

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/256046104>

# Ethical Blindness

Article in *Journal of Business Ethics* · February 2013

DOI: 10.2139/ssrn.2212617

CITATIONS

15

READS

5,352

### 3 authors:



**Guido Palazzo**

University of Lausanne

50 PUBLICATIONS 3,821 CITATIONS

SEE PROFILE



**Franciska Krings**

University of Lausanne

54 PUBLICATIONS 694 CITATIONS

SEE PROFILE



**Ulrich Hoffrage**

Faculty of Business and Economics (HEC), Un...

110 PUBLICATIONS 7,107 CITATIONS

SEE PROFILE

Some of the authors of this publication are also working on these related projects:



Rationality modeling in Economics [View project](#)



Understanding trajectories of organizational fairness [View project](#)

All content following this page was uploaded by [Ulrich Hoffrage](#) on 23 September 2017.

The user has requested enhancement of the downloaded file.

# Ethical Blindness

Guido Palazzo · Franciska Krings · Ulrich Hoffrage

Received: 1 June 2010 / Accepted: 22 November 2011 / Published online: 6 December 2011  
© Springer Science+Business Media B.V. 2011

**Abstract** Many models of (un)ethical decision making assume that people decide rationally and are in principle able to evaluate their decisions from a moral point of view. However, people might behave unethically without being aware of it. They are ethically blind. Adopting a sense-making approach, we argue that ethical blindness results from a complex interplay between individual sensemaking activities and context factors.

**Keywords** Ethical decision-making · Ethical/unethical behavior · Ethical fading · Moral disengagement · Bounded awareness/ethicality · Rigid framing

## Introduction

Business history is rich with examples of extreme forms of unethical behavior by and within companies. When these cases are made public by traditional muckrakers like Upton Sinclair in the nineteenth century or today's NGOs, by internal whistle-blowers or official investigations, the public is often shocked. It seems to be difficult to understand how behaviors that seem to violate any moral common sense are possible.

During the last three decades, the business ethics literature has developed sophisticated models that have considerably

improved our understanding of why, how, and under what conditions individuals make ethical decisions—and when they fail to do so. These models suggest that (un)ethical decisions are the result of an interplay between personal traits of the decision maker and characteristics of the situation (Trevino 1986). However, most research on ethical decision making still builds on the assumption that decisions are made by rational actors (see critically Sonenshein 2007). The rationality assumption is displayed in several ways. Standing in the tradition of moral philosophy, business ethicists usually assume that there is a *moral point of view* from which the ethicality of a decision can be evaluated. They acknowledge that the moral point of view can be interpreted differently, depending on the specific background philosophy (e.g., the Kantian duty approach versus the Utilitarian calculation). But they share the assumption that there is an objective and impartial yardstick that people can (and do) use to weigh arguments and come to a decision (Hunt and Vitell 1986). For example, Sharp-Paine (1997) suggested that managers use different philosophical lenses when making a decision—reflecting on consequences (Utilitarian lens), principles (Kantian lens) and objectives (economic lens)—to include as many aspects as possible. In contrast, interactionist models (Trevino 1986) question the assumption that managers simply take a Kantian or Utilitarian position, independently of the context in which the decision is made. Indeed, context factors can have an important impact on the decision-making process. Nevertheless, even though person-situation models have dropped the assumption that managers deliberate like philosophers, they still conceive them as rational actors, holding that “cognitive moral development is the critical element in the judgment phase” (Jones 1991, p. 371, see also Sonenshein 2007).

Often, however, (un)ethical decision making is less rational and deliberate but more intuitive and automatic

---

G. Palazzo (✉) · F. Krings · U. Hoffrage  
Faculty of Business and Economics, University of Lausanne,  
Internef, 1015 Lausanne, Switzerland  
e-mail: guido.palazzo@unil.ch

F. Krings  
e-mail: franciska.krings@unil.ch

U. Hoffrage  
e-mail: ulrich.hoffrage@unil.ch

(Gigerenzer 2008; Haidt 2001; Reynolds 2006; Sonenshein 2007). As a consequence, the ethical dimension of a decision is not necessarily visible to the decision maker. People may behave unethically without being aware of it—they may even be convinced that they are doing the right thing. It is only later that they realize the unethical dimension of their decision. We call this state *ethical blindness*: the decision maker's temporary inability to see the ethical dimension of a decision at stake.

How can ethical blindness be explained? Some recent accounts in the literature allude to this question. Tenbrunsel and Messick (2004) argue that under specific circumstances the ethical aspect of a decision fades away so that the decision maker gradually becomes unaware of it. There are several triggers of ethical fading. One is the use of euphemistic language. Another one is pointed out by Chugh et al. (2005) who, in their work on bounded ethicality, analyze how the computational limits of the human mind lead to the use of simple heuristics which might, in turn, give rise to unethical decisions beyond the decision maker's awareness. Bandura (1999, 2002) argues that unethical decisions are promoted by disengaging from the decision's moral dimension. He illustrates how moral disengagement is driven by individual, situational and institutional forces. We build on and extend the above-mentioned accounts of ethical decision making in two ways: Firstly, we propose a theoretical model that conceptualizes the interplay of psychological and sociological forces on three analytical levels, namely the individual sensemaking, the decision-making situation and the ideological context, carving out specific constellations that make ethical blindness more or less probable. The debate in previous accounts has mainly focused on psychological forces and aspects of the immediate context. The institutional context in which individuals and their organizations are embedded has, so far, been neglected or discussed separately from the psychological analysis. Secondly, many authors underline that unethical decision making can only be understood as the result of a process that unfolds over time (den Nieuwenboer and Kaptein 2008; Fleming and Zyglidopoulos 2008; McDevitt et al. 2007). However, the notion of time and its mechanisms has not been developed further yet. Our model discusses the role of time in more detail, drawing on research on the temporal aspects of decision making.

We position our model in the context of constructivism, explaining ethical blindness as the result of a sensemaking process. Ethical decision making unfolds in four steps, starting with moral awareness (Rest 1986): Whether or not people make ethical decisions depends on their ability to process and encode incoming information in moral categories. If a person is not aware of the moral dimension of a decision at stake, she can not proceed to the next steps, that

is, evaluate the information from a normative viewpoint, establish a moral intention and make an ethical decision. Butterfield et al. (2000) have demonstrated that the first step, i.e., moral awareness, needs to be understood as a *social* sensemaking process. Put differently, whether or not a person becomes aware of a decision's ethical dimension depends on the sensemaking process unfolding within the social group that the person is part of. We suggest that the sensemaking process leading to ethical blindness is based on the interplay between a tendency toward rigid framing and contextual pressures. Frames make us view the world from one particular and thus necessarily limited perspective. They have blind spots. The more rigidly people apply specific frames when making decisions, the lower their ability to switch to another perspective. They are locked into one frame. We refer to this phenomenon as *rigid framing* and describe it as the result of an interplay of individual sensemaking activities with proximal and distal contextual factors. The proximal context of sensemaking includes situational as well as organizational factors, while the distal context describes the overarching institutional context in which individual and organizational actors are embedded. As outlined below, ethical blindness is the result of a complex interplay between sensemaking activities and context pressures that unfold over time. As such, the phenomenon only occurs given a particular constellation of framing tendencies and contextual influences. Nevertheless, its consequences can be substantial.

In the following, we first describe the phenomenon of ethical blindness and explain how it can result from rigid framing. Then we explain how framing interacts with proximal and distal context pressures. We subsequently highlight the temporal dynamics behind the phenomenon. Finally, we conclude with some reflections on the descriptive and normative dimensions of ethical blindness.

### What is Ethical Blindness?

Recent discussions on “bounded awareness” (Chugh and Bazerman 2007) and “bounded ethicality” (Chugh et al. 2005) highlight the fact that people can make decisions that run counter to their own values and principles, without being aware of it. Anecdotal evidence suggests that the ethical dimensions might indeed escape decision maker's attention. For instance, in reflecting upon his own role in the Ford Pinto case, Gioia (1992, p. 383) asked himself: “Why didn't I see the gravity of the problem and its ethical overtones?” In a similar vein, one of the guards taking part in the classic Stanford prison experiment reported after the experiment: “While I was doing it, I didn't feel any regret, I didn't feel any guilt. It was only afterwards, when I began to reflect on what I had done, that this behavior began to

dawn on me” (Zimbardo 2007, p. 158). Also in the most extreme forms of harm doing, mass murder for instance, the phenomenon of blindness can be observed. Browning (2001, p. 72) cites a German policeman participating in the genocide in Poland and Russia in the early 1940s: “Truthfully I must say that at the time we didn’t reflect about it at all. Only years later did any of us become truly conscious of what had happened then. Only later did it first occur to me that [it] had not been right.”

Formally, ethical blindness can be defined as the temporary inability of a decision maker to see the ethical dimension of a decision at stake. The phenomenon can be understood along three aspects. First, it builds on the assumption that people *deviate from their own values and principles*. These values and principles are part of their identity and they have tried to live up to them in the past. Ethical blindness refers to the fact that “good people behave in pathological ways that are alien to their nature” (Zimbardo 2007, p. 195; see also Bandura 2002). It results from people’s inability to access ethical values or prototypes (Reynolds 2006) that, in principle, are available to them. Second, ethical blindness is context-bound and thus a *temporary state*. It describes a psychological state of people with normal (or even high) levels of integrity and the ability for moral reasoning. But for some reasons (often related to the situation, as we outline further below), they are not able to use these capacities when making the decision. However, when the situation changes, they are likely to return to practicing their original values and principles. This characteristic is well illustrated by the fact that the perpetrators might be surprised or even shocked by their own behavior once the context has changed (Gioia 1992; Chugh and Bazerman 2007). This sentiment indicates that under different circumstances, those people may have been able and willing to make a more ethical decision. Third, ethical blindness is *unconscious*. People who are ethically blind are not aware of the fact that they deviate from their values and/or that they cannot and do not access those values when making a decision. This aspect has also been observed by Tenbrunsel and Smith-Crowe (2008) who examine it as a state of “unintended unethicity”. As we argue further below, ethical blindness results from the co-evolution and mutual transformation of sensemaking and contextual forces. At the beginning of the transformation process, people often sense that something is wrong. They feel tensions between the implications of their decision and their own personal values. However, under certain conditions (i.e., a specific constellation of context pressures), as time goes by, sensemaking becomes more and more narrow and rigid, tensions become less and less intense, and ethical concerns start to fade away (Tenbrunsel and Messick 2004). This process continues, in small steps, until the person loses sight of the ethical dimension. She becomes ethically blind.

