Examination of Moral Micro-foundations of Corporate Sustainability Actions

"COVID-19 is awful. Climate change could be worse." - Bill Gates, August 2020.

Research connecting business and the natural environment is crucial since there is no organizational decision without an environmental impact—organizations paradoxically create both the problem and the solution (Hoffman & Bansal, 2011). World's leading organizations such as Google, Apple, and Microsoft have either voluntarily or involuntarily invested widely in research and response towards climate change (BBC News, 2020; The New York Times, 2020; The Telegraph, 2020). Businesses contribute to the protection of the natural environment through multiple avenues, out of which corporate sustainability (CS), built on the foundation of sustainable development (World Commission on Environment and Development, 1987), plays a vital role. The core aspect of CS that makes achieving sustainable development a challenge is the tensions inherent in it (tensions here refers to competing/conflicting demands). "Corporate sustainability is rife with tensions" (Van der Byl and Slawinski, 2015, p.1) the different kinds of tensions (illustrated by Hahn et al. (2015) through an integrative framework) at an individual, organizational and systemic levels called the triple bottom line (TBL) tension (the tensions arising from attempting to balance competing demands from social, economic and environmental goals), temporal tensions (the conflict between present vs. the future generations) and spatial tensions (the conflict between two geographic locations of the same generations). The recent systematic literature reviews highlight major critiques and issues in the literature, CS literature doesn't adequately explain how firms should embed the principles of sustainable development (Meuer, Koelbel, & Hoffmann, 2019), "more research is needed particularly at the micro-level tensions" (Haffar & Searcy, 2017) and the most recent one by Wannags and Gold (2020) only discusses the intra and inter organizational level tensions and dilemmas.

Only recently, a micro-foundational turn occurred in the CS literature (Cooper, Stokes, Liu, & Tarba, 2017) (e.g., (Kiefhaber, Pavlovich, & Spraul, 2018; Shoham, Almor, Lee, & Ahammad, 2017; Strauss, Lepoutre, & Wood, 2017) yet studies reiterate that the literature has provided only "little space to the conflict and tensions experienced at the individual level within organizations" (Carollo & Guerci, 2018, p.250). Although, "individual actors are those who actually strategize, make decisions and execute CS initiatives" (Carollo & Guerci, 2018, p.250), "a lot of promising (organizational behavior) research remains to be conducted" as pointed out by Joseph, Borland, Orlitzky, and Lindgreen, 2018. More specifically, although occurrence and salience of studying CS tensions/conflicts at the individual level have been recognized, the literature hardly ventured deep into them with few exceptions (identity tensions by Allen, Marshall, and Easterby-Smith (2015), tensions related to meaningfulness of sustainability work by Mitra and Buzzanell (2017), sustainability tensions and cognitive frames by Sharma and Jaiswal (2018)). Additionally, despite establishing that the sustainability decisions are tensions filled, inherently complex, and are conflicting with entwined contradictory demands, the existing body of knowledge has not yet studied them as moral dilemmas that cause moral conflicts.

Even though "the paradoxical tensions in corporate sustainability is hotly debated in the literature" (Daddi et al., 2019, p.1), the discussions have not yet ventured into an intra-personal level that touches upon the moral stands of the organizational decision-makers. We posit that these paradoxical demands (e.g., profit vs. planet) present a moral dilemma to the decision-makers/ managers, defined as "situations in which an agent morally ought to adopt each of two alternatives but cannot adopt both" (Sinnott-Armstrong, 1985, p.1) that present

"trade-offs between competing moral goods (e.g., causing one harm to prevent another)"(Crone and Laham, 2015, p.1). Building on the ethics literature, we showcase that "moral dilemmas, by definition, are meant to make people feel conflicted" (Mata, 2019, p.1) and hence in this project propose to delve deeper into the moral conflicts faced by managers, specifically on the unexplored intra-personal conflicts.

Evidence from the social cognitive theory of moral thought and action denotes that "people commonly experience conflicts in which they are socially pressured to engage in behavior that violates their moral standards" (Bandura, 1991, p.21). We bring a fresh perspective to the literature by proposing to investigate the causes and consequences of employees' intrapersonal conflicts arising from contradictory moral stands from the individual's moral identity against the perceived organization's bottom-line mentality. Specifically, we plan to study intrapersonal conflicts such as felt ambivalence, emotional conflict and conflict mindset. Basing on the cognition-affect-behavior (CAB) model, we also plan to elucidate the role of moral emotions that can potentially mediate the relationship between moral conflicts and conflicting sustainability behavior. Greenbaum et al. (2020) claim that individuals experience moral emotions once they recognize that they have or have not endorsed moral standards set by society. These moral emotions can also act as a protective mechanism that alerts individuals about future negative situations. Thus, these provide us an opportunity to explore the underlying mechanism behind the potentially conflicting actions made by the employees. We rely on moral licensing theory (Miller & Effron, 2010) to explain how and why employees who feel obligated to execute negative corporate sustainability behaviors in their job roles, such as rejection of corporate environmental responsibility or economy oriented corporate sustainability actions, may compensate by performing prosocial extra-role corporate sustainability behaviors, such as involvement in corporate sustainability, pro-environmental behavior at work or may participate in charity and pro-environmental behavior outside of work. Through this project, we not only intend to explore the underlying causal and consequential psychological mechanisms of sustainability-related intrapersonal moral conflict but also plan to study the role of potential interventions that can help employees and managers handle these conflicts more effectively. Social cognition theory of moral thought and action showcases that "when faced with views that are discordant from their own conceptions, people often resolve the conflict by discounting or reinterpreting the discrepant information rather than by changing their way of thinking" (Bandura, 1991, p.14) which makes a case for a cognition-based intervention. From our literature survey, we identified three potential cognition-based interventions, namely moral imagination (MI), mindfulness, and paradox mindset, that have theoretical justification to help individuals effectively manage intrapersonal conflict.

In sum, the theoretical and empirical goals of our project proposal are to establish the micro-foundational causes and consequences of sustainability-based intra-personal moral conflicts experienced by organizational decision-makers and to identify an effective intervention that can help decision-makers address these moral conflicts more effectively. In this proposal, we strive to bring a novel outlook on corporate sustainability (CS) research that is predominantly examined at the macro level. Our proposal thus intertwines literature from management, behavioral ethics, social psychology, and sustainability to extend current knowledge in corporate sustainability. The practical and policy implications of this project are plenty as organizations are looking for ways to improve their corporate sustainability (CS) actions to help nations meet the UN sustainable development goals in response to the climate crisis.