

Mutually Enhancing Responsibility: A Theoretical Exploration of the Interaction Mechanisms Between Individual and Corporate Moral Responsibility

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Abstract Moral responsibility for outcomes in corporate settings can be ascribed either to the individual members, the corporation, or both. In the latter case, the relationship between individual and corporate responsibility has been approached as inversely proportional, such that an increase in individual responsibility leads to a corresponding decrease in corporate responsibility and vice versa. In this article, we develop a non-proportionate approach, where, under specific conditions, individual and corporate moral responsibilities interact dynamically, leading to a mutual enhancement of responsibility: the more the corporation is responsible, the more the individuals become responsible and vice versa. We develop this mutually enhancing approach in terms of normative ascriptions of responsibility, while leaving aside empirical implications in terms of mutual awareness of responsibility between individuals and corporations. We explore conceptually the conditions and mechanisms that generate this mutual enhancement and also discuss the implications for research and practice.

Keywords Responsibility · Moral responsibility · Corporate responsibility · Individual responsibility · Interaction mechanisms

When a good or bad outcome results from corporate activity, who is it that we praise or blame? In answering

this normative issue of moral responsibility ascriptions within corporate settings, business ethics scholars have offered two main possible approaches, framed by the individualist–collectivist debate on moral agency. On the one hand, ascriptions of moral responsibility are directed only to the individual members of the corporation (McMahon 1995; Velasquez 1983, 2003). We call this the Individual Moral Responsibility approach. On the other hand, ascriptions of moral responsibility are directed to the corporation itself (French 1979; Werhane 1985). We call this the Corporate Moral Responsibility approach.

An important corollary of the Corporate Moral Responsibility approach is that it does not posit that only the corporation bears responsibility, but that, depending on the situation, responsibility could be ascribed to either the individual(s) or the corporation or even both (Mellema 2006; Thompson 1986; Werhane 1989). The explicit or implicit assumption usually made in this approach is that when both the individuals and the corporation are responsible, the level of responsibility is inversely proportionally divided, meaning that an increase in one's responsibility for an outcome determines a corresponding decrease in the other's responsibility (Card 2005; Garrett 1989). We would like to call this the Summative Corporate Moral Responsibility approach.

But it is not always necessary that the level of responsibility ascribed to the individual(s) and the corporation is proportional. We will argue in this paper for a non-proportionate approach, in which due to the dynamic interaction between the individual member(s) and the corporation, the overall level of responsibility can actually increase, such that it is even possible that both parties are fully responsible. We will call this the Mutually Enhancing Corporate Moral Responsibility approach. Put briefly, this approach suggests that, under specific conditions which

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determine the way individual members and corporations interact in generating (un)ethical outcomes, the degree of responsibility that each possesses may actually increase.

Some scholars, such as Bovens (1998), Isaacs (2011), and Mathiesen (2006), have pointed out the possible existence of the interactive, non-proportionate relationship between individuals and corporations, but so far there is no account which explains the normative grounds for it. This article therefore aims to conceptually explore the normative grounds behind this interaction, which may lead to a mutual enhancement of moral responsibility in corporate settings. We do this by first positioning our account within the individualist–collectivist debate over attributions¹ of moral responsibility, where we state why we follow the collectivist approach and argue that this approach is currently mainly summative. We then introduce the mutually enhancing approach by illustrating it through a hypothetical example, followed by the main grounds supporting it. We continue with a conceptual analysis of the conditions, factors, and mechanisms behind this mutually enhancing interaction. We finish the paper by presenting the conclusions and some implications for theory and practice.

From Individual to Corporate Moral Responsibility

We start with several remarks on the concept of moral responsibility which delineate the specific sense in which we use it. Among the various uses of “responsibility” (see Bovens 1998; Velasquez 2003), we focus on the type of responsibility for past actions or outcomes which, depending on the circumstances, is further subject to moral evaluations in terms of blameworthiness or praiseworthiness (Zimmerman 1985a). When using responsibility in this context, the problem we have in mind is “who bears the responsibility for a given state of affairs” (Bovens 1998, p. 27), in the sense that “one is called to account after the event and either held responsible or not” (idem).

We equate this to moral responsibility, which is alternatively termed as backward-looking responsibility (Gilbert 2006), passive responsibility (Bovens 1998), or descriptive responsibility (De Leede et al. 1999). In our account, an agent may be ascribed moral responsibility related to a specific outcome provided several necessary conditions are met, such as there being agent autonomy, intentionality, contextual knowledge, or capacity for deliberation, as well as a causal connection between the agent and the outcome, be it direct or indirect (Arnold

2006; Bovens 1998; Corlett 2009; De George 1999; De Leede et al. 1999; French 1995; Isaacs 2006; Pettit 2007; Soares 2003; Zimmerman 1997).²

As research in the field of business ethics goes deeper into assessing the moral responsibility of corporations, it sometimes tends to overlook an important practical issue: Is there any point in discussing the morality of organizations when they are already regulated by law? This is a fundamental question for our account as well, for a negative answer might render it superfluous altogether. Fortunately, however, the question is to be answered positively. As part of our social reality, corporations and their members display (un)ethical behavior that is not fully captured by legal regulations (Isaacs 2011), as the latter only set the minimum level of acceptable behavior. The concept of moral responsibility therefore becomes an important tenet of the debate on the meaning of corporate responsibility, highlighting the need for corporations to think beyond mere “compliance.”

Accepting Corporations as Moral Agents

Given the vast literature around the individualist–collectivist debate on moral agency—for an overview see Phillips (1995), Kaptein and Wempe (2002), and Hasnas (2010)—we do not seek to give further arguments in favor or against each position here. Business ethics scholars have offered extensive point–counterpoint arguments concerning, for example, ontological issues in favor (French 1979; Pettit 2007) or against (Hasnas 2010; McKenna 2006; Velasquez 1983) corporate moral agency, the possibility (Corlett 1992; McMahon 1995; Velasquez 2003) or impossibility (Graham 2000; Werhane 1985) of reducing corporate responsibility to individual responsibility, as well as the capacity (Arnold 2006; Donaldson 1982; French 1979; Goodpaster and Mathews 1982; Tuomela 1989) or incapacity (Keely 1979; Ladd 1970; Velasquez 1983) of corporations to satisfy the necessary conditions for moral responsibility ascriptions.

