - one to confirm that the individual BED items are associated with their corresponding factor and a second to ensure that our measure of BED is distinct from Propensity to Morally Disengage (PMD).

We recruited two separate samples of employed participants from Prolific for an item-sort task for which they received £2.00. Following recommendations of Colquitt et al. (2019) and Anderson and Gerbing (1991), we provided detailed instructions to participants outlining the

nature and purpose of an item sort task and detailed explanations of each construct (or factor, as relevant). Participants were then provided with the list of items (randomized) on the left-hand side, and boxes with definitions on the right. Participants had to drag each item to the box with the corresponding definition.

Sample 1A consisted of 30 individuals (M_{age} = 33.48, SD = 7.28; 52% female). These participants sorted the BED and PMD items into their respective definitions. We included a distractor item ("Sort this item into moral disengagement") and excluded one participant who failed this distractor task. Two other participants failed to sort any items and were also excluded from our analyses. We used a final sample of 27 to assess substantive validity of the BED scale overall.

To analyze the results of the item-sort task for Sample 1A, we followed the recommendations outlined by Anderson and Gerbing (1991) and Howard and Melloy (2015) and computed the proportion of substantive agreement (PSA) and the coefficient of substantive validity (CSV). Values ranged from .70 to .93 for PSA and .50 to .93 for CSV. Using a minimum cut-off of .50 for CSV and .75 for PSA, one item did not demonstrate substantive validity.

Sample 1B consisted of 40 individuals (M_{age} = 34.03, SD = 6.52; 61% female). These participants sorted the BED items into their respective factors. We again included a distractor item ("Put this one into competitive pressures") and excluded one participant who failed this distractor task. We used a final sample of 39 to assess substantive validity of the BED scale overall.

To analyze the results of the item-sort task for Sample 1B, we followed the recommendations of Howard and Melloy (2015), who note that the methodology outlined by Anderson and Gerbing (1991) is suitable when items are being sorted into two categories, but

needs adjustment when items are sorted into three categories or more. Thus, to assess substantive validity, we used the critical values for m provided by Howard and Melloy (2015). As defined by Howard and Melloy, m is "the sum of binomial probabilities…of a certain number of responses occurring, starting with the maximum possible amount and decreasing" (p. 175). For an item in the initial pool of possible BED items to be considered to have substantive validity $P(nc \geq 26) < 0.05$. Applying this formula, three items failed to demonstrate substantive validity.

Removing items based on the substantive validity derived from both item-sort tasks left a total of 20 items. To ensure an equal number of items per factor, we chose the items with the highest substantive validity from both item sort tasks. This reduced the total number of items to 16 - four per factor (see Table 2).

Table 2

BED scale items demonstrating substantive validity.

Psychological egoism
1. Managers will only be ethical if it serves their own interests.
2. In business, if someone claims to act based on ethics, they are hiding their true motives.
3. In business, people put self-interest ahead of ethics.
4. In business, self-interest is more motivating than ethics.

Corporate law psychopathy
5. Corporations are legally required to maximize profits by whatever means necessary.
6. Corporate law prohibits businesses from behaving ethically if it conflicts with making profits.
7. Corporate law requires businesses to prioritize profits over ethics.
8. Corporate law forces business leaders to prioritize profits over ethics.

Competitive pressures
9. To be competitive in business you can't afford to be more ethical than everyone else.
10. Ethical firms can't compete with unethical ones.
11. Ethical businesses won't last very long.
12. Businesses cannot be ethical and competitive at the same time.

Ethical markets
13. Free markets produce wealth for society without a need for ethics.
14. Free markets function best without ethics.
15. A free market works best when greed replaces the ethics of everyday life.
16. In free markets greed typically leads to good outcomes.

As a final step, 200 participants (51% male; M_{age} = 37.42, SD = 10.13) from Prolific (Sample 1C) completed the 16-item scale established through the process of item generation, expert feedback, and substantive validity. All participants were from North America (74% US residents), employed (79% full time), and, as required for participation, had a minimum 95% approval rating based on past Prolific participation. Four participants failed our distractor question and were removed from the dataset. Analyses were completed on a final sample of 196. Participants were asked to indicate the accuracy of each scale item on a 7-point Likert scale ranging from 'very inaccurate' to 'very accurate'.

Data were analyzed using SPSS 29. We ran a Principal Components Analysis with promax rotation. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy suggested adequate sampling (KMO = .86, $p < .001$). As expected, four factors emerged with eigenvalues greater than 1.0, representing 64.47% of the cumulative variance. In keeping with guidance on variable loadings, only loadings greater than .32 were interpreted (Tabachnick & Fidell, 2007; see Table 3). We note that one item from Psychological Egoism (item 2) cross-loaded on Ethical Markets. Given that this item demonstrated excellent substantive validity in our earlier samples and it exceeds the suggested minimum cut-off for communalities (.40; Costello & Osborne, 2005), we opted to leave it in the scale for further analysis as part of our subsequent examination of psychometric properties and CFA.[2]

[2] We administered the full 16- item scale and, given the cross-loading of Item 2, examined the psychometric properties of a 15-item scale and 3-item subscale with Item 2 removed. The reliability of the full scale remained relatively unchanged (α = .88 for the 15-item scale versus α = .89 for the 16-item scale for both Samples 2 and 3) and decreased for the subscale (Sample 2 α = .70 for the 3-item scale versus α = .75 for the 4-item scale; Sample 3 α = .69 for the 3-item scale versus α = .75 for 4 items). Additionally, the standardized factor loading of Item 2 in the CFA is .74 in Sample 2 and .75 in Sample 3. Thus, we opted to retain the item in the scale and suggest that researchers confirm the factor structure and reliability with/out Item 2 in future research.

Table 3

Factor loadings and communalities (h^2) for Principal Components Analysis.

