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**PERCEIVED ORGANIZATIONAL FORGIVENESS AND PUNITIVE INTENT**

by

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A dissertation submitted in partial fulfillment of the requirements  
for the degree of Doctor of Philosophy  
in the Department of Management  
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## **ABSTRACT**

Although management scholars have examined various antecedents of punishment in the workplace, there has been scant research on how perceptions of the organizational context influence decision-making regarding punishment. Building on the work of Cameron and colleagues (Cameron, Bright, & Caza, 2004; Cameron & Caza, 2002), I propose that one's *perceived organizational forgiveness* – the perception of the extent to which the workplace is forgiving – is negatively related with one's punitive intent in response to ethical misconduct. In addition, I identify variables involving the disciplinary agent and the ethical misconduct itself as moderators of this relationship. In a lab study and a field study, I tested the main effect of perceived organizational forgiveness and the moderating effects of these other variables on punitive intent. Data from the lab study provided evidence of the hypothesized main effect and suggested that the effect holds when the disciplinary agent is high in accountability and when the misconduct has resulted in serious damage to the organization. Data from the field study suggested that the negative relationship between perceived organizational forgiveness and punitive intent seemed to hold only when an experience of being forgiven is salient in the mind of the disciplinary agent and there are mitigating circumstances surrounding the ethical misconduct that is the subject of punishment. Surprisingly, the field study results suggested a positive relationship between perceived organizational forgiveness and punitive intent when an experience of being denied forgiveness is salient to the disciplinary agent. The limitations of these studies and potential implications of the findings are then discussed.

**KEYWORDS:** Perceived organizational forgiveness, punitive intent, ethical decision-making

## TABLE OF CONTENTS

LIST OF FIGURES .....	viii
LIST OF TABLES .....	x
CHAPTER ONE: INTRODUCTION.....	1
A Theoretical Overview of Punishment .....	4
Perceived Organizational Forgiveness.....	7
Perceived Organizational Forgiveness and Punitive Intent .....	11
Perceived Organizational Forgiveness as a Heuristic .....	11
Perceived Organizational Forgiveness and Ethical Tolerance.....	13
Moderating Influences .....	16
The Disciplinary Agent.....	16
Accountability.....	17
Salient transgression experience .....	22
The Ethical Misconduct .....	26
Severity of negative consequences .....	27
Mitigating circumstances .....	29
Summary .....	32
CHAPTER TWO: LAB STUDY .....	34
Purpose of the Study .....	34
Method .....	36
Sample and Design .....	36

Procedure .....	36
Experimental Manipulations .....	38
Perceived organizational forgiveness .....	38
Accountability.....	39
Severity of negative consequences .....	40
Dependent Measures .....	40
Intention to punish .....	40
Proposed sanction .....	41
Composite measures of punitive intent.....	41
Manipulation Checks .....	42
Perceived organizational forgiveness .....	42
Accountability.....	42
Severity of negative consequences .....	42
Results.....	43
Manipulation Checks .....	43
Analysis.....	45
Post-hoc Analyses.....	51
Discussion.....	53
CHAPTER THREE: FIELD STUDY.....	56
Purpose of the Study .....	56
Method .....	58
Sample and Design .....	58
Procedure .....	58

Experimental Manipulations .....	59
Salient transgression experience .....	59
Mitigating circumstances .....	60
Independent Variables and Potential Covariates .....	61
Perceived organizational forgiveness .....	61
Social desirability.....	61
Perceived Unethicality of Steve’s Actions .....	62
Tendency to Forgive .....	62
Demographic variables .....	63
Dependent Measures .....	63
Intention to punish .....	63
Proposed sanction .....	63
Composite measures of punitive intent.....	63
Manipulation Checks .....	64
Salient transgression experience .....	64
Mitigating circumstances .....	64
Results.....	65
Manipulation Checks .....	67
Analysis.....	67
Post-hoc Analysis.....	73
Discussion .....	80
CHAPTER FOUR: OVERALL DISCUSSION AND CONCLUSIONS.....	83
Limitations .....	85

Implications for Research .....	87
Implications for Practice .....	91
Summary .....	92
APPENDIX A. ETHICAL MISCONDUCT MEMO.....	94
APPENDIX B. PUNITIVE INTENT MEMO.....	96
APPENDIX C. MANIPULATION CHECK.....	98
REFERENCES .....	100



## LIST OF FIGURES

Figure 1 A Model Linking Perceived Organizational Forgiveness and Punitive Intent.....	32
Figure 2 Model for Lab Study .....	36
Figure 3 Main Effect of Perceived Organizational Forgiveness on Intention to Punish .....	47
Figure 4 Main Effect of Perceived Organizational Forgiveness on Proposed Sanction.....	48
Figure 5 Interaction Effect of Perceived Organizational Forgiveness and Accountability on Proposed Sanction.....	49
Figure 6 Interaction effect of Perceived Organizational Forgiveness and Severity of Negative Consequences on Intention to Punish .....	50
Figure 7 Interaction effect of Perceived Organizational Forgiveness and Severity of Negative Consequences on Proposed Sanction.....	51
Figure 8 Model for Field Study .....	57
Figure 9 Interaction Effect of Perceived Organizational Forgiveness and Salient Transgression Experience on Intention to Punish (Mitigating Circumstances Present Condition.....	71
Figure 10 Interaction Effect of Perceived Organizational Forgiveness and Salient Transgression Experience on Intention to Punish (Mitigating Circumstances Absent Condition.....	71
Figure 11 Interaction Effect of Perceived Organizational Forgiveness and Salient Transgression Experience on Proposed Sanction.....	72
Figure 12 Mediated Models Showing Simple Effects for Unforgiven (Panel A) and Forgiven (Panel B) Participants (DV = Intention to Punish) .....	78

Figure 13 Mediated Models Showing Simple Effects for Unforgiven (Panel A) and Forgiven  
(Panel B) participants (DV = Proposed Sanction) ..... 80

## LIST OF TABLES

Table 1 Means, Standard Deviations, and Intercorrelations .....	44
Table 2 Multivariate Analysis of Variance of Punitive Intent: Lab Study .....	45
Table 3 Univariate Analyses of Variance: Lab Study .....	46
Table 4 Post-hoc Univariate Analyses of Variance of Composite Measures: Lab Study .....	52
Table 5 Means, Standard Deviations, and Intercorrelations: Field Study Variables .....	66
Table 6 Moderated Multiple Regression Analyses: Field Study .....	69
Table 7 Post-hoc Moderated Multiple Regression Analyses: Field Study .....	74
Table 8 Additional Post-hoc Moderated Multiple Regression Analysis: Field Study.....	75
Table 9 Mediated Moderation Regression Analyses: DV = Intention to Punish.....	77
Table 10 Mediated Moderation Regression Simple Effects: DV = Intention to Punish.....	77
Table 11 Mediated Moderation Regression Analyses: DV = Proposed Sanction .....	79
Table 12 Mediated Moderation Regression Simple Effects: DV = Proposed Sanction .....	79

## **CHAPTER ONE: INTRODUCTION**

Punishment is an integral part of organized social life (Bandura, 1969; Carlsmith, 2006; Spitzer, 1975). Not surprisingly, the use of punishment, or at least the threat of punishment, has always been present in organizational settings (Arvey & Ivancevich, 1980; Atwater, Waldman, Carey, & Cartier, 2001). At some point in time, managers find themselves in a position where they have to impose sanctions of some form on a subordinate, ranging from oral or written reprimands to suspension from work or even termination (Beyer & Trice, 1984; Butterfield, Treviño, & Ball, 1996). Co-workers punish each other too, in the form of ostracism, scolding, and even sabotage (e.g., Barker, 1993; Struthers, Miller, Boudens, & Briggs, 2001). Far from being uncommon in the workplace, punishment is unlikely to vanish from the organizational landscape (Sims, 1980; Treviño, 1992).