Ethical blindness is in line with recent models that underline the automatic, intuitive or unconscious components of ethical decision making (e.g., Sonenshein 2007). Those models challenge the idea that an ethical decision is the result of a deliberative and rational decision-making process where people weigh alternative options against their own values, general principles, and the potential consequences for important others or the world in general (Jones 1991; Kohlberg 1969; Rest 1986), pragmatically applying appropriate combinations of Kantian principles and Utilitarian calculations (Hare 1981; Sharp-Paine 1997). According to the rational actor view, even a person who opts for an unethical decision knows (at least in principle) the difference between right and wrong in a given situation. She just weighs positive and negative incentives against personal interests and sees more advantages in the unethical decision (Ashkanasy et al. 2006; Becker 1968). Recent models questioning these assumptions refer to intuition (Haidt 2001), sensemaking (Sonenshein 2007), neurocognitive processes (Reynolds 2006) or heuristics (Gigerenzer 2008, 2009) instead. Frames, schemas, prototypes, and their related concepts are indispensable building blocks of our cognitive system, guiding our perceptions and understanding of the world. However, as we argue further below, frames bear some inherent risks because they tend to have blind spots and they can be applied in a more or less rigid manner. As a consequence, the ethical dimension of a decision may be difficult to identify for the actor. Moreover, specific ways in which frames or schemata are used may be reinforced by aspects of the context which, in turn, may further increase the risk of ethical blindness. The model proposed in this article shows how specific interactions between the tendency toward rigid framing and situational or institutional pressures are especially likely to give rise to ethical blindness. In what follows, we first introduce the concept of rigid framing and then outline the model in more detail.

### Rigid Framing and Ethical Blindness

Research in (neo)institutional theory (DiMaggio and Powell 1983) and sensemaking (Weick 1995) show that individuals construct and enact the reality in which they operate. These constructionist approaches have been largely neglected in the business ethics literature (Sonenshein 2007) but are, in our view, particularly useful to explain ethical blindness (Werhane et al. 2011).

According to the constructionist view (Berger and Luckmann 1966; Weick 1995), individuals act upon frames that they develop while interacting with their environment (Ring and Rands 1989). Frames are “mental structures that simplify and guide our understanding of a complex reality”

(Russo and Schoemaker 2004, p. 21) or, similarly, cognitive frameworks “that people use to impose structure upon information, situations, and expectations to facilitate understanding” (Gioia 1992, p. 385). Frames make us view the world from one particular and thus necessarily limited perspective. They filter what we see and how we see it. These filters function as vocabularies “in which words that are more abstract (frames) include and point to other less abstract words (cues)” (Weick 1995, p. 110). In the process of sensemaking, people pull from several vocabularies that are mainly shaped by the dominating ideology of their society, by the organizations they work for, and by their professional education (Weick 1995). As a result, frames promote particular problem definitions, causal relations between phenomena, normative evaluations and recommendations for action (Entman 1993).

Frames develop through socialization processes where stimuli and social phenomena are filtered repeatedly in a specific way. In using these frames, often in an automatic fashion, people make sense “by seeing a world on which they already imposed what they believe” (Weick 1995, p. 15). Frames guide how information is processed, controlling what information is attended to and, just as important, what is obscured. Frames are indispensable. Without these mental structures, we would not be able to perceive and understand a complex situation. However, frames have blind spots, because they impose “mental boundaries on options” (Schoemaker and Russo 2001, p. 137). Blind spots in attention and perception have been widely demonstrated in cognitive psychology (Neisser 1979; Chabris and Simons 2010). People sometimes fail to perceive relevant things going on in front of their eyes—a phenomenon that Mack and Rock (1998) have called “inattentive blindness”. Social psychology is also rich with examples that demonstrate how mental preconceptions such as stereotypes bias our perceptions, often unconsciously (Fiske 1998). Research in personality psychology further demonstrates how individual differences in, for example, morality influence cognition (Narvaez et al. 2006). In management research, the phenomenon has been covered as well (e.g., Dearborn and Simon 1958; Zajac and Bazerman 1991). For instance, Zahra and Couplés (1993) have demonstrated the impact of blind spots in competitive analysis. Recently, Ng et al. (2009) discussed blind spots in the way corporations perceive their value chain.

By masking some elements and highlighting others, frames make people blind to some aspects of a problem. Those blind spots can only be detected when looking at the problem from a different perspective, that is, by using a different frame. Another consequence of blind spots is that, depending on the frames people use, they may hold opposing views of the very same situation. For instance, what is perceived as a “web of economic relationships”

can also be constructed as a “web of moral relationships” (Werhane 1999, p. 6). Or the same phenomenon may be perceived by managers as “the end of an old and inefficient industry”, whereas local stakeholders would see “families uprooted and lives destroyed” (Oestreich 2002, p. 215). Similarly, Wheeler et al. (2002) argued that Shell’s problems in dealing with the critique and pressure of the Ogoni people in Nigeria over environmental pollution can partly be explained by a clash between the company’s scientific, technical rationale and the Ogoni’s more spiritual, cultural understanding of the environment.

Typically, frames are exclusive, in the sense that we use only one frame at a time. As optical illusions such as Rubin’s vase demonstrate, we can have one interpretation (e.g., two bright faces looking at each other in front of a dark background, with the edges being seen as part of the faces) or another interpretation (e.g., a dark vase in front of a bright background, with the edges being seen as part of the vase), but we cannot adapt both views simultaneously (Driver and Baylis 1996). Being locked in one frame (Schoemaker and Russo 2001) and not being able to switch to a different frame is what we refer to as *rigid framing*. Rigid framing seriously impairs a person’s ability to see a more complete or richer picture of the world. As a result, people might create a *particulate rationality* (Welzer 2005) in which they behave on the basis of a narrow and self-referentially closed concept of reality. Through collective interpretations, people in an organization may develop “a moral microcosmos that likely could not survive outside the organization” (Brief et al. 2000a, p. 484; see also Ashforth and Anand 2003). Nevertheless, they believe that they “have the complete picture” (Schoemaker and Russo 2001, p. 140) and ignore any information that cannot be captured by the initially used frame (Lakoff 2004). As a consequence, a decision that may look irrational, unethical, and pathological from outside the microcosmos may be considered rational, ethical, and normal from the inside. Thus, unethical practice may appear as normal routine when perceived through the lens of the sensemaker (Brief et al. 2000a, b; Punch 1996).

Rigid framing makes it difficult to transcend a specific view on the world and adopt another, different frame. As a consequence, it prevents people from compensating for the frame’s blind spots and from developing a deeper understanding of the situation. People risk losing the “functional utility” of their representation of the world (Walsh 1995, p. 303). Conversely, using a repertoire of frames (i.e., applying multiple frames, Schoemaker and Russo 2001), allows one to (consciously or unconsciously) alternate between them when analyzing a problem. As a result, more meanings can be extracted from a situation (Weick 1995). A problem can be viewed from multiple perspectives, using different frames (e.g., from an economic, a legal, an

administrative, a technical, and an ethical perspective). Even though it is not possible to adopt different frames at the same time, it is possible to employ them in a sequential fashion. Ideally, the insights gained from this sequential process are later structured and integrated (e.g., by assigning priorities) into a well-balanced and well-elaborated decision: “The greater the variety of beliefs in a repertoire, the more fully should any situation be seen, the more solutions that should be identified, and the more likely it should be that someone knows a great deal about what is happening” (Weick 1995, p. 87).

In sum, we suggest that rigid framing is related to (dangerously) narrow and limited sensemaking. Ethical blindness may thus result from framing a decision making situation in a too rigid manner. For example, key (implicit) assumptions of *rigid* economic, legal and scientific framing are that profit maximization is inherently moral, that laws are the only moral limit to profits and that scientific expertise should prevail over the concerns of affected laypersons, respectively. People who use those frames do not necessarily make unethical decisions. However, using these frames rigidly increases the probability that people don’t see the ethical dimension of their decision (Tenbrunsel and Messick 2004). In line with this argument, Punch (1996) explained some managers’ unethical decisions by the fact that they are dominated by an economic frame upon which they automatically draw, blinding them for other perspectives. The same may be true for using ethical frames too rigidly. For example, it has been demonstrated that Christian fundamentalists react with strong outrage to those who, in their view, violate sacred values (Tetlock et al. 2000).

### Sensemaking in Context: The Interplay Between Framing and Contextual Factors

In line with the person–situation interactionist model of ethical decision making (Trevino 1986), we assume that framing interacts with context factors. Sensemaking depends on the surrounding context, specifically on context factors that can amplify or attenuate a specific way in which a frame is used. Most research following the interactionist tradition only considers aspects of the organization and the immediate situation. We distinguish between a *proximal* and a *distal* context and discuss them further below in separate sections. Proximal context comprises the organization as well as the immediate decision making situation. Distal context refers to the overarching institutional constellation in which the organization and individual actors are embedded. The impact of institutions on ethical or unethical decision making has received little attention (Misangyi et al. 2008) but is likely to have an important influence on the construction and use of frames and thus on ethical blindness. In what follows, we outline the basic mechanisms of the sensemaking model to account for ethical blindness, together with empirical evidence and business examples illustrating the proposed interaction between context pressures and rigid framing.