In view of further developing the concept of mutually enhancing responsibility, suffice it to say that we reside with the collectivists in accepting corporations into the moral realm. We do this based on the concept of *corporate practices* which, briefly put, form “the grounds upon which a corporation can be regarded as a moral entity” (Kaptein and Wempe 2002, pp. 146–149) and which serve as a means of evaluating corporate morality. The corporate practices include the tasks, responsibilities, and procedures—the corporate *structure* or formal dimension—as well as the expectations, norms, and values—the corporate

¹ We use “attributions” and “ascriptions” of moral responsibility interchangeably throughout the article; they both refer here to a normative way of allocating moral responsibility in corporate settings, except where otherwise indicated.

² Which we do not aim to explore in this article.

culture or informal dimension—that “are *actually* expressed in the actions of organizational members” (idem). Corporations may be considered responsible for the outcomes of their practices inasmuch as they have the capacity to change these practices (Donaldson 1982; Fisse and Braithwaite 1988).

When we accept the collectivist stance that corporations qualify as moral agents, we open up the possibility that the corporation and individual constituent members at the same time bear moral responsibility for a specific state of affairs (Mellema 2006). Individual and corporate levels of responsibility do not exclude each other or cancel each other out (Bovens 1998). This is because moral responsibility sometimes “has to be attributed both to individuals who create and carry out corporate policies and practices and to the policies and practices themselves” (Werhane 1989, p. 822), as otherwise “these practices will continue despite the punishment of individuals” (idem).

We now turn to exploring this conceptual possibility by inquiring how responsibility can be ascribed to both the individual and corporate agents for a corporate outcome. To that end, we identify two normative lines of reasoning which result from the Corporate Moral Responsibility approach, namely the Summative and the Mutually Enhancing Corporate Moral Responsibility approaches. After a short overview of the former approach, we will focus our efforts in further developing the latter in the remaining part of this article.

The Summative Corporate Moral Responsibility Approach

A good part of dual attribution accounts of moral responsibility in corporate contexts tend to offer a summative approach, be it explicit or implicit. These accounts seem to perceive moral responsibility for a specific outcome as the sum of individual plus corporate moral responsibility. The individual agent(s) and the corporate agent are therefore attributed a greater or lesser part of the moral responsibility for a specific outcome.

On the one hand, scholars point to cases that require an addition of corporate moral responsibility to individual responsibility in order to fully account for a specific outcome. For Garrett (1989, p. 536), summing up individual responsibility does not exhaust the total moral responsibility associated with a corporate outcome, as “there is still some responsibility left – that of the corporation *per se*.” Pettit (2007) seems to also make such a point when arguing that it is sometimes impossible to fully distribute the responsibility of a corporate agent to the individual members of that agent—we need to add corporate moral

responsibility to the individual moral responsibility in order to completely capture a specific outcome in a corporate context.

On the other hand, scholars point to degrees or parts of responsibility that individual agents and the corporate agent bear related to a specific outcome (Card 2005). This stance points out the fact that individual action is framed by rules of the corporate context, therefore, in addition to the role of individuals, the organization “retains a modicum of moral responsibility” (Card 2005, p. 402) since it shapes the available alternatives through its policies and protocols.

This approach to moral responsibility addressing both the individual and the corporate moral responsibility for an outcome seems to regard the two levels of responsibility in a similar manner to cases of by-stander non-intervention, where moral responsibility is to be distributed proportionally among those who could have become involved but failed to do so (Forsyth et al. 2002). This approach addresses situations when we need to assign a degree of responsibility to each of the individual and the corporate level of moral agency, depending on each one’s specific contribution, such that only their sum would exhaust 100 % of the moral responsibility for a specific corporate outcome.

The two levels of moral responsibility build-up or add-up like pieces of a puzzle in this summative approach: individual responsibility adds to corporate responsibility to account for situations resulting from the corporate context. Moral responsibility seems here to be predicated about the corporate outcome and then split between the individual and the corporate agents contributing to that specific outcome. It follows that the two levels of responsibility limit one another: an increase in one instance of responsibility leads to a corresponding decrease in the other instance, so that the total responsibility does not exceed 100 %. But does this summative approach address all situations of both individual and corporate moral responsibility?

The Mutually Enhancing Corporate Moral Responsibility Approach

We think that the summative approach is unable to cover all situations of individual and corporate moral responsibility and that there is yet another approach to be taken into account, one that helps to explain the dynamic interplay between individual and corporate moral responsibility for an array of situations that cannot be fully captured by such a zero-sum approach. We focus in this section on this other approach, which we call the Mutually Enhancing Corporate Moral Responsibility approach.

Illustrating the Mutually Enhancing Approach

We first illustrate the mutually enhancing approach to individual and corporate responsibility by imagining a practical situation that might arise in a corporate setting. We advance two alternative scenarios pointing to hypothetical blameworthy and praiseworthy evaluations, as attributions of blame and praise are both normative evaluations that we make related to morally responsible agents (Isaacs 2011), and they both display the same mechanisms of attribution. Following these illustrative examples which serve as a practical introduction, we continue with the core of this article, namely, our normative interpretation of the mutually enhancing approach.

Scenario A: Blame Evaluations

Suppose that an aircraft maintenance company is under public scrutiny for an accident resulting from poor maintenance. As the investigation in progress reveals, the accident was caused by a rather insignificant piece of aircraft component which was over-used and eventually did not stay in place, triggering other components to break. The fictitious situation goes as follows. The investigation points to several employees of the maintenance company who seem to have caused the accident. First is Mr. Jones, the aircraft mechanic, who should have replaced the component during last inspection, according to the company's written procedures. Second come Mr. Andersen and Mr. Thompson, the inspectors who were supposed to check and double-check the maintenance operations—again, according to company's procedures regarding aircraft safety. And so the causal chain goes on from one employee to another. Up to this point it seems that the corporation is “covered” and all moral responsibility falls on employees.

But let us imagine that the investigation also reveals that while everyone in charge of maintenance was aware that written safety procedures required that even the smallest and seemingly insignificant aircraft component should be immediately replaced at first sign of usage, hardly anyone was strictly following the official procedures, thus creating a pattern of late replacement of components. All employees involved in maintenance operations were under time pressure and under pressure to cut costs, as the unwritten (but well-known) policy of the company was to engage as little resources as possible, both in terms of personnel and supplies, with a view to reducing costs and time as much as possible. For the same reasons, when this corner-cutting behavior took place it was hardly ever investigated and therefore largely remained unpunished: on the one hand, employees did not bother to signal it, as everyone was aware that this was common practice; on the other hand,

the corporate culture was such that signs of wrongdoing were not corrected because it was time consuming.

Whom do we consider to be morally responsible and blameworthy under these hypothetical circumstances?