In the management literature, there has been substantial research on the consequences of punishment, particularly in terms of its impact on the attitudes and subsequent behavior of the punished individual (i.e., the issue of punishment “effectiveness”; e.g., Ball, Treviño, & Sims, 1993, 1994; Bennett, 1998; Podsakoff, Bommer, Podsakoff, & MacKenzie, 2006). Moreover, the effects of punishment on the perceptions and performance of non-punished organizational members have also been examined (e.g., Atwater, Camobreco, Dionne, Avolio, & Lau, 1997; Niehoff, Paul, & Bunch, 1998; O'Reilly & Puffer, 1989; O'Reilly & Weitz, 1980; Treviño, 1992). To a lesser extent, management researchers have studied the antecedents of punishment, proposing a number of frameworks with which to further investigate managerial decisions to punish and the choice of punishment form or tactic (Arvey & Jones, 1985; Butterfield et al., 1996; Podsakoff, 1982). Although some conceptual and empirical research on punishment

antecedents has incorporated the role of organizational context variables in shaping punishment decisions (e.g., Beyer & Trice, 1984; Klaas & Dell'omo, 1997), much of this research has focused on formal aspects of the organizational context (e.g., formal organizational systems, written policies and procedures, explicitly-stated managerial role requirements, or the presence of a union). To date, there has been scant research on how *perceptions* of the organizational context influence decision-making regarding punishment. Because an employee's perceptions of his or her workplace do not necessarily coincide with other "objective" or independent assessments of that same workplace (Brief & Weiss, 2002), and because the influence of the organizational context on punishment decisions (as well as many other individual behaviors, for that matter) is likely to be mediated by individual perceptions (Leigh, Lucas, & Woodman, 1988), perceptions of the organizational context are arguably more crucial than objective aspects of the organizational context in understanding and predicting individual employee decision-making and behavior, including the imposition of punishment (Bensman & Gerver, 1963; James, Hater, Gent, & Bruni, 1978).

Understanding how perceptions of organizational context serve as antecedents to punishment decisions has important implications for the theory and practice of managing organizations. Given that managerial decisions with respect to disciplining employees do not always reflect formal specifications for punishment established by their organizations (Blount, 2003; Fairhurst, Green, & Snavely, 1986; Klaas & Dell'omo, 1991), integrating perceptions of organizational context into theories of punishment allows management researchers to develop more comprehensive models of punishment in workplace settings. In terms of practice, understanding the influence of these perceptions can provide managers with options to attenuate severe or excessive punishment and to mitigate some of the unintended negative consequences

that come with punishing subordinates, such as employee resentment (Day, 1971), perceived leader *ineffectiveness* (Atwater, Dionne, Camobreco, Avolio, & Lau, 1998), or even legal problems (Brett, Atwater, & Waldman, 2005).

In this dissertation, I examine how an individual's punitive decision is shaped by his or her perception of the extent to which the workplace is forgiving, which I refer to as *perceived organizational forgiveness*. Although forgiveness and punishment are distinct constructs, they have been inextricably linked by philosophers and theologians – and at times perceived as inversely related (see Halling, 1994; Lewis, 1980; Senyshyn, 1998; Talbott, 1993; Tutu, 1999). Research in psychology and management suggests that individual victims who have decided to forgive their transgressor are less inclined to punish and take revenge against that transgressor (e.g., Aquino, Tripp, & Bies, 2006; Bradfield & Aquino, 1999). However, we know little about how one's perceptions and experience of forgiveness in a workplace context shapes one's punitive reactions to transgressions in which one is *not* directly the victim, as is the case in many organizational and even criminal justice contexts (Karstedt, 2002).

Building on the work of Cameron and colleagues (Cameron, Bright, & Caza, 2004; Cameron & Caza, 2002), and integrating extant research on both forgiveness (e.g., Worthington, 2005) and punishment (e.g., Butterfield et al., 1996; Darley & Pittman, 2003), I present propositions describing how and when perceived organizational forgiveness shapes one's punitive intent in response to ethical misconduct. In this chapter, I first present a theoretical overview of punishment. I then introduce the concept of perceived organizational forgiveness and develop a number of propositions regarding the relationship between perceived organizational forgiveness and punitive intent. Lastly, I summarize the propositions and point out their potential contributions to the study of punishment in the workplace. In Chapters Two

and Three, I present two studies I conducted to empirically test the propositions in the model. In Chapter Four, I discuss my findings and present conclusions as well as directions for future research.

### **A Theoretical Overview of Punishment**

Integrating elements from definitions proposed by Treviño (1992) and Vidmar and Miller (1980), I define punishment as the imposition of a negative sanction on, or the withdrawal of a positive outcome from, someone perceived to have violated a rule, norm, or expectation. In conceptualizing punishment this way, I necessarily exclude non-contingent punishment behavior (i.e., punishment imposed on an individual independent of whether that individual committed a violation or not; e.g., Podsakoff, Todor, Grover, & Huber, 1984). I also relax a number of assumptions inherent in some of the definitions previously provided by management scholars, such as the assumption that the primary motivation underlying punishment is to see a decrease in the frequency of some undesirable behavior (Ball & Sims, 1991) or the assumption that punishment is applied by a superior (e.g., supervisors or managers) on a subordinate (Treviño, 1992). In the context of this dissertation, I focus on punishment intentions, which I refer to as *punitive intent*, recognizing that there may be discrepancies between the intended severity of a punishment and its actual implementation (cf. Ajzen, 1985). In addition, I will refer to the individual tasked with deciding on the punishment to be imposed as the *disciplinary agent*.

In the context of a workplace, punishment may be used in response to various forms of misconduct (Treviño, 1992), including poor performance (e.g., Heerwagen, Beach, & Mitchell, 1985; Trahan & Steiner, 1994), or interpersonal transgressions or “hurts” (Worthington, Berry, Shivy, & Brownstein, 2005). In this dissertation, I consider punitive intent in response to ethical misconduct, that is, behavior that falls short of the organization’s moral standards (Bersoff, 1999;

Treviño, 1992). Examples of these include pilfering office supplies, lying, or coming to work under the influence of alcohol. Such misconduct is identified by a disciplinary agent either directly (e.g., the supervisor actually witnesses a specific behavior or episode of behaviors), or indirectly, in which case a flag or indicator suggests that misconduct has most likely occurred (Arvey & Jones, 1985). Furthermore, in focusing on situations in which the disciplinary agent is not directly the victim of the misconduct, I distinguish punishment from revenge, which may also have punitive dimensions (Aquino, Tripp, & Bies, 2001, 2006; Zaibert, 2006).

Previous reviews and theoretical models of punishment in organizational settings (e.g., Arvey & Jones, 1985; Butterfield et al., 1996; Podsakoff, 1982) have identified the organizational context as a class of antecedents that influences an individual's decision to punish, the choice of punishment tactic, and the severity of the punishment imposed. By *context*, I mean the "situational opportunities and constraints that affect the occurrence and meaning of organizational behavior as well as functional relationships between variables" (Johns, 2006, p. 386), including factors associated with the organization, events transpiring within an organization, and social relationships existing within an organization. Setting aside features of the misconduct itself, which constitute a class of antecedents on their own (see Arvey & Jones, 1985; Podsakoff, 1982), a number of workplace-related variables have been shown to influence punishment behavior. For instance, a disciplinary agent's span of control, his or her formal reinforcement power (i.e., whether the disciplinary agent has the option of punishing and rewarding, as opposed to simply punishing), and the structure and complexity of the task with respect to which a negative sanction is imposed all shape the frequency with which punishment is used, albeit in response to poor job performance (Podsakoff, 1982).