As Weick (2005) pointed out, people do not engage in sensemaking starting from scratch, but by building on previous experiences that have shaped their way of perceiving the world. Our model (see Fig. 1) begins with an individual sensemaking process that tends to be dominated by a specific frame; that is, a person’s perception is characterized by a certain degree of rigidity in framing. As a

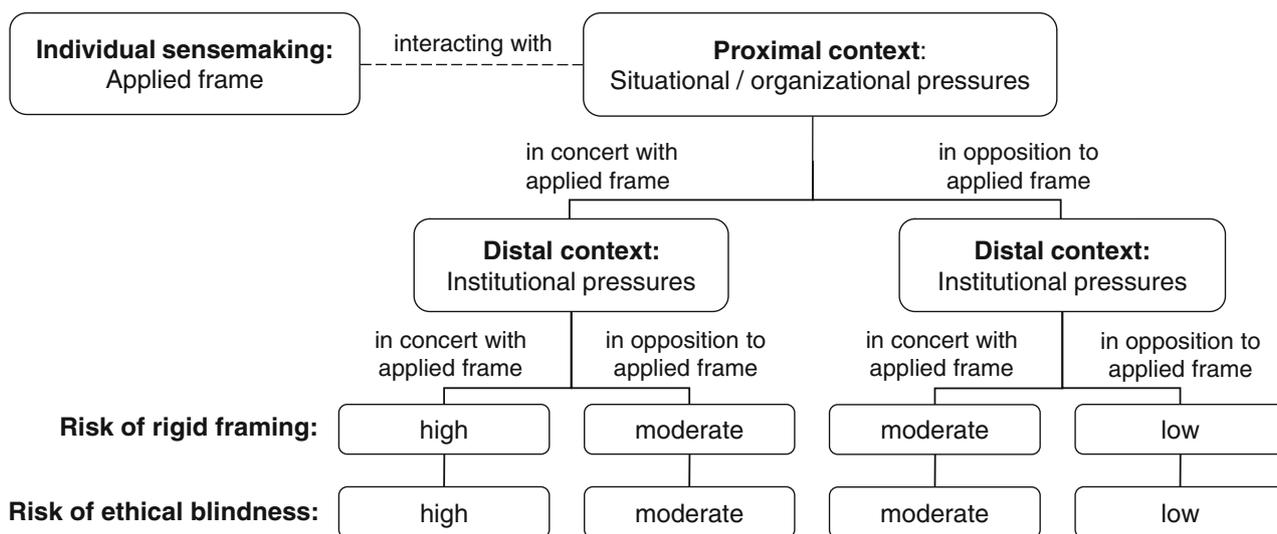


Fig. 1 Sensemaking model of ethical blindness

consequence, she tends to see only certain aspects of the situation and neglects others. She does not look at the situation from different angles (i.e., apply different frames), running the risk of staying locked into one frame.

Sensemaking is always embedded in context. As a consequence, during the sensemaking process, the person is confronted with a series of external pressures that are part of her context and relevant for her decision. Those pressures are part of proximal (organizational and situational pressures) or distal context (institutional pressures). Importantly, context pressures do not necessarily increase the probability of ethical blindness. Some pressures are in concert with a frame and thus reinforce initial framing tendencies. Other pressures may be in opposition to the applied frame, questioning its validity, thus weakening initial framing tendencies and increasing the probability of flexible framing. Hence, the risk of ethical blindness is high, moderate, or low, depending on the nature of the interplay (in concert or in opposition; see Fig. 1) between context forces and framing. The model further shows that the probability of rigid sensemaking and ethical blindness varies, depending on the contextual constellation in which the sensemaking takes place. A high risk situation could, for instance, be imagined as follows (see the far left path of the model in Fig. 1): People with classical business school training might work in an organization that encourages them to mainly focus on profits when making decisions (e.g., by turning managers into deal makers). Additionally, situational forces such as group pressure within a department make it difficult for them to develop alternative sensemaking options. If the organization is additionally embedded in an institutional context that is dominated by free market ideology with a strong focus on deregulation, the probability of rigid framing is high. It is interesting to see that exactly these conditions were met at Enron before the whole system that was built up there collapsed (Sims and Brinkmann 2003), lending support to our model's claim that a rigid framing can lead to ethical blindness, which in turn increases the risk of unethical behavior.

Before describing the mechanisms and empirical evidence in more detail, three notes on the model are warranted. First, the model starts out with a specific sensemaking process, namely one that is already characterized by the dominance of a single frame. Rigid framing may be the result of a socialization process and/or a consequence of an overwhelming situational constellation (i.e., the situation strongly suggests the rigid use of one particular frame in most people; Reynolds et al. 2010). We return to these points when we describe the evolution of the outlined processes over time. At this point, we acknowledge that sensemaking is not always characterized by rigid framing but that a person may apply different frames in a flexible, sequential fashion, as described earlier. We

assume that flexible framing bears a lower risk for ethical blindness from the outset and that in this case, the risk of ethical blindness would be higher only under extreme external pressures.

Second, our approach builds on the assumption that a decision maker is not necessarily aware of the ethical dimension of a decision. We do not question the notion of *intentional* unethicality as unethical decisions might indeed result from the calculation of profits over risks by self-interested but nonetheless rational people (Becker 1968). However, our argument is that under a certain constellation of proximal and distal context pressures that unfold over time (see below), even intentional or conscious thinking processes might morph into unconscious processes, bearing the risk of ethical blindness. A decision maker might lose sight of his or her initial transactional considerations and might start to believe in his or her own rationalizations (Ashforth and Anand 2003). Doubtful business practices can be normalized and habitualized through routine (Misangyi et al. 2008). We argue that there are numerous cases of unethical behavior that do not easily fit the rationality mold and are better explained by a sensemaking process that leads to ethical blindness.

Third, because we describe ethical blindness as the result of a sensemaking process based on interactions between framing and context factors, a note on the role of individual differences seems warranted, for instance, with respect to personality. Personality traits are a set of relatively stable dimensions of behavioral tendencies, providing a draft of an individual's typical pattern of behavior, thoughts and feelings (McAdams 2009). As such, the role of personality for ethical decision making is two-fold: First, it has a direct impact on ethical decision making, independently of context. For example, personality traits related to an increased experience of negative emotions (e.g., neuroticism, negative affectivity, trait anger) are related to engaging more frequently in counterproductive work behaviors such as stealing or aggression (Berry et al. 2007; Fox et al. 2001). However, these direct effects are typically not large and there is considerable variance. The second role of personality seems more promising and more pertinent for our sensemaking model: personality influences the way people construe situations and thus how they react to them. For example, the social-cognitive model of the moral personality suggests that individual differences in morality are due to differences in chronic availability and accessibility of moral constructs in social information-processing (Lapsley and Narvaez 2004; Narvaez et al. 2006). Put differently, people high in morality are more likely to have moral schematas, scripts, or prototypes readily available and presumably even chronically activated. Hence, individual differences in morality colour perceptions and interpretations of a given situation go along with different

probabilities and intensities with which moral frames are used. Further, personality may moderate how people react to a given situation, rendering certain behaviors more likely than others. For example, people high in trait anger react more strongly (i.e., with more negative emotions) to negative events at work than people low in trait anger. As a consequence, they are more likely to engage in workplace aggression when feeling unfairly treated (Fox et al. 2001). Taken together, we acknowledge that stable individual differences may have both direct and indirect effects but put more emphasis on indirect effects when describing our model below.

### Interactions Between Framing and Proximal Context

The attention of decision-makers is always situated, that is, placed in the context of organizational routines (Ocasio 1997; March 1988; Argyris and Schön 1978). Routines tend to reinforce existing world perceptions, whether they are still appropriate or not. As a result, knowledge routines that were core capabilities can turn into “core rigidities” (Leonard-Barton 1992). Overall, as Miller (1993, p. 117) has argued, organizations, especially if they are successful, tend toward an “architecture of simplicity” which manifests in more narrow and “increasingly homogeneous managerial ‘lenses’ or world views”. Thus, the *organizational context* has an important impact on the use of frames. Individuals, teams and communities that cooperate within organizations determine to a certain degree individual framing activities (Foldy et al. 2008; Smircich and Stubbart 1985). For example, organizations that promote aggressive competition are likely to support rigid and narrow world perceptions among their members, by reinforcing the dominant use of a frame that divides the world into “us” and “them”. Competition between groups or teams over scarce resources such as wealth or recognition has been repeatedly shown to give rise to unethical behavior that includes hostility and derogating members of other groups (Esses et al. 2005; Sherif et al. 1961).

Similar processes can be observed in the corporate world. For example, in his analysis of the Pinto case, Gioia (1992) pointed out that there was a strong “us versus them” culture in the corporation, where Ford insiders perceived themselves as acting in a hostile political and media environment. Clinard and Yeager (1980) showed that in the 1970s, transgressions in some industries were closely linked to the feeling of being over-regulated by people from outside who have no clue of their industry. Jackall (1988, p. 147) talks about managers’ feelings of “beleaguerment” as if they were “under siege”. Strong distinctions between “us” and “them” are typical for cohesive teams and important elements of groupthink, that is, a mode of thinking that leads to biased group decision making (Janis 1972).

Another example of the impact of organizational context is the tendency of some corporations (especially of those that operate in high-tech markets) to create a culture of objectivity that strongly encourages the use of scientific rationalism as the dominant frame. Decisions have to rely on “‘hard’, quantitative data and analysis” (Feldman 2004, p. 698). As Feldman (2004) argued regarding the NASA space shuttle disasters, the narrow scientific frame reduced the range of legitimate arguments and undermined the sensitivity to the moral values and concerns that could have been relevant for the decision. Here, ethical blindness can be amplified by organizational routines (Brief et al. 2000a, b; Gioia 1992; Vaughan 1996; March 1981; Perrow 1986) which tend to overemphasize technical rationality thereby providing actors with a specialized and precise language (Steffy and Grimes 1986). The low variety provided by that language makes it easier to navigate in routinized situations but turns into a risk when the environmental conditions change significantly (Miles and Snow 1994; Perrow 1986) and when it would be better to “drop your tools” (Weick 1996).