Item	h^2	F_1	F_2	F_3	F_4
1	0.606				0.735
2	0.460		0.401		0.450
3	0.653				0.812
4	0.566				0.716
5	0.666	0.816			
6	0.666	0.786			
7	0.763	0.890			
8	0.737	0.851			
9	0.678			0.779	
10	0.690			0.892	
11	0.685			0.763	
12	0.687			0.690	
13	0.543		0.672		
14	0.771		0.873		
15	0.624		0.756		
16	0.521		0.770		

Note: N = 196. Only factor loadings >0.32 are included. F_1 = corporate law psychopathy, F_2 = ethical markets, F_3 = competitive pressures, F_4 = psychological egoism.

Phase 2: Psychometric Properties and Factor Structure

Using two samples we established the scale's factor structure using CFA (Sample 2), and replicated the factor structure and examined the scale for methods effects (Sample 3). This ensures it is not unduly influenced by either affect or participants' desire to present a positive self-image when responding to items that depict what may be perceived as socially undesirable beliefs (e.g., Tan & Hall, 2005; Williams & Anderson, 1994).

Sample 2: Participants and Procedure

Two hundred participants were recruited from Prolific and received £0.75 for their participation. Two participants did not complete the scale and two failed our distractor question, resulting in a final sample of 196 (52% female; M_{age} = 34.93, SD = 7.95). All participants were from North America (60.7% US residents), employed (73% full time), and, as required for participation, had a minimum 95% approval rating on Prolific. Participants received the 16-item BED Scale and were asked to indicate the accuracy of each statement on a 7-point Likert scale ranging from 'very inaccurate' to 'very accurate'.

Results

Reliability

As a first step in establishing the psychometric properties of the BED scale we examined the internal consistency of the scale, assessing the overall internal consistency (i.e., coefficient alpha), inter-item correlations, and the corrected item-total correlations (CITCs; see Table 4). Overall, the scale demonstrated excellent internal consistency (α = .89). Inter-item correlations ranged from .10 - .64 with the majority of the correlations in the .20 - .50 range and a mean of .34, suggesting that the items are related but not overly redundant. CITCs ranged from .42 - .66. We also examined the internal consistency of each of the factors of BED. For psychological egoism α = .75, for corporate law psychopathy α = .80, for competitive pressures α = .82, and for ethical markets α = .82. We note that the reliability of the psychological egoism factor is slightly lower than the other three. Examining the inter-item correlations and CITCs suggests all values are within an acceptable range (correlations range from .37 to .54; CITCs range from .51 to .59) and removing any of the items would result in a decrease in overall reliability. Taken together, these results suggest that the BED scale is psychometrically sound (Cortina, 1993).

Table 4

Item means, standard deviations, corrected item-total correlations, and reliability.

Item	α	CITC	*M*	*SD*
Overall	0.89		56.39	15.88
1	0.88	0.49	4.07	1.61
2	0.89	0.62	3.43	1.51
3	0.89	0.42	5.09	1.39
4	0.89	0.45	4.88	1.55
5	0.89	0.46	3.22	1.72
6	0.88	0.58	3.32	1.57
7	0.89	0.53	3.94	1.72
8	0.89	0.55	4.09	1.63
9	0.88	0.62	3.63	1.66
10	0.89	0.51	3.53	1.70
11	0.88	0.66	2.83	1.57
12	0.88	0.63	2.84	1.57
13	0.89	0.52	3.03	1.56
14	0.88	0.58	2.62	1.55
15	0.88	0.61	2.71	1.58
16	0.89	0.56	3.17	1.81

Note: N = 196. CITC = corrected item-total correlation; item level reliability is the alpha if the item is deleted from the scale.

Factor Structure

To confirm the factor structure of the BED Scale we employed CFA using AMOS 26 and Maximum Likelihood (ML) estimation. All models were evaluated established benchmarks (CFI and TLI $\geq .95$, good fit; $\geq .90$, acceptable fit; RMSEA $< .06$ = good fit; $< .08$ = acceptable fit; Hu & Bentler, 1999). The first step in model specification and testing was to assess the fit of our theorized factor structure (four correlated factors). Thus, we specified a model in which each of the items were set to load on their respective BED factor – psychological egoism, corporate law psychopathy, competitive pressures, and ethical markets, with correlations between each of the factors (Model 1). As shown in Table 5, the data fits the proposed structure well. Examining the factor loadings, all of the items are significantly related to the designated latent factor ($p < .001$). Standardized factor loadings ranged from .59 to .80.

We then compared our theorized factor structure to three alternative models. One in which the covariances between the four latent factors were set to zero (Model 2), one in which all items were set to load on a single factor (Model 3), and one in which the four factors of BED were set to load on a second higher-order factor (Model 4). We compared the models using χ^2 difference tests when models were nested and the AIC (for nested and unnested models; Akaike, 1973). The fit statistics demonstrate that the fit of the four-factor correlated model was superior to both Models 2 and 3 and similar to the fit of Model 4. However, using the AIC to compare Models 1 and 4 suggests a slightly better fit for Model 1. Additionally, looking at the factor loadings from the individual BED factors to the higher-order factor indicates that corporate law psychopathy has a factor loading of 0.66 indicating that less than half the variance in this factor is accounted for by the higher-order factor of BED. Although there is no formal benchmark for determining the required strength of factor loadings, Johnson et al. (2012) suggest that at a

minimum, factor loadings from a second order construct to the first order indicators should be at least .70. Overall, Model 1 is a better fit to the data than Model 4.

Table 5

CFA model fit statistics.