With respect to sanctioning ethical misconduct in the workplace, the antecedent that has received the most research attention has been the set of formal organizational policies regarding punishment. Many, if not most, organizations have formal procedures specifying the conditions and the extent to which sanctions and punishment may be imposed on employees (Arvey & Jones, 1985; Cassell, Johnson, & Smith, 1997; Franklin & Pagan, 2006). Empirical evidence suggests that the more a formal policy is perceived as applicable to misconduct, the more severe a suspension from work is imposed on a violator (Beyer & Trice, 1984). Qualitative evidence suggests that the mere existence of these disciplinary policies and procedures creates expectations of punishment that compel managers to punish (Butterfield et al., 1996). However, the more *restrictive* a formal disciplinary policy is, in terms of imposing stricter requirements or more stringent standards with respect to defining offenses and documenting evidence regarding offenses, the less managers are willing to impose severe punishment, such as dismissal (Klaas & Dell'omo, 1997).

Underlying the effects of organizational policy on punishment decisions is the disciplinary agents' perceptions of such formal policies. Unfortunately, missing from extant research is an examination of how punishment decisions are shaped by perceptions about aspects of the organizational context, including the informal elements such as non-written norms and rules formulated by employees themselves (e.g., Hollinger & Clark, 1982), non-institutionalized socialization processes (e.g., Jones, 1986), and affective events in the workplace (Weiss & Cropanzano, 1996).

To address this gap, I examine the relationship between one such perceptual variable, perceived organizational forgiveness, and the severity with which one intends to punish an individual found guilty of ethical misconduct.

## Perceived Organizational Forgiveness

Cameron and Caza (2002, p. 39) defined organizational forgiveness as an organization's capability "to foster collective abandonment of justified resentment, bitterness, and blame" and to adopt "positive, forward-looking approaches in response to harm or damage." In their work, Cameron and colleagues conceptualized organizational forgiveness as an institutional inclination to encourage members not to dwell on past offenses, even when no remorse is demonstrated (Cameron et al., 2004; Cameron & Caza, 2002). As a dimension of organizational virtuousness, Cameron and Caza (2002) described organizational forgiveness as being manifested in individual actions as well as collective activities or processes that promote moral goodness and social betterment. To clarify this conceptualization, I highlight several points.

First, the notion of organizational forgiveness necessarily involves an interpersonal dimension (Cameron & Caza, 2002). Several scholars argue that forgiveness is an inherently *intrapersonal* phenomenon (for a review, see Worthington, 2006), and research on forgiveness in workplace settings has been consistent with this view, focusing on the affect and cognition within the forgiving individual (e.g., Aquino, Grover, Goldman, & Folger, 2003; Aquino et al., 2006). However, characterizing organizations as being more forgiving versus less forgiving is possible only on the basis of overt manifestations, expressions, or signals of forgiveness. These manifestations take the form of transactions and communication processes between offended parties and the individual(s) perceived to have perpetrated the offense (Kelley, 1998; Waldron & Kelley, 2005). It is possible that offended parties may constantly be forgiving co-workers who have offended them by letting go of feelings of anger and negativity without overtly demonstrating forgiving behaviors – a phenomenon referred to by Baumeister, Exline, and Sommer (1998) as *silent forgiveness*. However, studying forgiveness as an organizational-level

construct necessarily assumes the expression of forgiveness in some form between or among organizational members. Such expressions of forgiveness may be indirect or non-verbal, by way of acts such as smiling or resuming normal patterns of interaction with an offender (e.g., Montiel, 2000; Snook, 2005). As a caveat, although some scholars insist that forgiveness necessarily involves replacing negative cognitions, emotions and motivations with *positive* ones (e.g., Cameron & Caza, 2002; Wade & Worthington, 2005), there is some consensus that forgiveness transpires when these cognitions, emotions, and motivations towards a transgressor become *less* negative (McCullough, Fincham, & Tsang, 2003).

Second, even though organizational forgiveness inherently has an interpersonal dimension, the harm or damage in response to which forgiveness may be forthcoming need not necessarily be personal. Organizational members can abandon resentment and blame not only over hurts or interpersonal offenses, but also over performance-related mistakes or missteps for which their co-workers are responsible (Cameron et al., 2004). More importantly, however, forgiving and forgoing blame do not preclude imposing negative sanctions on the individual(s) responsible for the harm or damage, even in legal and clinical contexts (e.g., Enright, Eastin, Golden, Sarinopoulos, & Freedman, 1992; Krapp, 2005). Even with reference to interpersonal offenses, for which forgiveness may be seen as removing or cancelling an interpersonal debt, or refraining from revenge (Aquino et al., 2006; Exline & Baumeister, 2000; Wallace, Exline, & Baumeister, 2008), forgiving does not, by definition, mean the absence of sanctions or acts of restitution. At least in principle, forgiveness does not imply minimizing, condoning, or ignoring transgressions (e.g., Enright & Fitzgibbons, 2000; Murphy, 2002).

Third, although organizational forgiveness is conceptualized as an institutional capacity and inclination, it is not an objective or formal property of an organization. This is not to

discount that objective characteristics of the workplace associated with positive approaches to dealing with harm and damage (e.g., formal rules and policies that urge employees to “move on” and not dwell on mistakes) may make an organization appear forgiving. However, descriptions and assertions regarding the extent to which an organization is forgiving are likely to arise from employees’ interactions with each other and with elements of the organizational context, and may be perceived differently from one employee to the next, as a facet-specific psychological climate (Ashforth, 1985; James & Sells, 1981; Schneider & Reichers, 1983). Therefore, examining *perceived organizational forgiveness* may prove to be a more fruitful avenue for explaining variance in individual-level decisions, specifically punitive intent.

I define perceived organizational forgiveness as an individual’s perception and belief that the organization and the organizational members are quick to forgive mistakes and missteps by other organizational members. Conceptually, I distinguish perceived organizational forgiveness from two constructs that may be closely related to it: psychological safety and managerial ruthlessness. Perceived organizational forgiveness is narrower in scope than psychological safety, a team-level climate construct defined as “a shared belief that the team is safe for interpersonal risk taking” (Edmondson, 1999, p. 354). Psychological safety encompasses the perception that one’s team members are open to discussing problems and issues, are willing to help, and are appreciative of one’s uniqueness as well as contributions (Edmondson, 1999; Edmondson, Bohmer, & Pisano, 2001). Perceived organizational forgiveness subsumes that aspect of psychological safety concerning the belief that others in the organization “tolerate failure without retaliation, renunciation, or guilt” (Schein & Bennis, 1965, p. 45), and that honest mistakes can be made without fear of reprisal (Edmondson, 1996). With respect to managerial ruthlessness, described by Rieple and Vyakarnam (1996) as the disregard of subordinates’

feelings that managers exhibit when confronting subordinates, perceived organizational forgiveness is not a polar opposite. Individuals who do not perceive their managers to be ruthless may still tend to see their organization as less forgiving.