Aspects of the *immediate situation* may further reinforce rigid framing and thus increase the risk of ethical blindness. Some situations are so powerful that they elicit a specific behavior in many people, independently of intentions, level of moral development, values or reasoning. Research on the influence of authority is a good illustration of the pervasive impact of a strong situation (Ashforth and Anand 2003; Brief et al. 1995; Brief 2000a). Many people are willing to engage in unethical behavior if they are asked to do so by legitimate authority figures (Milgram 1974; Blass 1991; Burger 2009; Werhane et al. 2011). For instance, managers are willing to discriminate against Blacks or foreigners in hiring processes when asked to do so by their superiors (Brief et al. 1995; Petersen and Dietz 2000). This behavior could in particular be observed when managers were high in prejudice (Petersen and Dietz 2005), lending further support to the assumption that context pressure may indeed reinforce initial rigid framing if they are in concert with the frame (see Fig. 1; upper half, left path), in this case, with the prejudices (of some managers). Only strong organizational pressures (e.g., establishing strong organizational sanctions when employees breach the organization’s codes of conduct) can break this influence of organizational authorities (Petersen and Krings 2009), indicating that context pressures that run counter to initial framing may indeed reduce the risk of ethical blindness (see Fig. 1; upper half, right path). Conversely, certain people resist extreme authority pressures to behave unethically (e.g., in Milgram’s experiments; Packer 2008), demonstrating that they may have applied a strong ethical frame that ran counter to the forces operating within the environment, ultimately reducing the risk of ethical blindness.

Peer or majority pressure is another situational factor influencing framing, especially in organizational contexts with strong cultural conformity. Toffler (2003) described in her analysis of the collapse of Arthur Andersen how the company tried to transform business school graduates into highly interchangeable “Androids” by imposing on them the “Arthur Andersen way”, a set of strong social norms. The seminal work of Ash (1955) showed that the mere existence of an opinion that is shared by a majority of the members within a group has a strong impact on individual judgments. In situations with a strong majority norm, individuals adapt their opinions and behaviors to those of the majority. Interestingly, it is not necessary that the majority exerts pressure to attain compliance. Conforming to socially shared group norms satisfies some of the most basic human drives, namely the desire to belong and the need to maintain a positive self-concept (Baumeister and Leary 1995). The need to satisfy those desires through conformity may be stronger in some organizational cultures than in others. If this mechanism is encouraged by the organizational culture (as at Arthur Andersen), it may reinforce initial framing (at Arthur Andersen, the dominant economic frame coming from business school education), ultimately making people blind to the fact that conforming with the majority may sometimes lead to unethical decisions.

Finally, time pressure is another powerful situational factor that affects individual framing (Sonenshein 2007). It constrains cognitive resources and effort, leads people to use more simple decision strategies (Rieskamp and Hoffrage 2008) and has a stronger influence on behavior than personality does when it comes, for instance, to helping others who are in distress (Darley and Batson 1973). Given that managerial decisions are often time sensitive, managers normally favor speed over accuracy when making sense of the world (Weick 1995), which, in turn, might foster the use of more rigid frames.

#### Interactions Between Framing and Distal Context

Apart from aspects of the specific organizational context and the immediate situation, sensemaking activities are influenced by the societal institutions that build the overarching distal context of social praxis (Callon 2007). If strong institutional norms are in line with the frame applied in a decision, they will tend to increase the rigidity of the actor’s sensemaking efforts (see Fig. 1, lower half). Institutions can be defined as “a reciprocal typification of habitualized action” (Berger and Luckmann 1966, p. 54) or as “shared definitions or meanings” (Tolbert and Zucker 1996, p. 180). They provide the resources that actors use when constructing their frames of world perception. Strong institutions create strong belief systems. They impose

isomorphic pressures on individual and organizational actors to follow established practices and interpretations (DiMaggio and Powell 1983). Institutionalized norms and practices reduce uncertainty and threat because they embed the interaction between individuals and organizations in a shared context of stable mutual expectations.

In a pluralistic societal context, there are various competing institutional logics (Boltanski and Thévenot 2006; Friedland and Alford 1991), offering a multiplicity of interpretation schemes from which individuals and organizations can draw (Denis et al. 2007; Kraatz and Block 2008). However, sets of beliefs can also unfold a hegemonic domination within society (Gramsci 1971), thereby turning a specific interpretation of the world into an objective unquestioned discourse (Foucault 1980). Reality is then represented in schematic, efficient, but “reductive categories” (Said 1994, p. 239). Depending on the applied institutional logics, actors might dispose of a more or less pluralistic and a more or less narrow interpretation of reality (Lakoff 2004; Tetlock 2000).

As a result of strong institutional logics, frame rigidity of individual actors might be reinforced and ethical blindness becomes more probable (see Fig. 1; far left path of the model). Punch (1996) has argued that a strong anti-government and anti-regulation ideology can provide the rationalization for significant rule-breaking. As others have argued, the persistence of corruption can be interpreted as a result of institutional logics that reinforce certain behavioral standards as taken for granted and normal (Misangyi et al. 2008). Or, the atrocities at Abu Ghraib can be partly explained by powerful institutional norms, manifesting in governmental and military practice to condone or explicitly support certain torture practices in the Iraq war (Zimbardo 2007). In a similar vein, interpretations of the Ford Pinto scandal have been criticized as being dominated too much by the organizational perspective, neglecting the fact that the behavior of Ford was appropriately reflecting the demands of the institutional standards and norms in which the automotive industry was embedded: “Established safety priorities, supplemented by long-standing industry norms and a change-resistant legal culture, helped define possible fuel tank ruptures as socially legitimate acceptable norms” (Lee and Ermann 1999, p. 32).

Powerful constellations of institutional entities such as the free market and related institutional practices such as specific industry standards can provide the ideological support for a rigid economic framing of a decision. Trice and Beyer (1993; see also Weick 1995) have described ideology as structured simplifications. Such simplifications are conveyed in business school education, thereby influencing how management students frame decisions. For instance, it has been shown that business school education increases students’ focus on self-interests (Marwell and

Ames 1981). In the light of the recent wave of business scandals, there has been a critical discussion on the link between mental models students learn at business schools and their decisions later on as managers in organizations (Ferraro et al. 2005; Ghoshal and Moran 1996; Khurana 2007; Mintzberg 2004). Note that we do not argue that ethical blindness is exclusively linked to rigid economic framing. Instead, we posit that using *any* frame, including ethical frames in a rigid manner, increases the risk of ethical blindness, given a specific context (just consider how many people have been killed for religious reasons). Many of our arguments and examples refer to economic framing simply because we focus on decision making in corporations.

Since there is a strong tendency to defend, protect and enact the (learnt) norms and practices of one's society, actors living in a free market system, especially those who strive for a career in business, tend to perceive common business practices and market-driven procedures and outcomes as fair, legitimate and morally just (Jost et al. 2003). "As a result of the increasing dominance of fair market ideology, other ways of reasoning, other logical schemas, and other values are unlikely to be seriously considered, even if they would be preferable on moral grounds" (Jost et al. 2003, p. 80). The situational cues of a business setting might thus tend to reinforce the economic frame of the free market ideology and suppress alternative frames (Frederick and Hoffman 1995; Jackall 1988). A key assumption of free market ideology is the strict separation of market activities from other social forms of interaction (Gonin et al. 2012). The market coordinates free and self-interested individuals and automatically transforms their egoistic interactions into a common good. It is thus not necessary, and even counterproductive, to apply criteria other than economic ones when making decisions in corporations (Friedman 1970; Jensen 2002). As a result, managers tend to amoralize even genuine ethical topics such as the sustainability practices of their corporation (Crane 2000), feeling the obligation to reframe their private ethical concerns into a public economic language (Ashforth and Anand 2003; Sonenshein 2006).

### The Impact of Time on Ethical Blindness

We have described ethical blindness as the result of the interaction between framing and (proximal and distal) context. Previous accounts of unethical decision making that we built on provided various building blocks for our model. Many of these accounts also emphasized that time plays a crucial role in unethical decision making. Various scholars have criticized models of ethical decision as being too static (den Nieuwenboer and Kaptein 2008; Fleming

and Zyglidopoulos 2008; McDevitt et al. 2007). For example, Jones' model explicitly refers to "single-event moral decision making and eliminates elements that may shape moral decision making over time" (Jones 1991, p. 380). While this and similar interactionist models are doubtlessly able to account for many instances of unethical decisions, recent empirical studies and theorizing explicitly conceptualize unethical decisions as the result of a process that unfolds over time (e.g., Bandura 1999; Brief et al. 2000a, b; Chugh et al. 2005; Tenbrunsel and Messick 2004). The fact that many decisions become *routinized* illustrates that time must play a key role in the understanding of ethical blindness.

While there seems to be a consensus on the relevance of time for understanding (un)ethical decision making, the temporal dynamics have not yet been analyzed or conceptualized in detail. In what follows, we discuss the impact of time along the two building blocks of our model, framing and context.

### Framing and Time

Brief et al. (2000a, b) described how newcomers in a deviant organizational culture might first reluctantly accept the wrongdoing but then gradually, over time, might internalize and even embrace the values and beliefs linked to the wrongdoing. Tenbrunsel and Messick (2004) introduced the term of ethical fading to describe a process in which filters of world perception become more and more narrow. Over time, the probability that people see ethical colors in their decision decreases and thus the risk of ethical blindness increases. Such a process of slow and incremental change (Tenbrunsel and Messick 2004; Vaughan 1996) can be understood as a sequence of small transgressions—as a former Enron executive stated: "You did it once, it smelled bad,... you did it again, it didn't smell as bad" (McLean and Elkind 2003, p. 128). How can this process be explained? What drives the temporal dynamic toward ethical blindness? To find answers to this question, we draw on four concepts that have been mainly discussed in psychological research: temporal construal theory, the concept of just-noticeable-differences, hindsight bias, and the phenomenon of escalation of commitment.

### Temporal Construal Theory

Trope and Liberman (2000, 2003) demonstrated that people construe situations differently depending on how temporally close they are to the situation. It is easier to make demanding but abstract ethical commitments for one's future behavior than specific commitments for one's current behavior. Believing that we can change our behavior *later* might actually keep us from changing it *now*.