Model	χ^2	*df*	CFI	TLI	RMSEA	Δdf	$\Delta \chi^2$	AIC
Sample 2								
Model 1	176.42	98	0.935	0.910	0.064			284.42
Model 2	399.14	104	0.756	0.682	0.121	6	222.72**	495.14
Model 3	441.45	104	0.722	0.636	0.129			537.45
Model 4	181.13	100	0.933	0.909	0.065			285.13
Sample 3								
Model 1	160.80	98	0.949	0.930	0.058			268.80
Model 2	374.84	104	0.782	0.714	0.116	6	214.04**	495.14
Model 3	455.19	104	0.717	0.630	0.132			551.19
Model 4	170.07	100	0.943	0.932	0.060			274.07

Note: Sample 1 N = 196; Sample 2 N = 194. Model 1–4 factor correlated; Model 2–4 factor uncorrelated; Model 3–1 factor; Model 4 – 2nd order factor. CFI = Comparative Fit Index; TLI = Tucker-Lewis Index; RMSEA = Root Mean Square of Approximation. ** $p < .01$.

Sample 3: Participants and Procedure

Participants were again recruited through Prolific. Two hundred employed individuals participated in the study and received £0.75. Two participants had identical IP addresses and longitude and latitude coordinates and four participants failed at least one distractor question. Analyses were conducted on a final sample of 194. Fifty-five percent of participants were female, M_{age} = 34.22, SD = 8.19, and 61% were employed full time. All participants were from North America (58% Canadian; 42% US residents); all had a minimum 95% approval rating on Prolific.

Participants completed three scales: the BED Scale, the impression management (IM) scale of the Balanced Inventory of Desirable Responding (BIDR; Paulhus, 1991), and the Positive and Negative Affectivity Schedule (PANAS; Watson et al., 1989). The presentation of the scales and the items within them were completely randomized.

Measures

PANAS

We used the 20-item scale by Watson et al., (1989) to assess positive and negative affect. Ten items assess positive affect (PA; e.g., interested, excited; α = .91) and 10 items assess negative affect (NA; e.g., nervous, hostile; α = .90). Participants were asked to respond to the items based on how they generally feel overall and all items were rated on a 5-point scale (not at all – extremely).

IM

To assess IM, we used 20 items from the BIDR (Paulhus, 1991; e.g., "I have some pretty awful habits"). All items were rated on a 7-point scale (not true - very true; α = .82).

Results

Factor Structure

As in Sample 2, we used CFA with ML estimation to examine the factor structure and the results mirror those of Sample 2 closely (see Table 5). We note a slightly better fit of Model 1 over Models 3 and 4 (and the fit of each is slightly better in comparison to Sample 2). Additionally, the factor loadings from the second-order factor to the first-order latent factors are below suggested benchmarks for both corporate law psychopathy (.64) and ethical markets (.63), lending further support to the superior fit of Model 1.

Method Effects

To establish that PA, NA, or IM do not unduly influence our measure of BED, we first examined the zero-order correlations between the method constructs and the BED scale (see Table 6). We

found no significant correlations among any of the method variables and BED or the factor scales and the majority of the correlations were close to zero. To examine the relations between the methods effects and BED further, we ran three separate CFAs – one each for PA, NA, and IM – to establish further that BED is not confounded with participant affect or IM. First, we tested a model where each method variable and BED were modeled as separate factors and then a second model where the BED items were drawn as indicators of the latent PA and NA factor (i.e., confounded). If the fit of the model (as assessed by χ^2 difference tests) improves significantly, it suggests that the method effect does influence responses to the BED scale. Compared to the baseline (i.e., unconfounded model) results suggested that the BED is unaffected by NA ($\chi^2_{diff}(16) = 16.07$, $p > .05$), PA ($\chi^2_{diff}(16) = 19.10$, $p > .05$), or IM ($\chi^2_{diff}(16) = 12.02$, $p > .05$).

Although the results of the χ^2 difference tests suggest no effects of the method variables on BED, we examined the direct paths from each of PA, NA, and IM to the BED indicators. Considering PA and NA first, we found that none of the items loaded significantly on NA and overall the factor loadings were relatively low (-.05 to .36). Only one item loaded significantly on PA but otherwise the factor loadings were low (-.31 to .12) and the majority were close to zero. We next assessed the systematic variance accounted for by PA by squaring the factor loadings from the latent NA and PA factor to the BED indicators. NA accounts for 3.92% and PA accounts for 3.13% of the systematic variance on average (range for each item for NA was 0% to 13% and for PA was 0% to 28%). Examining the results for IM, we find that one of the BED indicators loaded significantly on IM and, as with affect, overall, the loadings were quite low (-.31 to -.01). Assessing the systematic variance indicates that on average, IM accounts for approximately 1.9% of the systematic variance in BED (range for each item 0% to 10%). These

values are similar to other scales where methods effects have been tested (e.g., Keeping & Levy, 2000) and represent a relatively small amount of the variance in the measure. Thus, overall, we find no excessive methods effects in the BED Scale.

Table 6

Correlations and descriptive statistics – method effects.

Variable	1	2	3	4	5	6	7	8
1. BED	(0.89)							
2. PE	0.73***	(0.75)						
3. CLP	0.78***	0.46***	(0.81)					
4. CP	0.85***	0.58***	0.50***	(0.86)				
5. EM	0.73***	0.30***	0.40***	0.52***	(0.79)			
6. PA	−0.06	−0.02	−0.02	−0.03	−0.12	(0.92)		
7. NA	0.09	0.13	0.05	0.05	0.06	0.20**	(0.90)	
8. IM	−0.07	−0.04	0.00	−0.07	−0.10	0.07	0.15*	(0.82)
Mean	3.67	4.64	3.75	3.29	3.00	3.07	2.02	3.95
SD	1.07	1.17	1.51	1.47	1.40	0.80	0.76	0.90

Note: N = 194. BED = business ethics denial; PE = psychological egoism; CLP = corporate law psychopathy; CP = competitive pressures; EM = efficient markets; PA = positive affect; NA = negative affect; IM = impression management. Coefficient alpha reliability estimates are in parenthesis on the main diagonal. * $p < .05$ ** $p < .01$ *** $p < .001$.