Scenario B: Praise Evaluations

Before answering the question above, let us look at the same hypothetical example in a modified scenario. Suppose the aircraft maintenance company is publicly appreciated for preventing a flight accident. What are the details? During an apparently normal flight, the pilot faces severe weather conditions which force him to take an unusual measure. This means that he has to rely on one specific aircraft component which was not normally used and therefore was not regarded as being very important. Everything goes well and the plane is landed safely.

An investigation follows up to see if the plane is still in good condition and reveals an interesting fact. That seemingly unimportant aircraft component was actually newly replaced, although according to the manual instructions the older one could have continued to be used for six more months. But due to the (unforeseen) pressure put on it, if the older component had been in place, the pilot's maneuver could have resulted in an air disaster.

To whom do we attribute credit for this happy end? Who is eligible for positive moral responsibility ascriptions, and to be evaluated as praiseworthy? As the investigation reveals, Mr. Jones, the aircraft mechanic, was the first to decide to replace the older component a few months before due date, even if there were no alarming signs of wear and tear, just for the sake of flight safety. He carefully explains his reasons to Mr. Andersen and Mr. Thompson, the inspectors who were supposed to check and double-check the maintenance operations. The two go along with him as they also consider Mr. Jones to be right in being a little extra-cautious, although the written procedures of the aircraft maintenance company did not require any of them to do so. The decision goes up the chain of hierarchy and is approved several times. Had it not been for the decisions of several employees of the aircraft maintenance company, the plane may not have been safely landed.

Now, praise seems to be solely attributable to those individuals involved in the decision to replace the aircraft component. However, there is more to it: our aircraft maintenance company has a corporate culture that requires each employee to assume full responsibility for his own actions, so that no one can hide behind less demanding written procedures when the time comes to account for their actions or decisions. The employees are strongly supported in providing their own input on every little action they take.

Whom do we consider to be morally responsible and blameworthy under the hypothetical circumstances of this second scenario? Are the mechanisms for attributions of moral responsibility the same as in the first scenario?

Discussion

The two hypothetical scenarios³ illustrate situations involving both individual and corporate responsibility. On the one hand, in scenario A it is not only the employees who should be considered morally responsible for late replacement of aircraft components or for not signaling when others behaved unethically, but also the corporation itself, through the corporate culture, for stimulating the individual unethical behavior and facilitating its continuation. On the other hand, in scenario B both the employees deciding to pay extra attention and the corporation itself, through the corporate culture that stimulated individual ethical behavior, are to be considered morally responsible. While in the first scenario the bearing of moral responsibility results in attributions of blame, in the second scenario we consider the agents to be praiseworthy.

In both fictitious scenarios, the corporate culture seems to differ from the written procedures, either by contradicting them and creating room for unethical employee behavior (in the first scenario) or by being even more ethically demanding of the employees (in the second scenario). When, for instance, the employees perceived their environment as stimulating unethical behavior, they were far from discouraged from proceeding in wrongdoing by the written procedures, so they simply followed the course of action prompted by the corporate culture. In turn, when employees perceived their organizational environment as being ethically demanding, they were stimulated to act even beyond simple compliance with written procedures. In addition to this, our fictitious scenarios implied that, once individual (un)ethical behavior occurred, its continuation was facilitated by the corporate culture, thus making it easier for other employees to follow a similar pattern of (un)ethical behavior.

³ When building the two scenarios, we imagined only two of the dimensions of corporate culture which might influence ethical behavior of employees (Kaptein 1998, 2011a, b), namely time pressure (Treviño 1986; Kaptein 2011a, b) and reinforcement of ethical behavior, with the latter referring to the “likelihood of managers and employees being punished for behaving unethically and rewarded for behaving ethically” (Kaptein 2011b, p. 851). Of course, other situations might be imagined, where, for instance, the corporate culture is such that the distinction between ethical and unethical behavior is not clear (Kaptein 2011a, b), or it demotivates employees, leading to poor commitment to behave ethically (Idem). It is not within the scope of the article to explore all such possibilities, the aim of the scenarios being only illustrative for our account of mutually enhancing moral responsibility.

What is more, individual and corporate responsibility are not only interconnected in these hypothetical scenarios, but they also seem to enhance one another: the more the individuals perceive the corporate culture as stimulating (un)ethical behavior, the more they act in this (un)ethical manner, which in turn facilitates the corporate culture in stimulating even more (un)ethical behavior. As a result, the moral responsibility of both individuals and the corporation increases by being mutually reinforcing. As long as each of the moral agents (individuals and the corporation) contributes to stimulating (un)ethical behavior and does not put a stop to it, each one facilitates the continuation of (un)ethical behavior and should be evaluated as blame-/praise-worthy in its own right, in a mutually enhancing manner, without bearing an inversely proportional responsibility as in the summative approach.

Individual and Corporate Responsibility Interact in a Mutually Enhancing Manner

In discussing the hypothetical examples above, we argued that the summative approach is not fit to explain responsibility attributions, as it renders an additive account of corporate and individual moral responsibility. This is why we settle for developing the mutually enhancing approach to moral responsibility, which not only acknowledges the two levels of individual and corporate responsibility, but also connects them in an inter-related manner. It makes room for situations where individual and corporate moral responsibilities increase due to their interaction and also points to the mechanisms behind this interaction. We continue this section by highlighting four grounds which make the mutually enhancing approach suitable for dealing with situations like the ones presented and at the same time explain from a normative perspective the way individual and corporate responsibility should be approached when such corporate situations might occur.

Interactive Relationship

First, the mutually enhancing approach to moral responsibility in corporate contexts is based on a dynamic, interactional view of responsibility. As our examples showed, it often happens that we cannot evaluate individual and corporate responsibility related to an outcome as two disconnected levels of responsibility. Our mechanic and the two supervisors were not only acting as they would in everyday life, but also under the influence of the signals they perceived in their working environment. As Bovens notes, “the actions of complex organizations are always bound up with the actions of individuals” (1998, p. 73). Individual and corporate responsibility interact “given the way collective obligations shape the obligations of individual

members of collectives” (Isaacs 2011, p. 10). As employee behavior and corporate practices are the output of individual and corporate agencies, there are situations when we need to take into account the interaction between the two levels of responsibility in order to assign moral responsibility.