Focusing on the temporal relation between decisions and their consequences, the philosopher Hans Jonas argued that a large temporal distance between the two has a negative impact on the morality of the decision. People have difficulties seeing or imagining consequences that are temporally distant. If they try imagining these consequences, they are so abstract and speculative that people cannot emotionally connect to them. Arendt (1963) described this as a lack of moral imagination. Hence, in this case, knowledge about the consequences does not lead to behavioral changes (Jonas 1985). If the temporal lag between a decision and its consequences is large, ethical blindness becomes more likely.

#### *Just-Noticeable-Differences*

The difference between two subsequent decisions over time might give some insight into the temporal dynamics underlying ethical blindness. Because change occurs at a slow pace and often on a small scale, one small step after the other, each often below a just-noticeable difference, it may remain unnoticed (Hoffrage 2011). The concept of a just-noticeable-difference (Gescheider 1985) refers to the smallest difference between two stimuli that a person is able to notice. If one holds a 30 g weight in one hand and a 40 g weight in the other, it is quite easy to tell which one is heavier. In contrast, comparing 30 g and 31 g is a much harder task for most people. While a 10 g difference is clearly above the noticeability threshold, 1 g is below. The Weber–Fechner law (Gescheider 1985) describes that the just-noticeable difference is not absolute but depends on a reference system, and, in fact, a 10 g difference can no longer be noticed when comparing a weight of 930 g to one of 940 g. In a process of behavioral change that evolves over time, the point of reference for a decision is not an imaginary point of nowhere, a moral starting point where a person was still acting with integrity. The reference point for today’s decision is yesterday’s decision and if today’s transgression just goes a bit further than yesterday’s decision, the ethical difference remains acceptable and the overall progression toward a more unethical course of action goes unnoticed. People might view small steps of harmdoing as not nice but acceptable because those steps seem to deviate only very little from what they perceive as the right thing to do (Welzer 2008). Thus, unethical decisions may even evolve against the conscious intention of the decision maker (Chugh and Bazerman 2007). Continuing in small steps and comparing the next level of harmdoing only to the previous one and not to an (imaginary) objective moral point of view, makes it easier to continue. Ultimately, this dynamic may lead into an escalation process. Small transgressions spiral into more severe ones. “The essence of the process involves causing

individuals, under pressure, to take small steps along a continuum that ends with evil-doing. Each step is so small as to be essentially continuous with previous ones; after each step, the individual is positioned to take the next one” (Darley 1992, pp. 208, 210, cited in Brief et al. 2000a, b).

#### *Hindsight Bias*

The fact that the process of incremental change remains unnoticed is strengthened by a phenomenon well-known in memory research, namely the hindsight bias (Hoffrage and Pohl 2003; Blank et al. 2007). If people hear about the outcome of a story, they tend to think they knew it all along. Moreover, their memories on what they themselves predicted prior to receiving outcome information are also systematically shifted toward the outcome information. When attempting to reconstruct events, people engage in “rejudging’ the outcome” (Hawkins and Hastie 1990, p. 321). Such reconstruction attempts, however, are systematically distorted by outcome knowledge (Pohl et al. 2003; Hoffrage et al. 2000). Similarly, autobiographical memories of past events are often adjusted to more recent information, eliminating inconsistencies, so that, ultimately, events form a coherent story (Mazzoni and Vannucci 2007). To the extent that memories of past beliefs and behaviors are systematically distorted toward current beliefs and behaviors, changes over time remain unnoticed.

#### *Escalation of Commitment*

The progression in small steps is propelled by a phenomenon described as the escalation of commitment (Arkes and Blumer 1985; Staw 1976). People tend to continue a course of action once it is taken, even if their former decisions turn out to be poor or even blatantly wrong. The reason for this tendency lays in the fact that once people have invested time, money, or other resources in a decision, it creates sunk costs. From a rational point of view, these costs should be ignored when reconsidering a decision. However, in reality, they make it more difficult for people to move away from a chosen path.

Two aspects emerge from the approaches described above as particularly relevant for understanding the role of time for unethical decision making: the temporal relation between subsequent decisions and the temporal relation between decisions and consequences. For the former, it is temporal proximity, for the latter, it is the temporal distance that bears the risk of leading into ethical blindness.

#### *Context and Time*

Within our sensemaking model, the evolution of ethical blindness is driven by the interaction between framing and

context. Our previous discussion of context factors like authority pressure or institutional norms might lead to the misunderstanding that proximal and distal context factors are descriptions of an objectively given environment that is clearly separable from the individual. However, the sensemaking approach posits that environments are enacted and co-created through individual and shared interpretation (Smircich and Stubbart 1985). As we have argued, frames come from previous experiences made within a social context and they have the potential to change the very same context. Thus, repeatedly using a specific frame may not only perpetuate the frame (Ashforth and Anand 2003) but also change the context, for example, the organizational culture (Vaughan 2005). Subsequently, individuals act within the new, transformed context, the one that they co-created (for example, in a culture where unethical behavior is increasingly tolerated) (Ashforth and Anand 2003). The consequences of yesterday's actions become the preconditions of tomorrow's actions (Welzer 2005). Put differently, today's decisions reinforce or even create tomorrow's situational and institutional pressures (March and Simon 1958; Ocasio 1997). The escalating commitment of individual decision makers might manifest in organizational path dependence. This phenomenon describes a process in which organizational decisions become more and more routinized and rigid until the organization is locked into a situation, where only a considerably reduced range of decision making options is perceived as possible (von Sydow et al. 2009). Given such a dynamic, sensemaking processes of individuals as well as their context will co-change over time. As frames become more rigid, the risk of ethical blindness increases. This development takes place step-by-step, gradually over time, in a process of mutual confirmation that transforms both individual actors and their context. If context and individuals co-evolve, the relation between the two remains stable and, as a consequence, the individual cannot see the change that took place (Chugh and Bazerman 2007; Welzer 2005).

To the extent that unethical decision making can be understood as the result of a process that unfolds over time, it might be worth to also consider the role of specific historic moments in the past which manifest in specific institutional constellations (in our model, distal context). These constellations define normality for a particular society and provide the context for individuals and their organizations (in our model, proximal context). When the maritime biologists Saenz Arroyo et al. (2005) set out to examine how fish populations at the Gulf of California change over time due to commercial fishing, they needed—as a reference point—the *natural population*, that is, the population that existed before it was influenced by human activity. When interviewing fishermen, they found that

each generation of fishermen considered the fish stock that was present when they started fishing as the natural stock. As a consequence, the three generations of fishermen had different perceptions of how the environment had changed: While for younger fishers, changes in fish stock were small, older fishers perceived them as dramatic. Importantly, the young fishermen failed to realize previous changes and were relatively relaxed about the small changes they observed. Almost nobody (with the exception of a few very old fishermen) could adopt a perspective that spanned more than a single generation. Yet it is precisely this generation-spanning, overarching perspective that would allow one to recognize dramatic changes. Due to the shift in baselines from one generation to the next, individuals could not see them. The intriguing term “shifting baselines” was introduced by Pauly (1995): People perceive changes in the environment only relative to their own experience; as a consequence, they consider the state of environment they live in as the “natural” state. Hence, what is dramatic at one moment in history becomes normal in a following moment in history. For example, Enron might be a phenomenon that was only possible in the anything-goes context of the new economy hype in the early 2000s. The mutual transformation of decision makers and their distal and proximal context establishes a new *normality* that, in its most extreme form, may even allow genocide to appear as normal (Welzer 2005; Hagan and Raymond-Richmond 2008).

### Reducing the Risk of Ethical Blindness Through Moral Imagination

If rigid framing is the problem behind ethical blindness, flexible framing may be part of the solutions. Flexible framing reduces the risk of ethical blindness, because it challenges mindless routines and promotes moral imagination, that is “an ability to imaginatively discern various possibilities for acting within a given situation and to envision the potential help and harm that are likely to result from a given action” (Johnson 1993, p. 202). Moral imagination requires that people are “frame-vigilant” (Zimbardo 2007, p. 454) and understand that they cannot see certain aspects because of the frame(s) they use. Moreover, it requires that people understand how proximal and distal context factors narrow their own sensemaking activities. Also, people should be encouraged to engage in “script-breaking” behavior (Gioia 1992, p. 388). For instance, managers' rigid framing of situations in terms of organizational loyalty may be challenged and progressively replaced by a broader view of having duties toward various stakeholders (Brief et al. 2000a, b). It is crucial that organizations provide the appropriate support in terms of

processes and norms. Brief et al. (2000a, b) have criticized the fact that management scholars have focused on how to ensure compliance rather than on how to promote dissent. One way to introduce fruitful disagreement would be to disperse or multiply authority (Brief et al. 2000a, b; Kelman and Hamilton 1989). As a consequence, organizational practices, policies, and decisions are exposed to independent decision making parties and thus, multiple perspectives, weakening strong routines.

Leadership qualities play an equally important role. Leaders who openly invite dissent are more likely to challenge rigid framing and foster sensemaking activities characterized by flexible framing (Foldy et al. 2008). Russo and Schoemaker (2004, p. 164) point at the dissent-promoting leadership style of Alfred P. Sloan, Jr. at the General Motor's board of directors whom they cite as follows: "Gentlemen, I take it we are all in complete agreement on the decision here. ... Then I propose we postpone further discussion of this matter until our next meeting to give ourselves time to develop disagreement and perhaps gain some understanding of what the decision is all about".

We argued that the risk of ethical blindness is amplified by institutional forces of the distal context. Those forces are mostly not under the control of the individual or the organization. Nevertheless, what corporations can do is to weaken the influence of specific overarching worldviews by systematically creating multiple communication channels with their environment. Thus, flexible framing might be promoted by organizational boundary spanning that provides decision makers with a richer picture of their societal context (Fennell and Alexander 1987). Boundary spanning lays at the crossroads of proximal (organization) and distal (society, other organizations) context factors. It provides corporations with what Post and Altman (1992, p. 13) have called "windows of the corporation through which management can perceive, monitor, and understand external change, and simultaneously, a window in through which society can influence corporate policy and practice". Successful boundary spanning reduces the probability that organizations develop their own microcosmos of particulate rationality. If this microcosmos already exists, boundary spanning might help to induce a strong external shock often needed to overcome the dynamics of rigid framing and ethical blindness (Ashforth and Anand 2003, p. 38).