Phases 3 and 4: Convergent and Discriminant Validity

Sample 4

Next, we assessed the convergent and discriminant validity of the BED scale to demonstrate that it is related to adjacent constructs and unrelated to constructs that are theoretically distinct (e.g., Campbell & Fiske, 1959). The obvious starting point assessing the validity of the BED scale is to confirm its relationship to PMD – an individual difference in the cognitive processing of ethical decisions and behaviors (Moore et al., 2012). When individuals morally disengage, they feel less discomfort or stress when engaging in unethical acts (e.g., Bandura, 1990; Moore et al., 2012). As mentioned in the introduction, BED provides context-specific tools for moral disengagement. In other words, the various beliefs affirmed by high BED subjects provide rationales for believing that behavior that would ordinarily be unethical is unobjectionable in the business context. However, while all four factors of BED can be used to rationalize unethical behavior in the business context, the rationalizations are of varying complexity. *Ethical markets*

justify unethical business behavior most obviously as the items explicitly state that ethics is not needed. This is followed by *competitive pressures* with items that clearly state that ethics is impossible in the business context. *Corporate law psychopathy* and *psychological egoism* are similarly licensing the thought that acting ethically is impossible. But the impossibility is not explicitly stated in the items but rather must be inferred from a legal requirement to prioritize profits (in the case of *corporate law psychopathy*), or the absence of moral motivation in other people (in the case of *psychological egoism*). Thus, we expect a positive correlation between PMD and BED, and in particular with *ethical markets* and *competitive pressures*.

We also expect BED to be related to measures that assess the cognitive frameworks used in the process of making ethical decisions, or ethical predispositions (e.g., Brady & Wheeler, 1996). Broadly, these frameworks are either focused on ends (i.e., utilitarian) or rules (e.g. laws; e.g., Brady & Wheeler, 1996). Since individuals high in BED are likely to deemphasize the importance of ethical principles or rules when making decisions we expect a negative correlation between formal ethics and BED. However, this should not hold for *corporate law psychopathy*, since that factor involves a conflict between legal and ethical norms which should be orthogonal to the question of whether a subject is generally inclined to be a rule-follower. We expect BED to be unrelated to utilitarian ethics as it emphasizes results-orientation. While this may seem to license violations of conventional ethics similarly to BED, BED also portrays individuals in the business context as extremely constrained which high utilitarian subjects would find unappealing.

BED should be negatively related to measures of moral identity and unrelated to moral attentiveness. Moral identity represents traits that drive individuals to act in moral ways, and consists of both internalization – the centrality of moral traits in one's self-concept – and

symbolization – the extent to which an individual's visible behavior represents moral traits (Aquino & Reed, 2002). Given the emphasis on the incompatibility of business and ethics that is inherent in BED, we expect a negative relationship between moral identity and BED. We expect that correlation to be driven mostly by *psychological egoism* and *competitive pressures* as these two factors explicitly measure the extent to which people are perceived to act selfishly (while the other two factors are more concerned with the nature of the institutions of, respectively, law and market). Moral attentiveness represents the chronic accessibility of moral concepts with a focus on distinguishing moral and nonmoral situations (Reynolds, 2008). Thus, individuals high in moral attentiveness tend to experience their world through a moral lens. Moral attentiveness has two aspects: perceptual and reflective, with the former measuring the automatic perception of morality and the latter the extent to which one consciously reflects on morality. We argue that BED and moral attentiveness are theoretically distinct constructs and that the contextual nature of BED (i.e., its focus on the business setting specifically) makes it unlikely to be related to a chronic disposition to consider morality in daily life.

Participants and Procedure

Employed participants with a 95% approval rating were recruited from Prolific for a two-part study. At Time 1, 250 participants completed measures of PMD, moral attentiveness, moral identity, and formal and utilitarian ethics. One participant did not complete any questionnaires and 249 participants were invited to complete the BED scale at Time 2 (approximately 2 days later). Two hundred and twenty-one participants completed the task (88% response rate). Nineteen participants were removed from the dataset for failing at least one attention check. Analyses were conducted on a final sample of 202. All participants were from North America

(50% US residents), employed (70% full time). Fifty-four percent were male (M_{age} = 33.73, SD = 8.36).

Measures

PMD. We used the 8-item measure by Moore et al., (2012) to assess PMD. A sample item is "it is ok to spread rumors to defend those you care about". All items were measured on a 7-point scale (strongly disagree – strongly agree).

Moral Attentiveness. We used the 12-item scale by Reynolds (2008) to assess moral attentiveness. Seven items assess perceptual (e.g., "In a typical day I face several ethical dilemmas") and five assess reflective attentiveness (e.g., "I often find myself pondering about ethical issues"). All items were rated on a 7-point scale (strongly disagree – strongly agree).

Moral Identity. Aquino and Reed's (2002) 10-item scale was used. The scale lists 9 traits (e.g., compassionate, fair, honest) and participants answer questions that reference these traits (e.g., "Having these characteristics is not really important to me"). All items were rated on a 5-point scale (strongly disagree – strongly agree).

Ethical Predispositions. Brady and Wheeler's (1996) 12-item trait scales were used to measure utilitarian (e.g., 'innovative'; 'effective') and formal (e.g., 'honest', 'dependable') ethics. Participants were asked to indicate the importance of each trait on a 7-point scale (not at all important to me – very important to me).

Results

Table 7 provides the relevant means, standard deviations, and correlations. As demonstrated in Table 7, we found a significant relationship between BED and PMD which is the result of

significant correlations between PMD and *competitive pressures* and PMD and *ethical markets* and non-significant correlations between PMD and the other two factors of BED. This supports the contention that high PMD subjects are attracted to the rationalizations offered by BED and are more so the more obvious the rationalization is. We found that formal ethics is significantly negatively correlated with BED, but unrelated to *corporate law psychopathy* (as theorized) and only insignificantly related to *ethical markets*. The latter result might be explained similarly to what we theorized about moral identity: the *ethical markets* items are mostly about the institutional setup of the market and less about individuals' violations of ethical rules that high formal ethics subjects hold dear. We found the expected relationships (or lack thereof) between BED and moral identity, perceptual attentiveness, reflective attentiveness, and utilitarian ethics. One unexpected result was a significant negative correlation between *psychological egoism* and utilitarian ethics. We suspect that this is explained by a tension between utilitarian subjects' self-image as highly effective agents and *psychological egoism*'s essentially deterministic account of human motivation. We note however, that if we apply a Bonferroni correction to account for multiple comparisons, the significance level required for significance changes to $p < .0009$ (based on 55 tests). Given this, the relationships between moral identity and *psychological egoism*, moral identity and *competitive pressures*, and BED and formal ethics would be considered non-significant.