Increase in Responsibility

Second, the fact that individual agency and corporate agency are so tightly connected within corporate contexts makes moral responsibility attributions to one party enhance moral responsibility attributions to the other party. As suggested in our imagined scenarios, the interaction between individual and corporate responsibility evolves in such a way that the level of responsibility assigned to each is not constant—it increases in time: the more we blame or praise the individuals (for behaving (un)ethically), the more we blame or praise the corporation (for preventing or not preventing (un)ethical behavior). This mutually enhancing idea points to a bi-directional concept of moral responsibility in corporate settings: it goes from the individual to the corporate level and vice versa. Previous accounts pointing to an increase in responsibility were concerned with an increase in individual responsibility when the individual agent is member of a corporation (Isaacs 2011; Mathiesen 2006), but not to an increase in corporate responsibility as well. The question raised by mutually enhancing responsibility is not only what difference does it make to the moral responsibility of individuals who are members of a corporation that is under moral evaluation (the residual problem according to Graham 2006, pp. 258–259; see also Gilbert 2006), but also the reverse: what difference does it make to the moral responsibility of a corporation whose members are under moral evaluation.

Multiplied Responsibility

Third, with the mutually enhancing approach the relation between individual and corporate responsibility is not straightforwardly one of addition (+), but rather involves the multiplication (\times) of responsibility pertaining to participating agents. Put briefly, it renders the idea that “responsibility may be multiplied” (Zimmerman 1985a, p. 355), meaning that sometimes, instead of picturing agents as proportionally sharing responsibility for an outcome, we may ascribe each of them more or even full moral responsibility. Responsibility should not be pictured “as a substance of which there is a fixed amount, such that, if the collective takes its share, then there is less for the individuals” (Mathiesen 2006, p. 250), for corporate moral

responsibility does not necessarily exhaust all the responsibility in a given case (Isaacs 2011, p. 18).

Agent-Related Evaluation

Fourth, the mutually enhancing approach is agent-focused in assigning moral responsibility, leading to overall moral responsibility attributions that exceed a fixed total of 100 % responsibility for an outcome. The summative responsibility approach seems to be evaluating actions or outcomes, and this is why individual and corporate responsibility are seen as slices of 100 % of the total responsibility attached to that outcome. With the mutually enhancing approach, we look at agents as being the object of evaluation—in this way moral responsibility attaches to moral agents who are interacting in such a way that they can each be considered fully responsible for a specific outcome in a corporate context. Each moral agent in a corporate setting has a different range of actions within his power, each with full responsibility attached.⁴ We therefore take it that it is not the degree or relevance of the agent’s causal contribution, but the fact that the agent has made a contribution in view of bringing about that outcome, in order to be fully responsible for it (Miller 2006).

We have seen that the mutually enhancing approach takes into account the interactive relationship between individual and corporate agency, leading to an increase in responsibility for both parties. It points to the possibility of multiplying responsibility and is agent-focused when evaluating responsibility ascriptions, such that it accommodates overall attributions that exceed a fixed total 100 % responsibility for an outcome. This leads us to our first proposition:

Proposition 1 *The more the individuals and corporations interact dynamically in generating (un)ethical outcomes, the more their moral responsibility is mutually increased.*

However, we are not claiming here that in any situation of mutually enhancing moral responsibility it is always the case that agents are to be seen as 100 % responsible. This is a mere possibility, not a necessity. It might be that some agents do not bear full responsibility due to excusing conditions (Zimmerman 1985b): they may have acted under coercion (contextual pressure), without intention or without the possibly of knowing the particular circumstances of their action. In other words, an agent could be attributed moral responsibility ranging anywhere from 0 to 100 %. This derives from the fact that moral responsibility

⁴ Even if we concede, for example, that corporate agents are ascribed a more limited moral responsibility than individual agents (Wilmot 2001), they are still up to 100 % morally responsible for a specific corporate outcome, given that they have participated in bringing it about.

is a matter of degree (De George 1999), which is also the case for collective agency (Corlett 2001) such as corporate agency. It may well be that, when evaluating agents' responsibility for an outcome, the corporation is seen as 70 % responsible while one individual agent is 80 % responsible and other individual agent is 40 % responsible.⁵ But this is not the same as holding that one agent's responsibility decreases as related to the other agent's responsibility, so that we would have a total sum of 100 % responsibility after putting together each one's share (as it was the case with the summative approach). The mutually enhancing approach does not require that responsibility is divisible between multiple agents—we need not assume that the total responsibility will remain fixed (May 1990).

Interaction Mechanisms for Mutually Enhancing Responsibility

After setting the ground for the mutually enhancing approach to moral responsibility in corporate settings, we now turn to the question: what are the mechanisms that trigger and foster the interaction of the two instances of responsibility in such a way that the responsibility of one increases the responsibility of the other and vice versa? In this section, we explore these mechanisms, together with the conditions and mediating factors that generate them. To that end, we suggest that the mutually enhancing interaction of individual and corporate responsibility is generated by two types of mechanisms which are, in turn, based on two conditions and one mediating factor as illustrated in Fig. 1.

The Relations Between Corporate Practices and Individual Behavior as Conditions for the Mutually Enhancing Interaction

In order to speak of interaction mechanisms leading to mutually enhancing moral responsibility, two necessary conditions must be met.

First, we hold that there needs to be a *disconnection* between the corporate formal and informal practices, namely between the corporate structure and culture, in order to speak of an interaction between the individual agent(s) and the corporate agent leading to a mutual enhancement of moral responsibility. As we have tried to illustrate in the two scenarios built around the aircraft maintenance company, we hold that the way the corporate culture and structure are related has a strong influence on

⁵ It is beyond the scope of this paper to explore the manner in which a specific degree of moral responsibility (from 0 to 100 %) is to be assigned to agents in a given case.