### Ethical Blindness as a Normative and Descriptive Concept

The conceptual model developed in this article offers a novel view on interactions between person and context factors to explain the risk of unethical behavior, integrating

cognitive-psychological and constructivist literature. It defines ethical blindness as a psychological state where people are temporarily blind to ethical dimensions in a decision making situation. As such, it increases the risk of unethical behavior. Ethical blindness is the result of a sensemaking process that unfolds over time during which framing and context pressures mutually reinforce and ultimately transform each other. Thus, when ethically blind, even people with high levels of integrity may deviate from their own values.

It is important to note that by highlighting the impact of context forces and arguing that people are sometimes unable to draw on their personal values and unable to see ethical dimensions in a situation, we do not want to "excuse" unethical behavior. At the heart of the sensemaking process is the assumption that people actively construct (and co-evolve with) the environment. Thus, sensemaking is not an automated response but an active construction process. Hence, people are responsible for their decisions and for the environment they shape. However, it could be argued that the concept of moral responsibility needs to be defined in a broader way: Those who contribute to building a context that strengthens rigid framing are morally responsible for unethical decisions as well.

What is ethical? This question is not crucial for understanding ethical blindness. By adopting the insider perspective of the decision maker, the question of whether her behavior is ethical or not from an objective and universal point of view is irrelevant. The important thing is that the decision maker deviates *from her own values*. Nevertheless, in our view, the question of what is ethical is still important. Individual values do not develop in a social vacuum but are formed and nourished through socialization processes that embed and situate individual actors in a context of normative traditions. As such, individual values are not only a personal but also a social category. The literature on ethical decision making treats this category mainly in a descriptive way. Accordingly, unethical behavior is defined as behavior "that is either illegal or morally unacceptable to the larger community" (Jones 1991, p. 367).

This position has been criticized as being too relativistic because it avoids a precise normative stance on right and wrong (Reynolds 2006; Tenbrunsel and Smith-Crowe 2008). In fact, as our discussion of the mutual transformation of individuals and context suggests, values and normative standards of an entire community might shift, developing into a self-referentially closed microcosmos, and creating a new "normality". This new normality itself might be morally dubious. Indeed, the analysis of past and present genocides (Welzer 2005; Hagan and Raymond-Richmond 2008) demonstrates that dominant norms of a community can become questionable from a moral point of

view because they violate hypernorms (Donaldson and Dunfee 1994) or deviate from “cosmopolitan” or “higher order interests” (Teegen et al. 2004, p. 471).

Thus, decisions can be unethical because organizational decision makers act against their own moral standards and those of their community (e.g., the organization) with the community standards themselves being in line with higher order principles such as those outlined in the principles of the UN Global Compact. Furthermore, a decision can be unethical despite the fact that it is in line with the community standards because these standards themselves might violate universal moral principles that the decision maker normally shares and supports. Importantly, the insider perspective of the organizational decision maker remains the point of reference but the yardstick for normative evaluation can either be *polis* or *cosmos*, thereby allowing for descriptive and normative research on ethical decision making in corporations.

We deliberately abstained from taking a normative position of what is right and wrong. However, this article takes a normative standpoint with respect to the phenomenon of ethical blindness itself and its driving factors. Overall, we posit that flexible framing is better than rigid framing. Specifically, we argue that flexible framing reduces the risk of ethical blindness and, ultimately, that of unethical behavior. Flexible framing, however, should not be confused with ethical relativity or opportunism. It refers to the contention that good decisions depend on moral imagination (Arendt 1963; Werhane 1999; Werhane et al. 2011), that is, on a person’s ability to see and consider a multitude of aspects when making decisions. Seeing and taking more aspects of an issue into consideration helps to compensate for a frame’s blind spots and increases the probability of considering ethics, together with other aspects, in corporate decision making. To the extent that flexible framing is superior to rigid framing on the individual level, it makes sense to promote conditions in societies and organizations that foster a climate of tolerance and pluralism instead of fundamentalism and dogmatism (Habermas 1996; Popper 1995; Rorty 1991; Walzer 1997). Flexible framing is unlikely to develop if rigid definitions of what is right and wrong dominate, and if alternative opinions are suppressed and critical voices silenced. The most effective cure for ethical blindness is an atmosphere of open, democratic, and critical deliberation.

## References

- Arendt, H. (1963). *Eichman in Jerusalem: A report on the banality of evil*. New York: The Viking Press.
- Argyris, C., & Schön, D. A. (1978). *Organisational learning: A theory of action perspective*. Reading: Addison-Wesley Publishing.
- Arkes, H. R., & Blumer, C. (1985). The psychology of sunk costs. *Organizational Behavior and Human Decision Processes*, 35, 124–140.
- Ash, S. (1955). Opinions and social pressure. *Scientific American*, 193, 31–35.
- Ashforth, B. E., & Anand, V. (2003). The normalization of corruption in organizations. *Research in Organizational Behavior*, 25, 1–52.
- Ashkanasy, N. M., Windsor, C. A., & Trevino, L. (2006). Bad apples in bad barrels revisited: Cognitive moral development, just world beliefs, rewards, and ethical decision-making. *Business Ethics Quarterly*, 16, 449–473.
- Bandura, A. (1999). Moral disengagement in the perpetration of inhumanities. *Personality and Social Psychology Review*, 3, 193–209.
- Bandura, A. (2002). Selective moral disengagement in the exercise of moral agency. *Journal of Moral Education*, 31, 101–119.
- Baumeister, R. F., & Leary, M. R. (1995). The need to belong: Desire for interpersonal attachments as a fundamental human emotion. *Psychological Bulletin*, 117, 497–529.
- Becker, G. S. (1968). Crime and punishment: An economic approach. *Journal of Political Economy*, 76, 169–217.
- Berger, P., & Luckmann, T. (1966). *The social construction of reality*. New York: Anchor Books.
- Berry, C. M., Ones, D. S., & Sackett, P. R. (2007). Interpersonal deviance, organizational deviance, and their common correlates: A review and meta-analysis. *Journal of Applied Psychology*, 92(2), 410–424.
- Blank, H., Musch, J., & Pohl, R. (2007). Hindsight bias: On being wise after the event. *Social Cognition*, 25, 1–9.
- Blass, T. (1991). Understanding behavior in the Milgram obedience experiment: The role of personality, situations, and their interactions. *Journal of Personality and Social Psychology*, 60(3), 398–413.
- Boltanski, L., & Thévenot, L. (2006). *On justification: Economies of worth*. Princeton: Princeton University Press.
- Brief, A. P., Buttram, R. T., & Dukerich, J. M. (2000a). Collective corruption in the corporate world: Toward a process model. In M. E. Turner (Ed.), *Groups at work: Advances in theory and research* (pp. 471–499). Hillsdale, NJ: Lawrence Erlbaum.
- Brief, A. P., Buttram, R. T., Elliot, J. D., Reizenstein, R. M., & McCline, R. L. (1995). Releasing the beast: A study of compliance with orders to use race as a selection criterion. *Journal of Social Issues*, 51, 177–193.
- Brief, A. P., Dietz, J., Cohen, R. R., Pugh, S. D., & Vaslow, J. B. (2000b). Just doing business: Modern racism and obedience to authority as explanations for employment discrimination. *Organizational Behavior and Human Decision Processes*, 81, 72–97.
- Browning, C. R. (2001). *Ordinary men. Reserve police battalion 101 and the final solution in Poland*. London: Penguin.
- Burger, J. M. (2009). Replicating Milgram. Would people still obey today? *American Psychologist*, 64, 1–11.
- Butterfield, K. D., Treviño, L. K., & Weaver, G. R. (2000). Moral awareness in business: Influences of issue-related and social context factors. *Human Relations*, 53(7), 981–1018.
- Callon, M. (2007). What does it mean to say that economics is performative? In D. MacKenzie, F. Muniesa, & L. Siu (Eds.), *Do economists make markets? On the performativity of economics* (pp. 311–357). Princeton: Princeton University Press.
- Chabris, C., & Simons, D. (2010). *The invisible gorilla: And other ways our intuitions deceive us*. New York: Crown Publishing Group.
- Chugh, D., Banaji, M. R., & Bazerman, M. H. (2005). Bounded ethicality as a psychological barrier to recognizing conflicts of interest. In D. A. Moore, D. M. Cain, G. Loewenstein, & M. Bazerman (Eds.), *Conflicts of interest: Challenges and solutions*