Table 7

Correlations and descriptive statistics – Phase 3.

Variable	1	2	3	4	5	6	7	8	9	10	11
1. BED	(0.90)										
2. PE	0.78***	(0.80)									
3. CLP	0.75***	0.44***	(0.87)								
4. CP	0.85***	0.66***	0.43***	(0.84)							
5. EM	0.72***	0.35***	0.37***	0.55***	(0.75)						
6. PMD	0.24***	0.11	0.09	0.24***	0.31***	(0.76)					
7. Moral identity	−0.12	−0.21**	0.02	−0.21**	0.00	−0.07	(0.78)				
8. Perceptual attentiveness	0.08	−0.04	0.11	0.06	0.10	0.11	0.32***	(0.90)			
9. Reflective attentiveness	0.01	−0.05	0.12	−0.04	−0.03	−0.10	0.43***	0.94***	(0.86)		
10. Utilitarian ethics	−0.09	−0.20**	−0.04	−0.12	0.09	−0.04	0.36***	0.06	0.06	(0.83)	
11. Formal ethics	−0.22**	−0.28***	−0.03	−0.26***	−0.12	−0.36***	0.47***	0.09	0.15*	0.41***	(0.74)
Mean	3.57	4.51	3.63	3.22	2.92	2.23	3.83	3.81	4.69	5.30	6.41
SD	1.09	1.31	1.62	1.43	1.30	0.79	0.51	1.28	1.24	1.13	0.91

Note: N = 202. BED = business ethics denial; PE = psychological egoism; CLP = corporate law psychopathy; CP = competitive pressures; EM = efficient markets; PMD = Propensity to morally disengage. Coefficient alpha reliability estimates are in parenthesis on the main diagonal. * $p < .05$ ** $p < .01$ *** $p < .001$.

Our next step in distinguishing BED from other scales in the moral domain involved CFAs to ensure that the scale differs from the two constructs with which it correlated significantly. For each scale, we compared a two-factor model to a one-factor model, setting the covariance between the factors that correlated significantly with the designated scale to 1. In each case, the constrained model provided a significantly worse fit: formal ethics ($\Delta\chi^2$, 2 = 103.22, $p < .01$), PMD ($\Delta\chi^2$, 2 = 26.37, $p < .01$), moral identity ($\Delta\chi^2$, 2 = 168.02, $p < .01$), and utilitarian ethics ($\Delta\chi^2$, 1 = 84.35, $p < .01$). Finally, following the guidelines of Fornell and Larcker (1981), we determined that the average variance extracted (AVE) for each of the scale factors (as determined by the average squared factor loadings of each scale item on each respective factor) is larger than the shared variance between the two constructs (.50 vs. .05 for psychological egoism and utilitarian ethics; .57 vs. .11 for competitive pressures and PMD; .45 vs. .13 for efficient markets and PMD; .50 vs. .05 for psychological egoism and formal ethics; .57 vs. .07 for competitive pressures and formal ethics; .50 vs. .08 for psychological egoism and moral identity; .58 vs. .09 for competitive pressures and moral identity). Together, the results suggest that BED and its factors are separate constructs from PMD, moral identity, utilitarian and formal ethics, and unrelated to perceptual and reflective attentiveness.

Sample 5

The last step in establishing BED as a valid construct involves demonstrating extent to which it is related theoretically to a willingness to engage in unethical behavior but not more general organizational deviance, which we outline below.

Unethical Pro-organizational Behavior

We expect that there will be a positive relationship between BED and unethical pro-organizational behavior (UPB; i.e., the willingness of a subject to engage in acts that are considered illegal or morally unacceptable to the larger community, in order to benefit their own organization; Umphress et al., 2010). Both UPB and BED involve downplaying the importance of widely accepted ethical rules in order to get ahead in the context of organizational life. We note, however, that we expect this relationship to be weaker for *psychological egoism*. The individualistic focus of *psychological egoism* makes it less likely that subjects who score highly on this factor will be swayed by concerns of loyalty to their organization, and will engage in UPB only if they expect to profit personally.

Organizational Deviance

Bennett and Robinson (2000) define organizational deviance as voluntary actions that are both counter-normative and harm the organization.[3] We propose that BED will be unrelated to organizational deviance. The items measuring organizational deviance focus on negative

[3] Warren (2003) proposes a more finely-grained understanding of organizational deviance recognizing that deviating from organizational norms can be beneficial to the organization or society at large (e.g. some instances of whistleblowing). What we are interested in here is what Warren calls "destructive deviance". What Warren calls "destructive conformity" is close to UPB which we expect to be positively related to BED (see Hypothesis 5a).

behaviors that benefit the individual (e.g., come to work late, daydream, withhold effort) at the expense of the organization. This cannot be easily justified through any of the rationalizations offered by BED. High BED subjects believe that business can justify disengaging from ethics; organizational deviance, by contrast, might best be described as disengaging from the business context.

Participants and Procedure

We recruited participants from Prolific for a two-part study. At Time 1, 515 participants completed the BED scale and 435 completed UPB and organizational deviance measures at Time 2 (84% response rate). Twenty participants failed our distractor items and were removed from the data set. Analyses were conducted on a final sample of 415. All participants (M_{age} = 35.39, SD = 9.38; 54% male) were from North America (80% US residents) and employed (70% full-time).