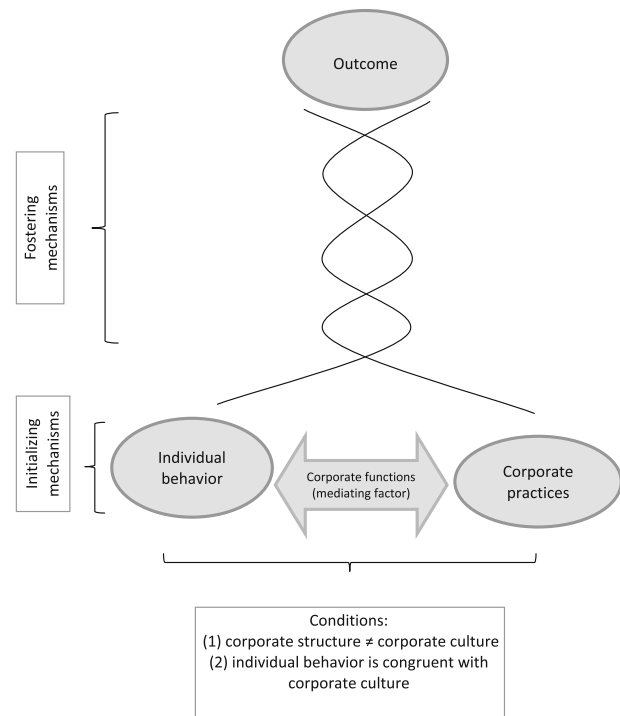


Fig. 1 Mechanisms for mutually enhancing moral responsibility

the way we ascribe moral responsibility for corporate outcomes. In both scenarios, the corporate culture differed from the formal procedures: in scenario A, even though the formal procedures supported ethical behavior, the corporate culture contradicted it, as it stimulated unethical action and further facilitated its perpetuation among employees. In scenario B, the corporate culture not only backed up formal procedures which basically supported ethical behavior, but went beyond them, by stimulating employees to behave ethically and further fostering ethical behavior, thus advocating more than simple compliance with written procedures. The appropriate approach to responsibility ascriptions is therefore dependent on the connection or disconnection between the corporate formal and informal practices.

When the corporate culture reflects the corporate structure, being perfectly connected, the actions of individuals are easier to evaluate in relation to the corporate practices. They either comply with or contradict the corporate ethical or unethical practices, as the corporate culture and structure are both either ethical or unethical. In such a case, the individual and corporate responsibility can be interpreted in a summative approach. With the close connection of corporate culture and structure, the role of the corporation in generating ethical individual behavior is clearly defined: individual responsibility starts where corporate responsibility ends and vice versa, so that it can be evaluated in terms of a zero-sum approach.

But when the formal and informal practices of a corporation are disconnected, prompting different courses of action, the individuals will have to either comply with the corporate structure or adopt the corporate culture. While this lack of perfect connection between the two corporate dimensions does not influence the inclusion of corporations in the moral realm (Kaptein and Wempe 2002), as we can still evaluate corporate morality based on the outcomes of corporate practices, it does influence the way we ascribe overall moral responsibility to both individual and corporate agents. Namely, such disconnection means that: (1) employees are given mixed signals concerning what type of (un)ethical behavior to adopt in the workplace and (2) the corporation does not completely display (un)ethical lines of action. The way both the formal and informal dimensions of corporations support ethical behavior therefore has an important influence on the way moral responsibility is to be ascribed. This brings us to our second proposition:

Proposition 2 *The more disconnected the corporate culture and structure, the more individual and corporate (un)ethical behavior are mutually reinforcing.*

The second condition for mutually enhancing moral responsibility stems from the first, namely that individuals do indeed act according to the signals perceived from the corporate culture. When they do, they conform to and contribute to that corporate culture, at the same time. We speak in this case of *congruence* between individual behavior and corporate informal practices. If such congruence is not met and individuals act according to the corporate structure, then we are again in the summative approach, where we only have to apply a zero-sum calculus in order to evaluate individuals' and corporations' moral responsibility. Namely, if in our scenario B individuals had simply followed the written procedures and a tragic outcome would have occurred, then they could have been considered responsible for a proportionate part of the outcome (because, for example, they conformed to written procedures even though they considered these procedures to be wrong) in a summative manner, together with the corporation. Instead of praise, they would have received moral blame.

With the vast literature commenting on the strong influence of informal corporate practices on individuals' behavior in the workplace, either in terms of climate (Martin and Cullen 2006; Peterson 2002) or culture (Kaptein 2011a, b; Treviño and Brown 2004), it is clear that informal practices exert an important pressure on individuals to conform to them, even when this means going against the formal practices of the corporation. We may state here that when the corporate culture is disconnected from the corporate structure, the likelihood of

individuals following the corporate culture increases. While the formal dimension of corporations determines what constitutes (un)ethical behavior (Victor and Cullen 1988), the informal dimension stimulates (un)ethical conduct (Treviño and Weaver 2003). This is why the congruence between individual behavior and corporate informal practices is the second condition which further generates the interaction mechanisms leading to the mutual enhancement of individual and corporate responsibility. Our third proposition then reads as:

Proposition 3 *The more congruent individual behavior and corporate culture, the more individual and corporate responsibility are mutually enhancing.*

Corporate Functions as the Mediating Factor Generating the Interaction Mechanisms

Having identified the conditions under which the interaction mechanisms start to function, the next thing to do is to determine and explain the *mediating factor* that acts as an interaction facilitator between individual and corporate responsibility. The role of such a mediating factor is to link the two levels of responsibility and to make room for the interaction mechanisms to occur. Without this mediating factor together with the two conditions discussed above, the mechanisms could not take place.

The mediating factor which we point to is therefore the bond between corporate and individual moral agency. On the one hand, corporate agency is to be evaluated in terms of corporate practices, as it is by setting these practices, either formal or informal, that corporations are to be ascribed moral responsibility (Kaptein and Wempe 2002). Through the organizational context and practices corporations become both moral agents and structures “that enable, constrain and shape individual action” (Crawford 2007, pp. 196–197). On the other hand, individual agency is to be evaluated in terms of individual behavior within the corporate setting, which is linked to the obligations an agent has with respect to some matter (Gilbert 2006), and with what the agent should do as a result of his own status or with his duties (the “deontic sense” of responsibility according to Velasquez 2003, p. 532). Moral responsibility ascribed to individual agents in corporate settings is therefore strongly related to the contextual expectation to act in a certain way (De Leede et al. 1999).

The connection between individual and corporate agency, namely, between individual behavior and corporate practices is made through the mediating role of *corporate functions*. Being performed by individuals within corporations (Kaptein and Wempe 2002), these functions are determined by the corporate practices, for it is the corporate structure which “directs the tasks and

responsibilities that belong to various functions and determines the relationships among these” (Idem, p. 148). It is by pointing to the corporate functions that we are able to speak of the interaction and increase in individual and corporate moral responsibility corresponding to the mutually enhancing approach. When attributing moral responsibility for generating a specific outcome, individual agents are finally evaluated as blameworthy or praiseworthy depending on their expected behavior as a result of the functions they occupy (Grossi et al. 2007). The corporate agent is in turn responsible for designing these functions within the corporate structure and for embedding them in the corporate culture so as to make them work in a coherent manner.