When an individual's perceived organizational forgiveness is high, he or she is likely to view work colleagues and supervisors as quick to forgive mistakes and missteps by other organizational members. As such, the individual sees organizational members as *refraining* from (1) blaming individuals responsible for mistakes, interpersonal conflict, or failure, (2) harboring grudges or ill-feelings towards such individuals, and (3) engaging in acts of retribution. Such high perceived organizational forgiveness might well have resulted from the individual's observation of instances in which other organizational members have actually refrained from blaming, harboring grudges, and committing acts of revenge against individuals who have failed, made mistakes, or hurt them (cf. Ashforth, 1985). To the extent that individuals seek to achieve adaptive fit with their intra-organizational environment (Burke, Borucki, & Hurley, 1992), and that perceived organizational forgiveness, as a climate variable, suggests what attitudes and behaviors are acceptable (e.g., Dieterly & Schneider, 1974; Litwin & Stringer, 1968; White & Lam, 2000), organizational members who perceive their workplace to be highly forgiving may also collectively generate these incidents of forgiveness in response to mistakes. To wit, they will also tend to be more forgiving and less likely to blame, harbor grudges, or engage in revenge. Conversely, when an individual's perceived organizational forgiveness is low, he or she sees the workplace as being unforgiving. Such a perception might well be based on observations of individuals experiencing negative sanctions for their missteps and bad decisions, or work colleagues retaliating against each other over interpersonal conflicts. In the succeeding

section, I discuss how perceived organizational forgiveness is likely to influence punitive intent in response to ethical misconduct.

### **Perceived Organizational Forgiveness and Punitive Intent**

Perceived organizational forgiveness may influence punitive intent in reaction to ethical misconduct in two ways: by serving as a heuristic in making punishment decisions, and by increasing a disciplinary agent's ethical tolerance.

#### **Perceived Organizational Forgiveness as a Heuristic**

Because no disciplinary agent can have complete information regarding an unethical act, such as the mitigating circumstances surrounding an offense, or the extent to which a perpetrator was responsible for the offense, decision-making regarding punishment necessarily involves judgment under uncertainty (see Englich, Mussweiler, & Strack, 2006). Not surprisingly, disciplinary agents rely on heuristics or rules of thumb to simplify the process of punitive judgment (cf. Tversky & Kahneman, 1974). Presumably, they also actively seek to compare their punishment judgments with those of other people (Festinger, 1954). In organizational settings, individuals seek information on what attitudes and behaviors are appropriate in the workplace from their organizational environment (Schneider, 1975). Thus, perceptions about the organizational environment readily serve as rules of thumb that shape individual judgment and behavior (Forehand & Gilmer, 1964). With respect to making punishment decisions, I propose that perceived organizational forgiveness serves as a heuristic, an anchor that tends to bias punitive intent in a downward manner (cf. Tversky & Kahneman, 1974).

An assumption underlying the anchoring process in judgment is the existence of a “correct” solution (Tversky & Kahneman, 1974). With respect to judgment involving punishment for a given an offense, the level at which punishment is “ideal” or appropriate, as

opposed to excessive (e.g., Darley, Carlsmith, & Robinson, 2000; King, 1995) could be considered the analogue of “correctness” of the punishment solution. Not surprisingly then, experimental research has demonstrated that the magnitude of punishment imposed by individuals is subject to anchoring effects. Participants asked to play the role of a juror impose harsher verdicts (i.e., more severe convictions) when they consider options beginning with the harshest possible verdict and subsequently move to the more lenient alternatives, than when they do the opposite by considering options starting from the most lenient (Greenberg, Williams, & O'Brien, 1986). Evidence also suggests that aside from the magnitude of conviction, punitive damages and sentences (i.e., the punishments themselves) are anchored by prosecutor demands (Englich & Mussweiler, 2001) and plaintiffs' requests (Hastie, Schkade, & Payne, 1999). These anchoring effects appear to be independent of an individual's awareness that the anchors are randomly generated (Englich et al., 2006). In addition, anchoring effects in imposing sentences are true not only of jury-eligible lay persons (Hastie et al., 1999) but also of professional and experienced prosecutors and judges (Englich & Mussweiler, 2001).

Although the standard experimental paradigm for investigating anchoring effects has involved numerical anchors (see Epley & Gilovich, 2001), non-numerical information from observed events, prior experience, and situational context may also serve as anchors for quantitative and qualitative judgments (e.g., Epley, Keysar, Boven, & Gilovich, 2004; McNamara & Bromiley, 1999; Roberts & Edwards, 1989). Perceived organizational forgiveness is one such non-numeric yet relevant anchor for a disciplinary agent when determining what punishment level is appropriate, particularly when she is presented with an ordinal set of punishment options to choose from. This is because perceived organizational forgiveness provides a reference, albeit qualitative, as to how individuals who have committed an offense are

treated (or are supposed to be treated) by other organizational members. Specifically, when the disciplinary agent's perceived organizational forgiveness is high, she will tend to think in terms of minimizing blame and negativity towards a transgressor. Consequently, she will view the appropriate punishment for ethical misconduct as located on the lower end, rather than the higher end, of the range of options available to her. In effect, high perceived organizational forgiveness serves as an anchor that biases the disciplinary agent to choose punishment with a low severity. On the other hand, when the disciplinary agent's perceived organizational forgiveness is low, she will tend to think in terms of holding a transgressor accountable and emphasizing the (negative) repercussions of an offense. As a result, she will view the appropriate punishment as located at the higher end of the range of punishment options. Effectively, low perceived organizational forgiveness serves as an anchor that biases the disciplinary agent to select a more severe punishment.

### **Perceived Organizational Forgiveness and Ethical Tolerance**

Aside from acting as an anchor that downwardly influences punishment choices, perceived organizational forgiveness also negatively influences punitive intent by increasing the ethical tolerance of the disciplinary agent. By *ethical tolerance*, I mean the extent to which an individual is willing to justify behavior that is unethical or at the least, ethically-suspect (Cullen, Parboteeah, & Hoegl, 2004; Parboteeah, Bronson, & Cullen, 2005; Smith, 1997; Weeks, Longenecker, McKinney, and Moore, 2005). As opposed to an individual's *ethical relativism*, defined as the extent to which one rejects universal moral rules in favor of rules based on situation-specific contingencies or individual values (Forsyth, 1980), ethical tolerance is not necessarily a stable individual difference trait. Moreover, ethical tolerance has been conceptualized and operationalized in terms of the extent to which behaviors can be justified, as



opposed to ethical relativism, which measures the perceived specificity (versus the generalizability) of moral rules and standards across situations.

With high perceived organizational forgiveness comes the perception of signals and behaviors from other organizational members that discourage not just negative feelings, but also blaming and retaliation when things go wrong. Such signals and behaviors may be subtle and indirect, are very rarely written down in formal documents, and are, for the most part, experienced by individuals high in perceived organizational forgiveness through their personal intra-organizational relationships. As such, they constitute an informal sanctioning system (Tenbrunsel, Smith-Crowe, & Umphress, 2003) that provides guidelines with respect to dealing with mistakes and interpersonal transgressions.

Typically, organizations have a formal sanctioning system that punishes individuals for ethical misconduct (e.g., Arvey, Davis, & Nelson, 1984). An *informal* sanctioning system that may exist even just in the mind of the individual high in perceived organizational forgiveness presents a competing standard of appropriate and acceptable behavior simply by existing side-by-side with the formal sanctioning system. This competition between the formal and informal sanctioning systems is exacerbated by the fine line that often distinguishes relational transgressions and honest mistakes on one hand, and ethical misconduct on the other (see Arvey & Jones, 1985). Presented with a situation that calls for a response to ethical misconduct, an individual high in perceived organizational forgiveness will perceive two equally legitimate bases for action. One is a formal sanctioning system that demands that the misconduct be punished “by the book.” The other is an informal sanctioning system that is “forgiving” and treats the misconduct as an honest mistake with respect to which the organization needs to move past. Tenbrunsel, et al. (2003) argue that having such competing sanctioning systems results in a

weak sanctioning system that leads individuals to engage in less sophisticated moral reasoning, overlooking ethical dimensions that may arguably be clear cut. Over time, this weak sanctioning system promotes *ethical fading*, (Tenbrunsel & Messick, 2004) or *ethical degradation* (Gino & Bazerman, 2006), psychological processes with which individuals gradually fail to see the moral components and implications of a decision or action. Thus, individuals high in perceived organizational forgiveness eventually become more ethically tolerant.