- in business, law, medicine, and public policy (pp. 74–95). New York: Cambridge University Press.
- Chugh, D., & Bazerman, M. (2007). Bounded awareness: What you fail to see can hurt you. *Mind & Society*, 6, 1–18.
- Clinard, M. B., & Yeager, P. C. (1980). *Corporate crime*. New York: Free Press.
- Crane, A. (2000). Corporate greening as amoralization. *Organization Studies*, 21, 673–696.
- Darley, J. M. (1992). Social organization for the production of evil. *Psychological Inquiry*, 3, 199–218.
- Darley, J. M., & Batson, C. D. (1973). From Jerusalem to Jericho: A study of situational and dispositional variables in helping behavior. *Journal of Personality and Social Psychology*, 27(1), 100–108.
- Dearborn, D. C., & Simon, H. A. (1958). Selective perception: A note on the departmental identification of executives. *Sociometry*, 21, 360–396.
- den Nieuwenboer, N. A., & Kaptein, M. (2008). Spiraling down into corruption: A dynamic analysis of the social identity processes that cause corruption in organizations to grow. *Journal of Business Ethics*, 83, 133–146.
- Denis, J.-L., Langley, A., & Rouleau, L. (2007). Strategizing in pluralistic contexts: Rethinking theoretical frames. *Human Relations*, 60, 179–215.
- DiMaggio, P., & Powell, W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), 147–160.
- Donaldson, T., & Dunfee, T. W. (1994). Toward a unified conception of business ethics: Integrative social contracts theory. *Academy of Management Review*, 19, 252–284.
- Driver, J., & Baylis, G. C. (1996). Edge-assignment and figure-ground segmentation in short-term visual matching. *Cognitive Psychology*, 31, 248–306.
- Entman, R. M. (1993). Framing: Toward clarification of a fractured paradigm. *Journal of Communication*, 43, 51–58.
- Esses, V. M., Jackson, L. M., Dovidio, J. F., & Hodson, G. (2005). Instrumental relations among groups: Group competition, conflict, and prejudice. In J. F. Dovidio, P. Glick, & L. A. Rudman (Eds.), *On the nature of prejudice. Fifty years after Allport* (pp. 227–243). Malden, MA: Blackwell.
- Feldman, S. P. (2004). The culture of objectivity: Quantification, uncertainty, and the evaluation of risk at NASA. *Human Relations*, 57, 691–718.
- Fennell, M., & Alexander, J. A. (1987). Organizational boundary spanning in institutionalized environments. *Academy of Management Journal*, 30, 456–476.
- Ferraro, F., Pfeffer, J., & Sutton, R. I. (2005). Economic language and assumptions: How theories can become self-fulfilling. *Academy of Management Review*, 30(1), 8–24.
- Fiske, S. T. (1998). Stereotyping, prejudice, and discrimination. In D. T. Gilbert, S. T. Fiske, & G. Lindzey (Eds.), *The handbook of social psychology: Vol. 2* (4th ed., pp. 357–411). New York: McGraw Hill.
- Fleming, P., & Zyglidopoulos, S. C. (2008). The escalation of deception in organizations. *Journal of Business Ethics*, 81, 837–850.
- Foldy, E. G., Goldman, L., & Ospina, S. (2008). Sensegiving and the role of cognitive shifts in the work of leadership. *Leadership Quarterly*, 19, 514–529.
- Foucault, M. 1980. *Power/knowledge: Selected interviews and other writings, 1972–1977* (C. Gordon, Ed., Trans.). New York: Pantheon.
- Fox, S., Spector, P. E., & Miles, D. (2001). Counterproductive work behavior (CWB) in response to job stressors and organizational justice: Some mediator and moderator tests for autonomy and emotions. *Journal of Vocational Behavior*, 59, 291–309.
- Frederick, R. E., & Hoffman, W. M. (1995). Environmental risk problems and the language of ethics. *Business Ethics Quarterly*, 5(4), 699–711.
- Friedland, R., & Alford, R. R. (1991). Bringing society back in: Symbols, practices, and institutional contradictions. In W. W. Powell & P. J. DiMaggio (Eds.), *The new institutionalism in organizational analysis* (pp. 232–263). Chicago: University of Chicago Press.
- Friedman, M., (1970, Sept 13). The social responsibility of business is to increase its profit. *New York Times Magazine*. (Reprinted in Donaldson, T., & Werhane, P. H. (Eds.). (1970). *Ethical issues in business* (pp. 217–223). Englewood Cliffs, NJ: Prentice-Hall).
- Gescheider, G. A. (1985). *Psychophysics: Method, theory and application* (2nd ed.). Hillsdale, NJ: Erlbaum.
- Ghoshal, S., & Moran, P. (1996). Bad for practice: A critique of the transaction cost theory. *Academy of Management Review*, 21, 13–47.
- Gigerenzer, G. (2008). Moral intuition = Fast and frugal heuristics? In W. Sinnott-Armstrong (Ed.), *Moral psychology: Vol. 2. The cognitive science of morality: Intuition and diversity* (pp. 1–26). Cambridge, MA: MIT Press.
- Gigerenzer, G. (2009). Moral satisficing: Rethinking morality as bounded rationality. *Topics in Cognitive Science*, 2, 528–554.
- Gioia, D. A. (1992). Pinto fires and personal ethics: A script analysis of missed opportunities. *Journal of Business Ethics*, 11, 379–389.
- Gonin, M., Palazzo, G., & Hoffrage, U. (2012). Neither bad apple nor bad barrel: How the societal context impacts unethical behavior in organizations. *Business Ethics: A European Review* (forthcoming).
- Gramsci, A. (1971). *The prison notebooks: Selections*. New York: International Publishers.
- Habermas, J. (1996). *Between facts and norms*. Cambridge, MA: MIT Press.
- Hagan, J., & Raymond-Richmond, W. (2008). The collective dynamics of racial dehumanization and genocidal victimization in Darfur. *American Sociological Review*, 73, 875–902.
- Haidt, J. (2001). The emotional dog and its rational tail: A social intuitionist approach to moral judgement. *Psychological Review*, 108, 814–834.
- Hare, R. M. (1981). *Moral thinking: Its levels, methods, and point*. Oxford: Clarendon Press.
- Hawkins, S. A., & Hastie, R. (1990). Hindsight: Biased judgment of the past events after the outcomes are known. *Psychological Bulletin*, 107, 311–327.
- Hoffrage, U. (2011). How people can behave irresponsibly and unethically without noticing it. In G. Palazzo & M. Wentland (Eds.), *Practising responsible management in the 21st century*. Paris: Pearson Education.
- Hoffrage, U., Hertwig, R., & Gigerenzer, G. (2000). Hindsight bias: A by-product of knowledge updating? *Journal of Experimental Psychology: Learning, Memory, and Cognition*, 26, 566–581.
- Hoffrage, U., & Pohl, R. (2003). Research on Hindsight bias: A rich past, a productive present, and a challenging future. *Memory*, 11, 329–335.
- Hunt, S. D., & Vitell, S. J. (1986). A general theory of marketing ethics. *Journal of Macromarketing*, 6, 5–17.
- Jackall, R. (1988). *Moral mazes. The world of corporate managers*. Oxford: Oxford University Press.
- Janis, I. (1972). *Victims of groupthink*. Boston: Houghton Mifflin.
- Jensen, M. C. (2002). Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly*, 12, 235–256.
- Johnson, M. (1993). *Moral imagination*. Chicago: University of Chicago Press.
- Jonas, H. (1985). *The imperative of responsibility: In search of an ethics for the technological age*. Chicago: Chicago University Press.

- Jones, T. M. (1991). Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of Management Review*, *16*, 366–395.
- Jost, J. T., Blount, S., Pfeffer, J., & Hunyady, G. (2003). Fair market ideology: Its cognitive-motivational underpinnings. *Research in Organizational Behavior*, *25*, 53–91.
- Kelman, H. C., & Hamilton, V. L. (1989). *Crimes of obedience*. New Haven: Yale University Press.
- Khurana, R. (2007). *From higher aims to hired hands*. Princeton: Princeton University Press.
- Kohlberg, L. (1969). Stage and sequence: The cognitive-developmental approach to socialization. In D. A. Goslin (Ed.), *Handbook of socialization theory and research* (pp. 347–480). Chicago: Rand McNally.
- Kraatz, M. S., & Block, E. S. (2008). Organizational implications of institutional pluralism. In R. Greenwood, C. Oliver, R. Suddaby, & K. Sahlin-Andersson (Eds.), *Handbook of organizational institutionalism* (pp. 243–275). Sage: London.
- Lakoff, G. (2004). *Don't think of an elephant!*. Vermont: Chelsea Green Publishing.
- Lapsley, D. K., & Narvaez, D. (2004). A social-cognitive approach to the moral personality. In D. K. Lapsley & D. Narvaez (Eds.), *Moral development, self and identity* (pp. 189–212). Mahwah, NJ: Erlbaum.
- Lee, M., & Ermann, M. D. (1999). Pinto “madness” as a flawed landmark narrative: An organisational and network analysis. *Social Problems*, *46*, 30–47.
- Leonard-Barton, D. (1992). Core capabilities and core rigidities: A paradox in managing new product development. *Strategic Management Journal*, *13*, 111–125.
- Ley Toffler, B., & Reingold, J. (2003). *Final accounting. Ambition, greed, and the fall of Arthur Andersen*. New York: Broadway Books.
- Mack, A., & Rock, I. (1998). *Inattention blindness*. Cambridge, MA: MIT Press.
- March, J. G. (1981). Footnotes to organizational change. *Administrative Science Quarterly*, *26*, 563–577.
- March, J. G. (1988). Organizational learning. *Annual Review of Sociology*, *14*, 319–340.
- March, J. G., & Simon, H. A. (1958). *Organizations*. New York: Wiley.
- Marwell, G., & Ames, R. E. (1981). Economists free ride, does anyone else? Experiments on the provision of public goods, IV. *Journal of Public Economics*, *15*, 295–310.
- Mazzoni, G., & Vannucci, M. (2007). Hindsight bias, the misinformation effect, and false autobiographical memories. *Social Cognition*, *25*, 203–220.
- McAdams, D. P. (2009). *The person: An introduction to the science of personality psychology* (5th ed.). New York: Wiley.
- McDevitt, R., Giapponi, C., & Tromley, C. (2007). A model of ethical decision making: The integration of process and content. *Journal of Business Ethics*, *73*, 219–229.
- McLean, B., & Elkind, P. (2003). *The smartest guys in the room: The amazing rise and scandalous fall of Enron*. Penguin books: New York.
- Miles, R. E., & Snow, C. C. (1994). *Fit, failure and the hall of fame*. New York: The Free Press.
- Milgram, S. (1974). *Obedience to authority: An experimental view*. New York: Harper & Row.
- Miller, D. (1993). The architecture of simplicity. *Academy of Management Review*, *18*, 116–138.
- Mintzberg, H. (2004). *Managers not MBAs. A hard look at the soft practice of managing and management development*. London: Prentice-Hall.
- Misangyi, V. F., Weaver, G. R., & Elms, H. (2008). Ending corruption: The interplay among institutional logics, resources, and institutional entrepreneurs. *Academy of Management Review*, *33*, 750–770.
- Narvaez, D., Lapsley, D. K., Hagele, S., & Lasky, B. (2006). Moral chronicity and social information processing: Tests of a social cognitive approach to the moral personality. *Journal of Research in Personality*, *40*, 966–985.
- Neisser, U. (1979). The control of information pickup in selective looking. In A. D. Pick (Ed.), *Perception and its development: A tribute to Eleanor J Gibson* (pp. 201–219). Hillsdale, NJ: Lawrence Erlbaum Associates.
- Ng, D., Westgren, R., & Sonka, S. (2009). Competitive blind spots in an institutional field. *Strategic Management Journal*, *30*, 349–369.
- Ocasio, W. (1997). Towards an attention-based view of the firm. *Strategic Management Journal*, *18*, 187–206.
- Oestreich, J. E. (2002). What can business do to appease anti-globalization protestors? *Business and Society Review*, *107*, 207–220.
- Packer, D. J. (2008). Identifying systematic disobedience in Milgram's obedience experiments: A meta-analytic review. *Psychological Science*, *3*, 301–304.
- Pauly, D. (1995). Anecdotes and the shifting baseline syndrome of fisheries. *Trends in Ecology & Evolution*, *10*, 430.
- Perrow, C. (1986). *Complex organizations: A critical essay*. New York: Random House.
- Petersen, L.-E., & Dietz, J. (2000). Social discrimination in a personnel selection context: The effects of an authority's instruction to discriminate and followers' authoritarianism. *Journal of Applied Social Psychology*, *30*, 206–220.
- Petersen, L.-E., & Dietz, J. (2005). Prejudice and enforcement of workforce homogeneity as explanations for employment discrimination. *Journal of Applied Social Psychology*, *35*, 144–159.
- Petersen, L.-E., & Krings, F. (2009). Are ethical codes of conduct toothless tigers for dealing with employment discrimination? *Journal of Business Ethics*, *85*, 501–514.
- Pohl, R. F., Eisenhauer, M., & Hardt, O. (2003). SARA—a cognitive process model to simulate anchoring effect and hindsight bias. *Memory*, *11*, 337–356.
- Popper, K. (1995/1945). *The open society and its enemies* (2 volumes). London: Routledge.
- Post, J. E., & Altman, B. W. (1992). Models of corporate greening: How corporate social policy and organisational learning inform leading-edge environmental management. *Research in Corporate Social Performance and Policy*, *13*, 3–29.
- Punch, M. (1996). *Dirty business. Exploring corporate misconduct*. London: Sage.
- Rest, J. R. (1986). *Moral development: Advances in research and theory*. New York: Praeger.
- Reynolds, S. J. (2006). A neurocognitive model of the ethical decision-making process: Implications for study and practice. *Journal of Applied Psychology*, *91*, 737–748.
- Reynolds, S. J., Leavitt, K., & Decelles, K. A. (2010). Automatic ethics: The effects of implicit assumptions and contextual cues on moral behavior. *Journal of Applied Psychology*, *95*(4), 752–760.
- Rieskamp, J., & Hoffrage, U. (2008). Inferences under time pressure: How opportunity costs affect strategy selection. *Acta Psychologica*, *127*, 258–276.
- Ring, P. S., & Rands, G. P. (1989). Sensemaking, understanding, and committing: Emergent interpersonal transaction processes in the evolution of 3M's microgravity research program. In H. Van den Ven, H. L. Angle, & M. S. Poole (Eds.), *Research on the management of innovation: The Minnesota studies* (pp. 337–366). New York: Ballinger.
- Rorty, R. (1991). The priority of democracy to philosophy. In R. Rorty (Ed.), *Objectivity, relativism, and truth: Philosophical*