Measures

UPB. We measured UPB with the 6-item scale by Umphress et al., (2010) (e.g., "If it would help my organization, I would misrepresent the truth to make my organization look good"). All items were rated on a 7-point scale (strongly disagree – strongly agree).

Organizational Deviance. We measured organizational deviance with 12-items from Bennett and Robinson (2000). Participants indicated the number of times they had engaged in each behavior (e.g., "Came in late to work without permission") over the past year. All items were rated on a 7-point scale from 'never' to 'daily'.

Results

Scale means, standard deviations, reliabilities, and correlations are found in Table 8. As expected, we found significant, positive relationships between BED and UPB, but not between UPB and *psychological egoism*. Further, as expected, BED and organizational deviance were unrelated. Again, adjusting significance values to account for multiple comparisons suggests $p <$ .002 is required for a significant relationship (based on 24 correlations). Applying this more stringent criteria does not change the pattern or significance of the relationships.

Table 8

Correlations and descriptive statistics – Phase 4.

Variable	1	2	3	4	5	6	7
1. BED	(0.90)						
2. PE	0.73***	(0.76)					
3. CLP	0.78***	0.42***	(0.86)				
4. CP	0.86***	0.57***	0.56***	(0.86)			
5. EM	0.72***	0.35***	0.37***	0.54***	(0.78)		
6. UPB	0.25***	0.08	0.18***	0.24***	0.25***	(0.88)	
7. Organizational deviance	0.08	0.07	0.05	0.07	0.07	0.24***	(0.81)
Mean	3.61	4.49	3.80	3.13	3.04	2.88	2.04
SD	1.11	1.25	1.60	1.48	1.39	1.30	0.80

Note: N = 415. BED = business ethics denial; PE = psychological egoism; CLP = corporate law psychopathy; CP = competitive pressures; EM = efficient markets; UPB = unethical pro-organizational behavior. Coefficient alpha reliability estimates are in parenthesis on the main diagonal. * $p < .05$ ** $p < .01$ *** $p < .001$.

Discussion

The purpose of this research was to develop and validate a theoretically derived measure of BED in response to calls to examine moral awareness and decision frames in understanding ethical behavior (Tenbrunsel & Smith-Crowe, 2008). Taking a four-phase approach utilizing over 1200 participants we established a measure that demonstrates substantive, discriminant, and convergent validity, with sound psychometric properties, a lack of appreciable methods effects, and a structure that is commensurate with theory. In doing so, we advance the literature on business ethics, and in particular, provide an avenue for researchers to begin to study ethical decision making in the business context in a more nuanced manner.

We began by tracing four lines of reasoning suggesting a deep incompatibility between business and ethics (psychological egoism, corporate law psychopathy, competitive pressures, ethical markets). Across five separate samples, we demonstrated the internal consistency of the BED Scale, finding nearly identical internal consistency coefficients across all samples. Additionally, we found that our measure was relatively free from method effects as demonstrated by the limited relations with PA, NA, and IM. Further, the scale demonstrated convergent and discriminant validity with many theoretically derived constructs.

Importantly, the scale demonstrates convergent validity with UPB, but not organizational deviance. This is important as BED licenses ethical violations on behalf of one's organization but not deviant behavior within it. UPB consists of explicit unethical actions that benefit the organization and may be rationalized as "business decisions" (e.g., concealing information that may be damaging to an organization's reputation). This justification does not readily apply to acts of organizational deviance (such as coming to work late, or withholding effort).

Our research has the potential to enable vital contributions in various areas of management theory, practice, and education. Having a measure of BED will enable researchers to investigate both parts of the Ghoshal Conjecture (Is exposure to an economistic business school curriculum an important antecedent of business ethics denial? Is unethical business conduct a consequence of business ethics denial?). These are important questions for business practice and education. The construct of BED also suggests a more nuanced understanding of decision frames. In ethical decision-making research, the *business frame* is commonly contrasted with the *ethics frame* (Tenbrunsel & Smith-Crowe, 2008). This is itself a framing of business as amoral which low BED subjects should reject. Having a measure of BED available will make it possible to see whether this is the case.

Limitations and Future Research

This research is not without limitations. First, we used an exclusively North American (and primarily US) sample to validate the scale. We chose to validate the scale on this specific sample because part of the construct - specifically corporate law psychopathy - refers to a popular understanding of corporate law as dominated by Delaware courts. Although the choice of sample was purposive, future research should establish that the factor structure and psychometric properties of the scale are similar across different populations.

Relatedly, all of our participants were employed adults. Again, the decision to use this population was driven by theoretical considerations, as our interest lies in understanding when and why individuals may deny that business ethics are necessary or possible. However, one potential contribution of the construct of business ethics denial lies in the ability to develop ethics education and a better understanding how different models for teaching ethics may lead to different attitudes and behavior. Thus, future research should include samples of undergraduate business students and MBA students to continue to better understand how the scale properties may differ (if at all) for this population. Doing so will enable use of the scale to allow for a deeper understanding of students' attitudes towards business ethics when they start business school and how it changes (or fails to change) throughout their undergraduate (or graduate) career. Pre-post study designs and program evaluation may be useful to further understanding of attitudes toward business ethics when new graduates first enter the workplace.

Finally, future research should continue to examine the BED scale and associated behavioral outcomes. Our decision to validate the scale with well-established measures was deliberate, as both deviance and UPB are commonly assessed with self-report measures, in part because these behaviors are difficult for others to observe (e.g., Huang et al., 2017). However,

designing studies to examine whether or not high BED individuals behave less ethically would allow for a concrete test of the Goshal Conjecture. Finally, although our results demonstrate a correlation between self-reported BED and self-reported UPB, future studies should examine other counterproductive work behaviors and unethical behaviors using multiple raters. As such, alternative research designs, including laboratory studies and field studies using samples of employees and their supervisors and/or coworkers, may help to establish these relationships.