In a corporation where (1) the culture differs from the formal structure (by suggesting either less ethical or more ethical behavior) and (2) individuals behave according to the signals perceived from the corporate culture, the corporate functions become the mediating factor between individual and corporate agency. Even though they are expressed in the formal structure of the corporation (Kaptein and Wempe 2002), corporate functions cannot be solely judged against the corporate structure. While individual agents are expected to act in a certain way according to the functions they occupy in the formal structure, the way they act when occupying these functions is the result of the signals prompted by the corporate culture. This is why the corporate functions are the middle-ground between corporate practices and individual behavior and therefore create room for the interaction mechanisms, which we aim to explore in the next section of the article.

Initiating and Fostering Mechanisms for Mutually Enhancing Responsibility

We now turn to the actual mechanisms that trigger and foster the process of dynamic interaction leading to a mutual enhancement of individual and corporate responsibility. We identify two such interaction mechanisms.

The first type of mechanism is one that determines the interaction between individual and corporate moral responsibility—this is what we call *initializing* mechanisms. These initializing mechanisms stimulate unethical or, by contrast, ethical behavior and culture and work bi-directionally. On the one hand, we have the corporate agent (through the corporate culture) stimulating (un)ethical individual behavior. On the other hand, we have the individual agents (through individual behavior) stimulating (un)ethical corporate culture. The more the corporate culture stimulates the occurrence of (un)ethical behavior, the more the individuals stimulate such (un)ethical culture to occur by behaving (un)ethically, and vice versa.

Going back to our hypothetical example, we can see that with the first scenario the corporate culture of the aircraft maintenance company stimulated unethical individual behavior, while individuals (mechanics, inspectors, etc.) responded in the same manner, by further stimulating unethical corporate culture. The same initializing mechanisms are in place with our second scenario, but with a slightly different connotation. Here the corporate culture of the aircraft maintenance company stimulated ethical individual behavior, while individuals (mechanics, inspectors, etc.) responded in the same manner, by further stimulating ethical culture.

The functioning of these initializing mechanisms may be better captured by one insight emerging from a complexity analysis of corporate identity, that is, “the identity of corporate members and corporations are coterminous” (Woermann 2010, p. 168). This means that these identities are formed and disappear altogether, as the identities of corporate members “are not ontologically prior to the identities of the corporation as a whole” (idem). But what is the relevance of our corporate identity in connection with our ethical or unethical corporate behavior? The fact is that it has an important impact on the way we picture our responsibilities in a corporate context. As Woermann puts it: “our corporate responsibilities are not linked with some a priori ethical scheme, but are, first and foremost, determined by our corporate practices, and, therefore, linked with our corporate identities” (idem).

The second type of mechanism that we identify is a supporting type, which causes the interaction between individual and corporate moral responsibility to continue—this is what we call *fostering* (or supporting) mechanisms. They rest on the previous type of mechanisms and can therefore only start once the initializing mechanisms are in place. These fostering mechanisms facilitate ethical or unethical behavior and culture to continue and also work bi-directionally. On the one hand, we have the corporate agent (through the corporate culture) facilitating (un)ethical individual behavior. On the other hand, we have the individual agents (through individual behavior) facilitating (un)ethical corporate culture. The more the corporate culture facilitates (un)ethical patterns of behavior, the more the individuals facilitate such (un)ethical culture to continue by repeating (un)ethical behavior, and vice versa.

If we take our fictitious examples once again, we can see that in the first scenario the corporate culture of the aircraft maintenance company facilitated the continuation of unethical individual behavior once it had started, while individuals (mechanics, inspectors, etc.) responded in the same manner, by further facilitating the spread of unethical corporate culture. The same fostering mechanisms are in place with our second scenario: the corporate practices of the aircraft maintenance company facilitated ethical

individual behavior, while individuals (mechanics, inspectors, etc.) responded in the same manner, by further facilitating ethical corporate culture.

But how does this process of interaction between individual and corporate agency lead to a mutual enhancement of responsibility? As our hypothetical scenarios suggested, (un)ethical behavior is first stimulated through individual behavior and corporate culture, and then continued because of the joint support given by individuals and the corporation alike. This fostering of (un)ethical behavior actually increases the level of responsibility assigned to each of the agents: none puts a stop to (un)ethical practices and both continue to generate even more (un)ethical behavior. This leads us to our fourth proposition:

Proposition 4 *The more the individuals view the corporate culture as stimulating and facilitating (un)ethical behavior, the more likely their own (un)ethical behavior, and so the more the corporate culture appears to stimulate and facilitate (un)ethical behavior.*

For instance, if corporate practices (culture and structure) are such that they do not prevent unethical behavior and further facilitate it by letting it multiply without sanctioning it (Den Nieuwenboer and Kaptein 2008), the degree of responsibility we assign to the corporate agent increases over time. The reverse is true in case of individuals. While corporate agents are expected to possess mechanisms which can identify, control and change immoral practices (Donaldson 1982), individual agents are expected to overcome, resist, or reject corporate practices when the practices are immoral (De George 1999). As long as individuals carry on such unethical behavior or do not signal when witnessing others behaving unethically, they contribute to perpetuating unethical behavior (Den Nieuwenboer and Kaptein 2008) by facilitating it and become increasingly responsible over time. Agents cannot hide behind their roles or functions in justifying their immoral acts: “role responsibilities are always subordinate to general moral responsibility” (De George 1999, p. 121).

These fostering mechanisms may be further explained by appealing to a complex systems perspective, as related to the process of identity formation. The moment the components of the system interact, “they allow for continuity and transformation” (Woermann 2010, p. 170). In their interaction, the components produce the system which in turn produces the components that produce it (Morin 2008). In other words, the functioning of these fostering mechanisms is similar to the recursive process involved in corporate identity formation, whereby “the products and the effects are at the same time causes and producers of what produces them” (Morin 2008, p. 49). The more the individuals behave (un)ethically, the more the corporate

culture generates (un)ethical patterns of action and vice versa.

In describing both the initiating and the fostering mechanisms behind the interaction of individual and corporate agency leading to a mutually enhancing responsibility, we have made use of terms with slightly different connotations. We stated that we may speak, on the one hand, of *stimulating* (un)ethical behavior and, on the other hand, of *facilitating* (un)ethical behavior. The reason behind this use of terms is that there needs to be a moderate incentive for (un)ethical behavior (to occur and continue) in order to speak of intertwined responsibility. If there were a more active or compelling incentive, then it would not have been the case that individual and corporate responsibility were intertwined, but rather that they were partly or proportionally responsible in a summative way (or, if the individual unethical behavior was imposed by force, maybe only corporate responsibility was involved).