In turn, this increased tolerance for ethical misconduct leads to lower punitive intent in dealing with such misconduct. Faced with the task of sanctioning another member's unethical action, a disciplinary agent who is high in ethical tolerance is more likely to see the act as more justifiable, and consequently less morally reprehensible, than does an agent who is low in ethical tolerance. This lower sense of moral outrage over ethical misconduct leads the disciplinary agent to impose a less severe sanction (Kahneman, Schkade, & Sunstein, 1998; Darley & Pittman, 2003).

Conversely, low perceived organizational forgiveness presents no such competing informal sanctioning system. Individuals who see their organizations as unforgiving will perceive competing standards against which to evaluate ethical misconduct. Offenses of any kind will be seen simply as offenses, whether they are honest mistakes, interpersonal hurts, or acts of ethical misconduct. Consequently, individuals low in perceived organizational forgiveness will be concerned with holding people found guilty of ethical misconduct accountable to the extent that the formal sanctioning system specifies. Thus, low perceived organizational forgiveness is unlikely to breed ethical tolerance, but instead increases the likelihood that disciplinary agents will become more attentive to the unethical nature of the misconduct and the need for an appropriate punishment response. Therefore, on average,

disciplinary agents low in perceived organizational forgiveness will tend to punish more severely than those who are high in perceived organizational forgiveness.

*Proposition 1: Perceived organizational forgiveness will be negatively related to punitive intent in response to ethical misconduct, such that disciplinary agents who perceive their work organization to be forgiving will be less punitive than those who perceive their work organization to be unforgiving.*

### **Moderating Influences**

Research on decision-making involving punishment suggests that there are clusters of antecedents that potentially moderate the influence of a disciplinary agent's perceived organizational forgiveness on his or her punitive intent in response to ethical misconduct. These clusters of variables revolve around the disciplinary agent and the ethical misconduct itself.

#### **The Disciplinary Agent**

Empirical research exploring individual-level antecedents of punishment decision-making suggests that stable individual differences on the part of the disciplinary agent shape his or her attitudes towards punishment decisions. For instance, Sargent (2004) reported evidence from three studies suggesting that individuals who have a low need for cognition (i.e., those who typically avoid effortful cognitive activity; Cacioppo, Petty, Feinstein, & Jarvis, 1996) tend to be very supportive of punitive measures in response to general societal crime, compared to those high in the need for cognition.

In addition, an individual's beliefs and values also influence the severity with which he or she punishes another found guilty of a transgression. For instance, with respect to punishing unethical business transactions, Giacalone, Fricker, and Beard (1995) found evidence that one's ethical ideology (Forsyth, 1980) was related to one's punitive reactions to certain business

transgressions. Specifically, individuals who are low in ethical relativism tend to be harsher in punishing individuals found to have engaged in bribing a foreign official than those high in ethical relativism. As another example, one's belief in and endorsement of the Protestant Work Ethic (PWE; Mirels & Garrett, 1971; Weber, 1904/1958) is positively correlated with the severity with which one imposes negative sanctions (Christopher, Marek, & May, 2003; Christopher & Schlenker, 2005). Because individuals high in PWE believe that one's economic fortunes can only be the result of one's hard work, they tend to make internal, as opposed to external, attributions for an individual's behavior. As such, individuals high in PWE tend to view individuals found guilty of ethical misconduct as being primarily responsible for their actions, and consequently, tend to punish more severely. Finally, substantial empirical evidence suggests that right-wing authoritarianism – a tendency to value conformity, tradition, security, and power – is positively related not only to support for punitive measures already imposed on a guilty transgressor, but also to punitive intent in response to fictional transgressions (e.g., Feather, 1996; Griffitt & Garcia, 1979; Lerner, Goldberg, & Tetlock, 1998).

Beyond individual differences in stable dispositions or values, the situational context of the individual tasked to punish another found guilty of ethical misconduct may also influence the severity of his or her punitive intent. Here, I focus on two such contextual factors: the disciplinary agent's accountability and the transgression experience salient to him or her.

**Accountability.** Accountability may be defined as “being answerable to audiences for performing up to certain prescribed standards, thereby fulfilling obligations, duties, expectations, and other charges” (Schlenker, Britt, Pennington, Murphy, & Doherty, 1994, p. 634). An individual who is accountable is one who, implicitly or explicitly, expects to be called on to justify his or her beliefs, feelings, and actions to some audience (Lerner & Tetlock, 1999).

Individuals who make decisions in organizational settings, including those who have to impose negative sanctions for ethical misconduct in organizations, are likely to experience such accountability for their choices (Quinn & Schlenker, 2002).

Empirical evidence supports the assertion that accountability has the potential to induce more complex and critical thinking, influencing how individuals encode and analyze information, thereby attenuating the impact of heuristics and judgmental biases (e.g., Siegel-Jacobs & Yates, 1996; Tetlock, 1985; Tetlock & Kim, 1987; Webster, Richter, & Kruglanski, 1996). With respect to making judgments regarding the guilt of fictional transgressors, accountable individuals were less likely (than those who were unaccountable) to be influenced by the order in which evidence and information were presented (Tetlock, 1983), and were more likely to consider situational constraints faced by a transgressor, before assigning attributions of responsibility (Lerner et al., 1998).

That said, accountability is not a unitary phenomenon. There are various types of accountability that differ along various dimensions, such as the extent to which the views of the audience are known and the degree to which that audience is well-informed (Lerner & Tetlock, 1999, 2003). Cumulative evidence suggests that there are only certain conditions under which accountability elicits the cognitive effort necessary to reduce judgmental biases, and that under some other conditions, accountability may even amplify bias, ironically, through effortful thinking (Lerner & Tetlock, 2003).

In particular, assuming that the decision-maker's audience desires accuracy in judgment, is knowledgeable about the decision task, and has a legitimate basis for asking the individual to justify her decision, Lerner and Tetlock (2003) proposed that a crucial consideration is extent to which the views and expectations of that audience are known to the accountable decision-maker.

Empirical evidence (e.g., Quinn & Schlenker, 2002; Tetlock, Skitka, & Boettger, 1989; see Lerner & Tetlock, 2003 for a review) suggests that when a decision-maker is aware of the specific views, or even just the general preferences, of a legitimate and competent audience, she is more likely not only to engage in conformity and to adopt what she sees as the socially acceptable position, but also to engage in *defensive bolstering* (Tetlock, et al., 1989): effortful thinking to selectively use information, with the view of justifying a decision. On the other hand, when a decision-maker is unaware of the views or expectations of her audience, her desire not to appear foolish to this audience is more likely to motivate her to engage in effortful thinking and pre-emptive self-criticism.