Conclusion

Heath has suggested that one of the most important contributions business ethicists can make is to combat ideologically motivated BED (Heath, 2014; cf Adler, 2002; Ghoshal, 2005; von Kriegstein, 2019). BED may be the result exposure to a set of assumptions that are part of a naïve economistic ideology, and subscribing to such denial can lead to a greater willingness to behave opportunistically. Until now, however, neither part of this conjecture has been tested empirically, partly because there was no measure for BED available. We hope that this new scale will inspire and facilitate research into these important questions.

References

Adler, P. (2002). Corporate scandals: It's time for reflection in business schools. *The Academy of Management Executive*, 16(3), 148-149.

Akaike, H. (1973). Information theory and an extension of the maximum likelihood principle. In s. Kotz & N. L. Johnson (Eds.), *Breakthroughs in Statistics* (pp. 599-624). New York: Springer.

Ancell, A. (2022). Bias, safeguards, and the limits of individuals. *Business Ethics Journal Review 10*(5), 27-32.

Anderson, J. C., & Gerbing, D. W. (1991). Predicting the performance of measures in a confirmatory factor analysis with a pretest assessment of their substantive validities. *Journal of Applied Psychology,* 76, 732–740.

Aquino, K. & Reed, A. (2002). The self-importance of moral identity. *Journal of Applied Psychology, 83,* 1423-1440.

Babalola, M. T., Greenbaum, R. L., Amarnani, R. K., Shoss, M. K., Deng, Y., Garba, O. A., & Guo, L. (2020). A business frame perspective on why perceptions of top management's bottom-line mentality result in employees' good and bad behaviors. *Personnel Psychology*, *73*(1), 19-41.

Baier, K. (1958). *The Moral Point of View*. Ithaca: Cornell University Press.

Bakan, J. (2004). *The Corporation*. New York: Free Press.

Bandura A. (1990). Selective activation and disengagement of moral control. *Journal of Social Issues,* 46, 27–46.

Bennett, R. J., & Robinson, S. L. (2000). Development of a measure of workplace deviance. *Journal of Applied Psychology,* 85, 349 –360.

Blackwelder, B., Coleman, K., Colunga-Santoyo, S., et al. (2016). The Volkswagen Scandal. University of Richmond.

Boda, Z. (2019). *Ethical Business Leadership in Troubling Times*. Edward Elgar Publishing.

Brady, F.N., & Wheeler, G.E. (1996). An empirical study of ethical predispositions. *Journal of Business Ethics,* 15, 927-940.

Brennan, J., English, W., Hasnas, J., & Jaworski, P. (2021). *Business Ethics for Better Behavior*. Oxford University Press.

Bruder, I. (2021). A social mission is not enough: Reflecting the normative foundations of social entrepreneurship. *Journal of Business Ethics*, *174*(3), 487-505.

Campbell, D., & Fiske, D. (1959). Convergent and discriminant validation by the multitrait–multimethod matrix. *Psychological Bulletin,* 56, 81–105

Colquitt, J. A., Sabey, T. B., Rodell, J. B., & Hill, E. T. (2019). Content validation guidelines: Evaluation criteria for definitional correspondence and definitional distinctiveness. *Journal of Applied Psychology*, *104*(10), 1243.

Cortina, J. M. (1993). What is coefficient alpha? An examination of theory and applications. *Journal of Applied Psychology,* 78, 98 –104.

Costello, A. B., & Osborne, J. (2005). Best practices in exploratory factor analysis: Four recommendations for getting the most from your analysis. *Practical Assessment, Research, & Evaluation*, *10*(7), 1-9.

Efeoğlu, E., & Çalışkan, Y. (2018). A brief history of homo economicus from the economics discipline perspective. *Artıbilim Adana Alparslan Türkeş Bilim ve Teknoloji Üniversitesi Sosyal Bilimler Dergisi*, *2*(1), 28-36.

Friedman, M. (1953). *Essays in Positive Economics*. University of Chicago Press.

Gauthier, D. (1982). No need for morality: The case of the competitive market. *Philosophic Exchange* 3(3), 41-54.

Giddens, A. (1984). *The constitution of society: Outline of the structuration theory*. Cambridge: Polity.

Ghoshal, S., & Moran, P. (1996). Bad for practice: A critique of the transaction cost theory. *Academy of Management Review*, *21*(1), 13-47.

Ghoshal, S. (2005). Bad management theories are destroying good management practices. *Academy of Management Learning & Education,* 4(1), 75-91.

Gneezy, U., & Rustichini, A. (2000). Pay enough or don't pay at all. *The Quarterly Journal of Economics*, *115*(3), 791-810.

Goodpaster, K. (1991). Ethical imperatives and corporate leadership. In R.E. Freeman (ed.), *Business Ethics: The State of the Art* (pp. 89-110). New York: Oxford University Press.

Harrison, D. E., Ferrell, O. C., Ferrell, L., & Hair, Jr, J. F. (2020). Corporate social responsibility and business ethics: conceptualization, scale development and validation. *Journal of Product & Brand Management*, *29*(4), 431-439.

Hausman, D., McPherson, M., & Satz, D. (2016). *Economic Analysis, Moral Philosophy, and Public Policy*. Cambridge University Press.

Heath, J. (2014). *Morality, Competition, and the Firm.* Oxford: Oxford University Press.

Hinkin, T. R., Tracey, J. B., & Enz, C. A. (1997). Scale construction: Developing reliable and valid measurement instruments. *Journal of Hospitality & Tourism Research, 21*(1)*,* 100-120.

Hinkley, R. C. (2002). How corporate law inhibits social responsibility. *The Humanist*, 62(2), 26.

Howard, M.C., & Melloy, R.C. (2016). Evaluating Item-Sort Task Methods: The Presentation of a New Statistical Significance Formula and Methodological Best Practice. *Journal of Business and Psychology,* 31, 173-186.

Hu, L. T., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural Equation Modeling: A Multidisciplinary Journal*, *6*(1), 1-55.