The Upward Double-Helix of Mutually Enhancing Individual and Corporate Responsibility

We find the upward double-helix to be most suitable for interpreting the idea of mutually enhancing moral responsibility. Like the two intertwined strands of an upward double-helix, which are different yet complementary, the individual and the corporate levels of responsibility interact in a dynamic, self-reinforcing process that leads to a mutual enhancement of responsibility in time. As we previously suggested in our hypothetical examples, when the corporation does not sanction unethical individual behavior, we hold it to be morally responsible together with the individual agent(s). However, individual responsibility does not decrease as a result of also holding the corporation responsible, which leads to an overall responsibility that goes beyond the 100 % logical sum that was implied by the summative approach to responsibility. This point is to some extent endorsed by Teigen and Brun (2011) in their study showing that respondents tend to perceive and allocate moral responsibility non-additively when they evaluate groups of three or four individuals performing a joint task: when put together, individual responsibilities exceed the 100 % logical sum in such cases.

We therefore hold that, once the dynamic interaction is triggered due to initializing mechanisms and as long as each party carries on due to fostering mechanisms, the level of moral responsibility assigned to each of them actually increases. Individual unethical behavior might further cause others to take a similar stance (Den Nieuwenboer and Kaptein 2008), thus enhancing the overall responsibility related to a specific outcome. The more the corporation facilitates unethical behavior, the more the individuals will pursue such unethical behavior, while we

hold each party to be more and more blameworthy. As long as the congruence condition is met, the process of mutual enhancement of responsibility works just like an upward double-helix, where we have a self-sustaining process. The dynamic stops when one of the two parties involved adopts a different course of action, for example when individual behavior is sanctioned by corporate practices (usually in terms of formal procedures). Corporate responsibility is intertwined with individual responsibility and both enhance one another as long as they both follow a similar pattern of ethical or unethical action. This leads us to our fifth and final proposition:

Proposition 5 *The more the individuals and the corporation stimulate and facilitate the same pattern of (un)ethical behavior, the more responsible they become in time.*

Finally, the idea of mutual enhancement works as a component of responsibility assignment, that is, as part of the object for which the agents is held responsible. On the one hand, individual agents become more responsible because their unethical behavior generates similar unethical behavior within the corporate setting. On the other hand, the corporate agent becomes more responsible as the lack of sanctioning of unethical behavior or the lack of control over unethical practices perpetuates unethical behavior. The parties continue to act in an (un)ethical manner while at the same time generating an (un)ethical response perpetuated over and over, such that both individual and corporate moral responsibility increase over a continuum.

Discussion and Conclusion

Throughout this article we have focused on answering the question: How should we assign moral responsibility in corporate contexts? The literature around the individualist–collectivist debate has provided two main possible answers by pointing, on the one hand, to the Individual Moral Responsibility approach and, on the other hand, to the Corporate Moral Responsibility approach. Based on this latter approach, we have depicted two possible normative lines of reasoning on assigning moral responsibility for outcomes in corporate settings to both the individuals and the corporation in either a summative manner or in a mutually enhancing manner. As the summative approach has already been fairly extensively developed by business ethics scholars, we have focused our efforts on developing the latter approach, namely Mutually Enhancing Corporate Moral Responsibility.

To that end, the main contribution put forward in this article was to discuss the way in which the interaction

between individual(s) and the corporation may lead to an increase in the degree of responsibility they both possess for actions in corporate settings. The paper subsequently explored the mechanisms behind the interaction of individual and corporate action leading to such mutually enhancing moral responsibility, together with conditions and mediating factors which prompt these mechanisms.

The idea that the mutually enhancing approach puts forward is that individual members of a corporation and the corporation itself could be simultaneously blameworthy or praiseworthy in a mutually enhancing manner because of the support that the former offer to the latter, and vice versa. The interactive nature of the actions of individuals and corporations can actually increase the degree of responsibility that each possesses for ethical failings or accomplishments.

Implications for Business Ethics Research

We consider our account concerning mutually enhancing responsibility to generate several implications for normative research, as well as for empirical research in business ethics.

From a theoretical point of view, our account puts forward a new normative perspective concerning the way moral responsibility should be attributed in corporate contexts. In addition to the summative view previously developed (Card 2005; Pettit 2007), our account captures the mutually enhancing interaction between individual and corporate action, together with conditions, mediating factors and mechanisms leading to an increase in the degree of responsibility assigned to the individual and corporate agents. A direction for further normative research relates to investigating whether the two conditions leading to the interaction mechanisms may be further specified.

While initial research on unethical behavior in the workplace focused mainly on the “personal characteristics of individual transgressors” (Kaptein 2011b, p. 844), the latest research is more interested in “the characteristics of the organizational context within which unethical behavior occurs” (Idem). This shift from the “bad apples” to the “bad barrels” approach (Treviño and Youngblood 1990) led to interpreting the corporate culture as a key component of the organizational context directly linked to unethical behavior (Casey et al. 2001; Sims and Brinkmann 2003). Our research suggests finding a balance between the importance we should place on corporate culture, on the one hand, and on individual behavior, on the other hand. With the idea of mutually enhancing moral responsibility, we acknowledge that there is a bi-directional relation between individual behavior and corporate culture, where each side supports the other by stimulating and facilitating (un)ethical individual and corporate behavior.

Moreover, in developing our account we stated that one of the necessary conditions for mutually enhancing moral responsibility was the disconnection between the organizational structure and culture. This brings a new development to the notion of corporate practices (Kaptein and Wempe 2002), as previous accounts did not explore the implications of the relation between the two types of corporate practices on moral responsibility ascriptions in corporate settings. While our account was grounded on the idea that corporations may be ascribed moral responsibility based on the practices they display (*idem*), we further stated that the disconnection between the formal and informal practices may lead to a mutual increase in the responsibility of corporations and individual agents when generating an outcome. In addition to this, when discussing the disconnection between corporate culture and structure, we treated the two types of practices as if the formal dimension was coherent, but formal elements can also contradict one another. The same applies to the informal dimension. Research into business ethics may further investigate whether such contradictions have implications for the mutually enhancing approach.

The initializing and fostering mechanisms identified by our research reiterate the role of one dimension of corporate culture advanced by the multidimensional model developed by Kaptein (1998, 2011b) in ascribing moral responsibility. Namely, the reinforcement of ethical behavior, defined as the “likelihood of managers and employees being punished for behaving unethically and rewarded for behaving ethically” (Kaptein 2011b, p. 851) is implicitly acknowledged by the interaction mechanisms developed in our paper. As we have stated, when individual and corporate agents do not put a stop to observed unethical behavior, they contribute to the perpetuation of such behavior by facilitating others in taking a similar stance (Den Nieuwenboer and Kaptein 2008). Further research could investigate what other dimensions of the Ethical Virtues Model (Kaptein 1998, 2011b) are more likely to influence mutually enhancing ascriptions of moral responsibility in corporate settings.