More specific to decision-making involving punishment, Pennington and Schlenker (1999) reported that individuals recommended harsher punishments for a student accused of cheating when they expected to justify their recommendation in a face-to-face meeting with a representative from the student honor court than when the meeting was with the accusing professor herself. That the honor court representative was described as having no preference as to the outcome of the case (e.g., with respect to leniency towards the accused) underscores the influence of accountability to an “unknown audience” on punitive intent. In a follow up study, where the professor was reported to have expressed the opinion that punishment should be commensurate with the seriousness of an offense such as the reported cheating, participants accountable to this professor recommended a harsher punishment than those who were scheduled to meet (and were therefore accountable to) the accused student (Pennington & Schlenker, 1999).

Importantly then, the potential moderating influence of accountability on the negative relationship between perceived organizational forgiveness and punitive intent will depend on the disciplinary agent’s knowledge and expectations of the audience to whom she is accountable.

When the disciplinary agent is accountable to an intra-organizational audience, as is quite often the case in organizations (Quinn & Schlenker, 2002), the effect of perceived organizational forgiveness on punitive intent will likely be amplified. More specifically, an agent whose perceived organizational forgiveness is high will tend to punish a transgressor even less severely when she is accountable to one or more of her colleagues than when she is not accountable at all. To begin with, the disciplinary agent's high perceived organizational forgiveness will operate to anchor her decision on the lower end of a range of punishment options. When she is made accountable to other members of the organization, the prospect of having to justify her "low" punishment choice to an audience whom she expects to value giving second chances and minimizing blame will serve to motivate her to defensively bolster her decision. Such defensive bolstering is likely to take the form of effortful thought involving greater attention to cues, facts, and even information gaps that may support such a low punishment decision, and conversely, less attention to cues, facts, and information gaps that may suggest an increase in punishment level. As a result, this disciplinary agent is unlikely to adjust her initial punishment choice upward, and with additional information supporting a low punishment, may even be likely to punish even less severely, if at all possible. Thus, on average, a disciplinary agent high in perceived organizational forgiveness will tend to punish less severely when she is accountable to an intra-organizational audience than when she is not accountable to anyone at all.

Analogously, a disciplinary agent whose perceived organizational forgiveness is low will tend to punish a transgressor even more severely when she is accountable to another organizational member than when she is not accountable at all. Faced with an increased likelihood of having to defend her "high" punishment choice to an audience whom she expects to think in terms of blaming and holding grudges, this agent is also likely to engage in defensive

bolstering. This time, though, her attention and cognitive effort will be directed towards cues, facts, and information gaps that support severe punishment, or possibly an increase in punitive response. Consequently, she is less likely to adjust her initial punishment choice downward, and may even be likely to impose a more severe punishment, if at all possible. On average, therefore, a disciplinary agent low in perceived organizational forgiveness will tend to punish more severely when held accountable to an intra-organizational audience, than when held unaccountable. The net effect is an amplification of the negative relationship between perceived organizational forgiveness and punitive intent.

Underlying this amplifying effect are two important assumptions pointed out by Lerner and Tetlock (2003). The first is that the disciplinary agent learns that she or he is accountable *prior to* evaluating the ethical misconduct and considering options for punishment severity. This pre-decisional timing of accountability awareness is a necessary condition to motivate individuals to become more conscious of their thinking processes and in this case, to strategically be selective of information they need to justify their punishment decision to their audience (Tetlock & Kim, 1987; Tetlock et al., 1989). While post-decisional accountability may have the potential to enhance defensive bolstering, it may also not have an effect on an individual's cognitive processes (Lambert, Cronen, Chasteen, & Lickel, 1996; Tetlock et al., 1989; see Lerner & Tetlock, 1999 for a review).

The second assumption is that the disciplinary agent does not need to be trained to acquire special or technical skills necessary to make the necessary judgment or decision. Pre-decisional accountability will not have any influence on attenuating bias when such bias comes from not knowing crucial decision rules, or when the decision-maker is unable to correct his or her own mental processes (e.g., Wilson & Brekke, 1994). Because punishing transgressors



found guilty of ethical misconduct is unlikely to involve legal expertise, this assumption is tenable. Thus, individuals who perceive the workplace to be forgiving and who are accountable to an intra-organizational audience will tend to be less punitive than those who also perceive the workplace to be forgiving but are not accountable. Conversely, individuals who perceive the workplace to be unforgiving and who are accountable to an intra-organizational audience will tend to be more punitive than those who also perceive the workplace to be unforgiving but are not accountable.

*Proposition 2: Accountability to an intra-organizational audience will amplify the negative relationship between perceived organizational forgiveness and punitive intent, such that the relationship will be stronger among disciplinary agents whose accountability is high rather than low.*

**Salient transgression experience.** Every human being has committed some form of transgression, either of the relational (interpersonal) or non-relational type (e.g., Worthington et al., 2005). Assuming that a transgression has been observed by a victim or by another individual, transgressors in organizational settings are likely to have experienced being forgiven, or conversely, being unforgiven for what they have done (or what they have failed to do). Such an experience of being forgiven or unforgiven can influence the relationship between organizational forgiveness and punitive reactions to transgressions. As an affective event (Weiss & Cropanzano, 1996), being forgiven (or unforgiven) generates emotional reactions, which in turn serve as antecedents to more distal attitudes and behavioral intent. Because the process of imposing punishment involves a diversity of emotions that may restrict or balance each other (Karstedt, 2002), such an affective event has the potential of shaping punitive intent.

When an individual perceives her workplace to be highly forgiving, the experience of being personally forgiven will be perceived as normal because it is consistent with expectations about how co-workers deal with mistakes and failures (i.e., not dwelling on these past mistakes; e.g., Kahneman & Miller, 1986). As a result, such an experience is unlikely to shape her punitive intent in response to workplace transgressions. Analogously, when a disciplinary agent sees the organization as unforgiving, the experience of *not* being forgiven by a colleague will be perceived as consistent with expectations generated by this psychological climate. Consequently, being unforgiven will exert only a minor influence, if any, on the punitive decision-making process.

It is when a disciplinary agent's perceived organizational forgiveness is high that her experience of being unforgiven influences her punitive intent. That is, when the disciplinary agent experiences being unforgiven in a workplace she views as forgiving, such an experience becomes salient. This experience then triggers two emotional states that potentially make an individual intend to punish a transgressor more severely than she would have otherwise done.

The first is guilt. Being unforgiven generates guilt, an unpleasant affective state resulting from having committed a transgression that one regrets and from having experienced social exclusion in the form of rejection by a victim (Baumeister, Stillwell, & Heatherton, 1994; Ingersoll-Dayton & Krause, 2005; Smith & Ellsworth, 1985). Ironically perhaps, the guilt associated with being unforgiven is a discrete moral emotion that promotes and encourages responsible, normative, and moral future behavior on the part of the guilty individual (Tangney & Dearing, 2002; Turner & Stets, 2006). As an emotion that is linked to one's behavior (as opposed to one's personhood or identity – the contrasting emotion of shame), guilt motivates an unforgiven transgressor to compensate for the negative consequences of his or her actions by

some positive action, such as confessing or making amends, or even being more compliant with norms and rules (e.g., Tangney, Stuewig, & Mashek, 2007). In the workplace, this means that individuals experiencing guilt tend to act in ways consistent and compliant with normative (expected) standards of behavior in their organization, which would include imposing negative sanctions on individuals who have committed minor acts of ethical misconduct. Faced with a decision to punish an individual, unforgiven disciplinary agents would therefore be less susceptible to the ethical fading that high perceived organizational forgiveness may encourage in judging the ethicality of misconduct. Their desire to hue to moral and normative behavior may lead these unforgiven agents to be more likely to make a distinction between honest mistakes and ethical breaches. Consequently, even when they perceive the organization to be forgiving, these unforgiven disciplinary agents are likely to punish ethical misconduct more severely than agents who have experienced being forgiven.