- papers* (Vol. I, pp. 175–196). Cambridge, UK: Cambridge University Press.
- Russo, J. E., & Schoemaker, P. J. H. (2004). *Winning decisions: Getting it right the first time*. New York: Doubleday.
- Saenz-Arroyo, A., Roberts, C. M., Torre, J., Carino-Olvera, M., & Enriuez-Andrade, R. R. (2005). Rapidly shifting environmental baselines among fishers of the Gulf of California. *Proceedings of the Royal Society B*, 272, 1957–1962.
- Said, E. W. (1994/1978). *Orientalism* (25th anniversary edition). New York: Vintage Books.
- Schoemaker, P. J. H., & Russo, J. E. (2001). Managing frames to make better decisions. In S. Hoch & H. Kunreuther (Eds.), *Wharton on making decisions* (pp. 131–155). Ort: Wiley.
- Sharp-Paine, L. (1997). *Cases in leadership, ethics, and organizational integrity. A strategic perspective*. Chicago: Irwin.
- Sherif, M., Harvey, O. J., White, B. J., Hood, W. R., & Sherif, C. W. (1961). *Intergroup conflict and cooperation: The Robbers Cave Experiment*. Norman: University of Oklahoma Book Exchange.
- Sims, R. R., & Brinkmann, J. (2003). Enron ethics (or: culture matters more than codes). *Journal of Business Ethics*, 45, 243–256.
- Smircich, L., & Stubbart, C. (1985). Strategic management in an enacted world. *Academy of Management Review*, 10, 724–736.
- Sonenshein, S. (2006). Crafting social issues at work. *Academy of Management Journal*, 49, 1158–1172.
- Sonenshein, S. (2007). The role of construction, intuition, and justification in responding to ethical issues at work: The sensemaking-intuition model. *Academy of Management Review*, 32, 1022–1040.
- Staw, B. M. (1976). Knee-deep in the big muddy: A study of escalating commitment to a chosen course of action. *Organizational Behavior and Human Performance*, 16, 27–44.
- Steffy, B. D., & Grimes, A. J. (1986). A critical theory of organization science. *Academy of Management Review*, 11, 322–336.
- Teegen, H., Doh, J. P., & Vachani, S. (2004). The importance of nongovernmental organization (NGOs) in global governance and value creation: An international business research agenda. *Journal of International Business Studies*, 35(6), 463–483.
- Tenbrunsel, A. E., & Messick, D. M. (2004). Ethical fading: The role of self-deception in unethical behavior. *Social Justice Research*, 17, 223–236.
- Tenbrunsel, A. E., & Smith-Crowe, K. (2008). Ethical decision making: Where we've been and where we're going. *Academy of Management Annals*, 2, 545–607.
- Tetlock, P. E. (2000). Cognitive biases and organizational correctives: Do both disease and cure depend on the politics of the beholder? *Administrative Science Quarterly*, 45, 293–326.
- Tetlock, P. E., Kristel, O. V., Elson, S. B., & Green, M. C. (2000). The psychology of the unthinkable: Taboo trade-offs, forbidden base rates, and heretical counterfactuals. *Journal of Personality and Social Psychology*, 78, 853–870.
- Tolbert, P. S., & Zucker, L. G. (1996). The institutionalization of institutional theory. In S. Clegg, C. Hardy, & W. R. Nord (Eds.), *Handbook of organization studies* (pp. 175–190). London: Sage Publications.
- Trevino, L. K. (1986). Ethical decision making in organizations: A person-situation interactionist model. *Academy of Management Review*, 11, 601–617.
- Trice, H. M., & Beyer, J. M. (1993). *The cultures of work organizations*. Englewood Cliffs, NJ: Prentice Hall.
- Trope, Y., & Liberman, N. (2000). Temporal construal and time-dependent changes in preference. *Journal of Personality and Social Psychology*, 79, 876–889.
- Trope, Y., & Liberman, N. (2003). Temporal construal. *Psychological Review*, 110, 403–421.
- Vaughan, D. (1996). *The Challenger launch decision: Risky technology, culture and deviance at NASA*. Chicago: University of Chicago Press.
- Vaughan, D. (2005). System effects: On slippery slopes, repeating negative patterns, and learning from mistake? In W. H. Starbuck & M. Farjoun (Eds.), *Organization at the limit. Lessons from the Columbia disaster* (pp. 41–59). Malden: Blackwell Publishing.
- Von Sydow, J., Schreyögg, G., & Koch, J. (2009). Organizational path dependence: Opening the black box. *Academy of Management Review*, 34, 689–709.
- Walsh, J. P. (1995). Managerial and organizational cognition: Notes from a trip down memory lane. *Organization Science*, 6, 280–321.
- Walzer, M. (1997). *On toleration*. Yale: Yale University Press.
- Weick, K. E. (1995). *Sensemaking in organizations*. Thousand Oaks: Sage.
- Weick, K. (1996). Drop your tools: An allegory for organizational studies. *Administrative Science Quarterly*, 41, 301–313.
- Weick, K. (2005). Making sense of blurred images: Mindful organizing in mission STS-107. In W. H. Starbuck & M. Farjoun (Eds.), *Organization at the limit. Lessons from the Columbia disaster* (pp. 159–177). Malden: Blackwell Publishing.
- Welzer, H. (2005). *Täter. Wie aus ganz normalen Menschen Massenmörder werden*. Frankfurt: S. Fischer.
- Welzer, H. (2008). *Klimakriege*. Frankfurt: S. Fischer.
- Werhane, P. H. (1999). *Moral imagination and management decision making*. New York: Oxford University Press.
- Werhane, P. H., Hartman, L. P., Moberg, D., Englehardt, E., Pritchard, M., & Parmar, B. (2011). Social constructivism, mental models, and problems of obedience. *Journal of Business Ethics*, 100(1), 103–118.
- Wheeler, D., Fabig, H., & Boele, R. (2002). Paradoxes and dilemmas for stakeholder responsive firms in the extractive sector: lessons from the case of Shell and the Ogoni. *Journal of Business Ethics*, 39, 297–318.
- Zahra, S. A., & Couples, S. S. (1993). Blind spots in competitive analysis. *Academy of Management Executive*, 7, 7–28.
- Zajac, E. J., & Bazerman, M. H. (1991). Blind spots in industry and competitor analysis: Implications of interfirm (mis)perception for strategic decisions. *Academy of Management Review*, 16, 37–56.
- Zimbardo, P. (2007). *The Lucifer effect. Understanding how good people turn evil*. New York: Random House.