A related point concerns the idea that the overall individual and corporate responsibility increases in time, as long as the conditions for mutually enhancing interaction are met. When the corporate culture first stimulates and then facilitates continuation of (un)ethical individual behavior, the corporation becomes increasingly responsible over time. Things work in the same manner with individuals who contribute to stimulating and then facilitating continuation of (un)ethical corporate practices, generating even more individual responsibility (either in terms of moral blame or praise). Our research suggests that the overall moral responsibility ascriptions related to a specific outcome increase in time

in an upward double-helix model, where the support that the individuals offer to the corporation and vice versa determine a continuous perpetuation of (un)ethical action. Further research might explore in more detail the way responsibility increases in time given the mutually enhancing approach, and inquire whether such an increase evolves gradually in time.

In addition to this, empirical research could test the validity of the upward double-helix model proposed for the mutually enhancing approach to moral responsibility and see to what extent the initializing and fostering mechanisms we identified and developed do indeed lead to an increase in individual and corporate moral responsibility ascriptions. Do the initializing mechanisms stimulate (un)ethical individual and corporate behavior? Do they automatically trigger the fostering mechanisms which facilitate the continuation of (un)ethical individual and corporate behavior?

Another suggestion for future empirical research is to identify actual cases illustrating the mutually enhancing approach to moral responsibility and to discuss the way corporate and individual responsibilities interact in practice. This is an interesting task because, although it may be easy to find instances of such an interaction leading to unethical outcomes, it would be difficult to identify instances where individuals and corporations support each other in generating ethical outcomes, as they are usually not reported. However, deeper research into corporate activity might bring such cases to the surface. The boundary conditions and interaction mechanisms identified in our research could then be tested empirically on the one hand, and used to explain real corporate situations in greater detail on the other.

Limitations and More Suggestions for Further Research

Our account inevitably faces several potential limitations. Three of them will be discussed here.

First, by dealing with attributions of moral responsibility within corporate settings, our paper takes into account morality displayed by corporations and individuals composing them. There are, of course, other spheres of morality to which both individuals and corporations belong and which affect them. Above the individual and the corporate levels of responsibility there is, for example, a stakeholder level, a sector level, and overall a societal level of responsibility, in extra-organizational spheres of morality, as well as a team level or department level of responsibility, in intra-organizational spheres of morality. It was not our aim to address all these levels of morality and the responsibility they bring with them, together with the way they influence the corporate and individual levels of responsibility. However, this is a suggestion for future

research in which the mutually enhancing approach can be used.

Second, when developing the conditions for mutually enhancing responsibility, we posited that there needs to be a disconnection between the formal and informal dimensions of the corporate practices, such that the corporate culture does not perfectly reflect the structure. The culture may either contradict the structure by stimulating and facilitating unethical behavior, or it may go beyond the structure by stimulating and facilitating ethical behavior that goes beyond compliance. However, our research did not take into account the possible degrees of such disconnection and the way it may influence moral responsibility ascriptions. This limitation creates room for further developments.

Third, the paper only discusses the mutually enhancing approach as generating an increase in the degree of responsibility ascribed to individual members and the corporation itself, so that the overall responsibility exceeds 100 %. A suggestion for future conceptual research would be to explore whether and how we can speak of a mutually decreasing approach, which could lead to an overall responsibility less than 100 %. Further normative research could also delineate the way different degrees of responsibility are attributed to individuals and the corporation, such that one is, for example, considered 70 % responsible and the other 60 % responsible for an ethical failure or accomplishment.

Practical Implications

Three main practical implications result from the normative construction of the mutually enhancing approach to moral responsibility ascriptions in corporate settings.

First, as long as we think that the more someone or something is responsible the less someone or something else is responsible, we end up with the situation in which individuals and corporations will either endlessly try to pass on the responsibility for specific unethical behaviors to each other (because this implies that they themselves will be less responsible), or try to claim their responsibility and, consequently, credit for specific ethical behaviors, to the detriment of other party. Ignoring the mutually enhancing approach therefore results in looking at the prevention of unethical behavior as a competition between the individual and the corporation (because the more the individual does in preventing unethical behavior, the more the corporation is responsible for unethical behavior that still takes place, and vice versa), and not as a mutual responsibility—which, for example, undermines the effectiveness of ethics and compliance programs.

Second, the mutually enhancing approach helps managers to avoid two shortcomings of other approaches

concerning moral responsibility ascriptions—blaming the innocent (Corlett 1992; Hasnas 2010; Lewis 1972; Narveson 2002; Velasquez 2003) and letting the guilty off the hook (Lewis 1972; Mathiesen 2006; Mellema 1997; Velasquez 2003)—by assigning up to full responsibility to moral agents in corporate settings.

Another practical implication of our research is to consider what types of organizations are likely to meet the conditions for mutually enhancing moral responsibility that would finally lead to an increase in the responsibility that we ascribe to both the corporate and individual agents for a joint outcome. Since the disconnection between the corporate culture and structure is the very first condition for the interaction mechanisms to take place, together with the congruence between employee behavior and corporate culture, organizations with highly formalized structures and a negative role model function of managers seem to be suitable candidates for mutually enhancing ascriptions of responsibility. In corporate settings with rules, procedures and policies that are too numerous and too strict, where managers promote an unethical model (Kaptein 1998, 2011a, b), employees tend to escape overregulation through less strict individual behavior, contributing to or complying with an unethical corporate culture. This is a hypothesis which further empirical research could test.

In Conclusion

To conclude, by developing the mutually enhancing approach we have drawn attention to the intertwined interaction between individual and corporate moral responsibility and the mechanisms behind it. Moreover, when discussing the conditions under which the interaction mechanisms start to work, we have highlighted the importance of the relation between the formal and informal dimensions of corporate practices in supporting ethical behavior. As we find these points relevant not only from a reactive, but also from a proactive organizational perspective concerning moral responsibility attributions, we hope that our research will find an echo in the way corporations *and* their individual members work together to improve their ethics and realize ethical outcomes. As long as they realize the importance of their interaction for each party's responsibility toward corporate outcomes, research findings in this article could actually make a contribution in generating more ethical corporate settings, for which both individual members and corporations can then receive praise.

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