Second, empirical evidence suggests that being unforgiven also generates resentment and anger toward the individual refusing to forgive (Snook, 2005). Such anger, in particular, may result from the unforgiven individual's frustration at not obtaining an anticipated gratifying experience (Berkowitz, 1989), that is, the gratifying experience expected to follow an appeal for forgiveness from the victim. In addition, anger may occur because the unforgiven individual's goal of "making things right with the victim" has been blocked (Turner & Stets, 2006), in this case, by the unforgiving *victim* herself. To the extent that such anger is repressed by an unforgiven disciplinary agent, it tends to be displaced and directed towards others, particularly those who cannot retaliate or negatively sanction back (Turner & Stets, 2006). In other words, an unforgiven disciplinary agent may view the decision to punish another individual as an outlet for expressing the agent's anger and negative emotions (Xiao & Houser, 2005).

However, the moderating effect of being unforgiven on the relationship between perceived organizational forgiveness and punitive intent is not symmetric with that of being forgiven. When a disciplinary agent who perceives her organization to be unforgiving experiences being forgiven, she will also see the experience as *not* normal. It will, therefore, become more salient than might otherwise be the case. Being forgiven for a mistake or an interpersonal transgression, when one expects the opposite, can result in positive feelings such as a general sense of relief and gratitude toward the forgiver (Enright & The Human Development Study Group, 1996; Witvliet, Ludwig, & Bauer, 2002). However, although being forgiven leads to such positive emotions and also reduces (or at least has a great potential to reduce) guilt feelings on the part of the transgressor (Murray, 2002; Reiss, 2004), empirical evidence suggests that it does not completely eliminate feelings of guilt (Estrada-Hollenbeck & Heatherton, 1998). In an organization perceived to be unforgiving, the positive inequity resulting from the perception that forgiveness was not completely deserved can also sustain some of these feelings of guilt (Baumeister et al., 1994; Kelln & Ellard, 1999). Perceiving the organization to be unforgiving, a disciplinary agent who has experienced being forgiven may still experience guilt that will make her committed (possibly even more committed!) to normative, expected behavior (i.e., upholding ethical standards and punishing ethical misconduct). Ironically, perhaps, being forgiven, is then likely to engender the same degree of punitive intent as the experience of being unforgiven, as long as the organization is perceived as unforgiving. Confronted with the decision to punish an individual found guilty of ethical misconduct, a disciplinary agent who has experienced being forgiven may be inclined to punish an individual to the same extent as an unforgiven individual, given her low perceived organizational forgiveness.

Thus, disciplinary agents who perceive the workplace to be forgiving but who have experienced being unforgiven will tend to be more punitive than those who also perceive the workplace to be forgiving but have experienced being forgiven. In addition, disciplinary agents who perceive the workplace to be unforgiving but who have experienced being forgiven will tend to be as punitive as those who also perceive the workplace to be unforgiving and have experienced being unforgiven. Effectively, perceived organizational forgiveness will be negatively related to punitive intent when the experience salient to the agent is one in which she has been forgiven. When the experience salient to the agent is one in which she has been unforgiven, perceived organizational forgiveness is unlikely to influence punitive intent. In other words,

*Proposition 3: A disciplinary agent's salient transgression experience will moderate the relationship between perceived organizational forgiveness and punitive intent, such that perceived organizational forgiveness and punitive intent will be negatively related when the agent's salient experience is one of being forgiven and unrelated when the agent's salient experience is one of being unforgiven.*

### **The Ethical Misconduct**

Assuming that punishment is imposed in response to a transgression or an act of ethical misconduct, it is reasonable to expect that characteristics of the act of ethical misconduct itself are likely to influence the punitive response towards the transgressor. Based on extant research, at least two dimensions of the offense itself have the potential to moderate the relationship between perceived organizational forgiveness and punitive intent: the severity of the negative consequences of the misconduct to the organization, and the existence of mitigating circumstances.

**Severity of negative consequences.** Disciplinary agents, and individuals in general, may justify their punitive intent in reaction to ethical misconduct using a variety of reasons, including utilitarian rationales such as sending a strong signal to deter future wrongdoing and rehabilitating transgressors (cf. Darley & Pittman, 2003; Graham, Weiner, & Zucker, 1997). However, empirical research (e.g., Carlsmith, Darley & Robinson, 2002; Darley et al., 2000) suggests that the severity with which individuals punish is most sensitive to factors uniquely associated with a “just deserts” or retributive motive (Kant, 1790/1952; Rawls, 1955); that is, punishment is a way to restore an imbalance in the scales of justice created by a transgression, and therefore, the perpetrator deserves to be negatively sanctioned in proportion to the harm done.

Indeed, lay perceptions of the severity of organizational or “white-collar” crime are based on the extent of the damage done, with those resulting in physical harm to some victim (e.g., launching an unsafe product) rated as more severe than those resulting in financial or economic consequences (Meier & Short, 1983; Schrager & Short, 1980). This is consistent with Jones’ (1991) ethical decision-making model, which posits that the magnitude of the consequences of an act or issue compels individuals to use ethical reasoning in making ethical judgments. Furthermore, experimental evidence does support the proposition that, at least naively, individuals assign punishment proportional to the magnitude of the negative consequences of the misconduct. The greater the egregiousness of an offense, experimentally manipulated in terms of the extent to which it results in harm to some victim, the more severe the punishment individuals assign to a fictional transgressor (Carlsmith et al., 2002; Casey & O’Connell, 1999; Miller, Chino, Harney, Haines, & Saavedra, 1986; Oswald, Orth, Aeberhard, & Schneider, 2005). Although punitive intent may also be explained by a disciplinary agent’s sense of moral outrage resulting from perceived malice and intentionality on the part of a transgressor (Darley &

Pittman, 2003; Kahneman et al., 1998), meta-analytic evidence suggests that when the outcome of a negative incident, such as ethical misconduct, is more (as opposed to less) severe, observers attribute greater responsibility to the individual found guilty of the incident and perceive that individual to be more deserving of punishment (Robbennolt, 2000).

Thus, the extent to which an act of ethical misconduct results in serious damage – to individual members of the organization, or to the organization as a whole – will potentially moderate the relationship between perceived organizational forgiveness and punitive intent in reaction such misconduct. The more severe the damage resulting from an act of ethical misconduct, the more salient such damage becomes as a metric on the basis of which punitive intent is formed. Consequently, a disciplinary agent devotes less attention to other available heuristics, such as her perceived organizational forgiveness, for judging the seriousness of the misconduct.

In other words, disciplinary agents who perceive the workplace to be forgiving will tend to be more punitive when the ethical misconduct results in negative consequences that are high in severity than when the misconduct results in negative consequences that are low in severity. Disciplinary agents who perceive the workplace to be unforgiving will tend to be as punitive when the ethical misconduct results in negative consequences that are high in severity as when the misconduct results in negative consequences that are low in severity. Effectively then, the negative relationship between perceived organizational forgiveness and punitive intent will only be manifest when the misconduct results in negative consequences that are low in severity. Conversely, when the misconduct results in negative consequences that are high in severity, the disciplinary agent will tend to punish severely, regardless of her perceived organizational forgiveness. Thus,

*Proposition 4: The severity of the negative consequence of the ethical misconduct will moderate the relationship between perceived organizational forgiveness and punitive intent, such that perceived organizational forgiveness and punitive intent will be negatively related when the ethical misconduct results in negative consequences that are low in severity, and unrelated when the ethical misconduct results in negative consequences that are high in severity.*

**Mitigating circumstances.** Aside from the negative consequences of the misconduct, other facts and circumstances surrounding the offense may also influence punitive reactions. Negative events, such as ethical misconduct, trigger attributional processes that observers and disciplinary agents use in judging the extent to which the transgressor was culpable for the offense, the extent to which the ethical misconduct was within the control of the transgressor, and the extent to which the offense was intentional on the part of the transgressor (cf. Weiner, 1985). Any evidence of mitigating circumstances, in particular, may serve as a basis for observers and disciplinary agents to temper responsibility attributions or blame attributions regarding the misconduct (see Malle, in press; Weiner, 2006). Consequently, the degree to which a transgressor is perceived to be responsible and blameworthy for the ethical misconduct determines punitive reactions towards that transgressor (Alicke, 2000; Schlenker et al., 1994).