Huang, G. H., Wellman, N., Ashford, S. J., Lee, C., & Wang, L. (2017). Deviance and exit: The organizational costs of job insecurity and moral disengagement. *Journal of Applied Psychology*, *102*(1), 26.

Huehn, M.P. (2008). Unenlightened economism: The antecedents of bad corporate governance and ethical decline. *Journal of Business Ethics*, 81, 823-835.

Ioannou, I., Kassinis, G., & Papagiannakis, G. (2022). The impact of perceived greenwashing on customer satisfaction and the contingent role of capability reputation. *Journal of Business Ethics*, 1-15.

Jones, S. (2012). If corporations are people, they are psychopaths. *Politicususa.com*, Apr 19. Retrieved at http://www.politicususa.com/2012/04/19/corporations-people-psychopaths-2-2.html

Johnson, R. E., Rosen, C. C., Djurdjevic, E., Taing, M. U., & others. (2012). Recommendations for improving the construct clarity of higher-order multidimensional constructs. *Human Resource Management Review*, 22(2), 62-72.

Kaufmann, L. (2022). Feminist epistemology and business ethics. *Business Ethics Quarterly*, *32*(4), 546-572.

Kavka, G. S. (1983). When two 'wrongs' make a right: An essay on business ethics. *Journal of Business Ethics*, 2(1), 61-66.

Kim, T. W., Monge, R., & Strudler, A. (2015). Bounded ethicality and the principle that "ought" implies "can". *Business Ethics Quarterly*, *25*(3), 341-361.

Ladd, J. (1970). Morality and the ideal of rationality in formal organizations. *The Monist* 54(4), 488-516.

Magnet, M. (1986). The decline and fall of business ethics. *Fortune,* 114(13), 65-72.

March, J. G. (1994). *Primer on Decision making: How Decisions Happen*. Simon and Schuster.

McGrath, J. (2021). Self-deception as a technique of neutralisation: an analysis of the subjective account of a white-collar criminal. *Crime, Law and Social Change*, *75*(5), 415-432.

McLean, B., & Elkind, P. (2003). *The Smartest Guys in the Room: The Amazing Rise and Scandalous Fall of Enron*. New York: Penguin.

McLean, B., & Nocera, J. (2011). *All the Devils are Here: The Hidden History of the Financial Crisis*. New York: Penguin.

Moore, C. (2008). Moral disengagement in processes of organizational corruption. *Journal of Business Ethics*, *80*(1), 129-139.

Moore, C., Detert, J.R., Trevino, L.K., Baker, V.L., & Mayer, D.M. (2012). Why employees do bad things: Moral disengagement and unethical organizational behavior. *Personnel Psychology,* 65*,* 1-48.

Newman, A., Le, H., North-Samardzic, A., & Cohen, M. (2020). Moral disengagement at work: A review and research agenda. *Journal of Business Ethics*, *167*, 535-570.

Paulhus, D. L. (1991). Measurement and control of response bias. In J. P. Robinson, P. R. Shaver & L. S. Wrightsman (Eds.), *Measures of personality and social psychological attitudes* (pp. 17-59). San Diego, CA: Academic Press.

Pirson, M. (2020). A humanistic narrative for responsible management learning: An ontological perspective. *Journal of Business Ethics*, *162*, 775-793

Plante, T. G., & McCreadie, A. (2019). The Santa Clara Ethics Scale. *Pastoral Psychology*, *68*, 321-329.

Reich, R. (2007). *Supercapitalism*. New York: Alfred A. Knopf.

Reynolds, S. J. (2008). Moral attentiveness: Who pays attention to the moral aspects of life? *Journal of Applied Psychology, 93*, 1027-1041.

Sethi, S. (1994). Imperfect markets: Business ethics as an easy virtue. *Journal of Business Ethics*, 13(10), 803-815.

Smith, I. H., & Kouchaki, M. (2021). Ethical learning: The workplace as a moral laboratory for character development. *Social Issues and Policy Review*, *15*(1), 277-322.

Tan, J. A., & Hall, R. J. (2005). The effects of social desirability bias on applied measures of goal orientation. *Personality and Individual Differences,* 38, 1891–1902.

Taub, B. (2023). How the biggest fraud in German history unravelled. *The New Yorker*, March 6, 2023 issue.

Tenbrunsel, A. E., & Smith-Crowe, K. (2008). Ethical decision making: Where we've been and where we're going. *Academy of Management Annals*, *2*(1), 545-607.

Tversky, A., & Kahneman, D. (1981). The framing of decisions and the psychology of choice. *science*, *211*(4481), 453-458.

Ulrich, P. (2008). *Integrative Economic Ethics: Foundations of a Civilized Market Economy*. Cambridge University Press.

Umphress, E., Bingham, J., Mitchell, M. (2010). Unethical behavior in the name of the company: The moderating effect of organizational identification and positive reciprocity beliefs on unethical pro-organizational behavior. *Journal of Applied Psychology*, *95*(4), 769.

van Onna, J. H. (2020). From the avalanche to the game: white-collar offenders on crime, bonds and morality. *Crime, Law and Social Change*, *74*(4), 405-431.

Vogel, D. (2005). *The Market for Virtue*. Washington: Brookings.

Von Kriegstein, H. (2019). Oxymoron: taking business ethics denial seriously. *Journal of Business Ethics Education, 16*, 103-134.

von Kriegstein, H. (2022). The Radical Behavioral Challenge and Wide-Scope Obligations in Business. *Journal of Business Ethics*, 1-11.

Warren, D.E. (2003). Constructive and destructive deviance in organizations. *Academy of Management Review, 28*(4), 622-632.

Watson, D., Clark, L.A., & Tellegen, A. (1988). Development and validation of brief measures of positive and negative affect: The PANAS scales. *Journal of Personality and Social Psychology,* 54*,* 1063-1070.

Williams, L. J., & Anderson, S. E. (1994). An alternative approach to method effects by using latent-variable models: Applications in organizational behavior research. *Journal of Applied Psychology,* 79, 323–331.