Empirical evidence from the work of Weiner and colleagues (e.g., Weiner, Graham, & Reyna, 1997) suggests that individuals begin their punishment decision-making process with an inference about an individual's responsibility for the offense. Based on the actor-observer asymmetry in attribution (Jones & Nisbett, 1971), a disciplinary agent is more likely, at least initially, to see the ethical misconduct as resulting from factors internal to the transgressor (e.g., stable internal dispositions, intentions), although cumulative empirical evidence suggests that



this tendency to make internal attributions might be true only under a specific set of conditions (Malle, 2006). Individual differences in attributional styles (e.g., Grasmick & McGill, 1994) may also increase the likelihood that a disciplinary agent would attribute the misconduct to the transgressor's character, leading the agent to hold the transgressor primarily responsible for the misconduct and consequently, to intend to punish the transgressor very severely (e.g., Cochran, Boots, & Heide, 2003; Young, 1991).

Nevertheless, when asked to make attributions regarding the responsibility of a transgressor for acts and behaviors constituting ethical misconduct, observers and disciplinary agents do not just rely on these initial inferences. Schlenker (1997) argues that they also take into account other available facts and details that may inform this judgment, including the transgressor's autonomy and volitional control in the course of the misconduct. Aside from these mostly objective and observable details surrounding the misconduct, other sources of such information may include accounts (such as excuses and justifications) that transgressors give to explain the misconduct (e.g., Scott & Lyman, 1968; Riordan, Marlin, & Kellogg, 1983).

Based on all of this information, disciplinary agents who perceive transgressors as having a lesser degree of responsibility for the ethical misconduct will experience sympathy for the transgressor and will tend to punish less severely. Conversely, when this additional set of information leads the disciplinary agent to attribute responsibility and blame primarily to the transgressor, the agent experiences anger towards the offender, which increases the likelihood of her imposing a more severe punishment in response to ethical misconduct (Greitemeyer & Weiner, 2006; Weiner, 2004, 2006).

Thus, evidence of mitigating circumstances potentially moderates the relationship between perceived organizational forgiveness and punitive intent. When a disciplinary agent's

perceived organizational forgiveness is high, she is likely to focus her attention away from blaming and blame attributions. Because evidence of mitigating circumstances is essentially a cue suggesting reduced blameworthiness on the part of the transgressor, it is unlikely to constitute a central or crucial consideration in her decision-making process. In other words, disciplinary agents who perceive the workplace to be forgiving will tend to be as punitive when there is legitimate evidence of mitigating circumstances as when there is none. Hence, the influence of perceived organizational forgiveness on the disciplinary agent's inclination to punish the transgressor even less severely will be minimal, if any.

On the other hand, when a disciplinary agent's perceived organizational forgiveness is low, she is more likely to be attuned to stimuli and information that speak to blame attributions. To the extent that the evidence of mitigating circumstances is credible and legitimate, she is more likely to take such evidence into consideration in making punishment decisions. And because evidence of mitigating circumstances displaces some of the responsibility for the misconduct to factors external to the transgressor (e.g., Schlenker, Pontari, & Christopher, 2001), the disciplinary agent is likely to perceive the offender not to be completely responsible for the misconduct. Consequently, the severity of the punitive response decreases. In other words, disciplinary agents who perceive the workplace to be unforgiving will tend to be less punitive when there is legitimate evidence of mitigating circumstances than when there is none.

An important caveat is that the evidence of mitigating circumstances should be perceived by the disciplinary agent to be legitimate (cf. Scott & Lyman, 1968). Attempting to blame the ethical misconduct on situational forces and present these as mitigating circumstances can backfire on a transgressor. For instance, a study by Bellizzi and Norvell (1991) revealed that excuses provided by a fictional salesperson described as being found guilty of committing ethical

misconduct in a vignette did not only fail to neutralize participant punitive intent, but also resulted in harsher disciplinary intentions.

To summarize,

*Proposition 5: Evidence of mitigating circumstances will moderate the relationship between perceived organizational forgiveness and punitive intent, such that the negative relationship will be weaker when there is evidence of mitigating circumstances than when there is none.*

### Summary

In this chapter, I have proposed that perceived organizational forgiveness, an individual perception of the extent to which the organization and the other organizational members are forgiving, shapes punitive intent in response to ethical misconduct in the workplace. I have also proposed a number of moderators which either amplify or attenuate this relationship. Figure 1 summarizes these relationships.

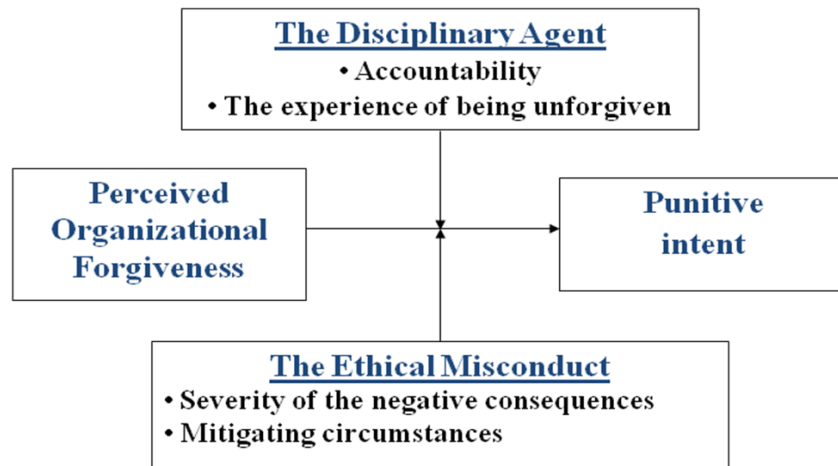


Figure 1 A Model Linking Perceived Organizational Forgiveness and Punitive Intent

In proposing this model, I hope to have extended research into punishment, not only by incorporating the disciplinary agent's perspective of the context into a model explaining punitive intent, but also by drawing attention to the boundedly rational nature of decision-making regarding punishment (cf. Simon, 1955). Although disciplinary agents may engage in deliberate reasoning in the form of weighing available evidence of misconduct and applying formal disciplinary policies, I have argued that their perceptions of organizational forgiveness make their punishment decisions subject to other, less conscious cognitive processes such as anchoring and ethical fading. Moreover, I have also explained how a number of factors involving the disciplinary agent and the ethical misconduct itself potentially moderate the relationship between perceived organizational forgiveness and punitive intent, again through mechanisms that may aptly be described as boundedly rational. In the succeeding chapters, I present studies testing the main effect and the moderating effects I have proposed.

## CHAPTER TWO: LAB STUDY

### Purpose of the Study

The purpose of this experimental study is to examine whether perceived organizational forgiveness influences individuals to punish someone found guilty of ethical misconduct less severely than they otherwise might have done. In addition, this study was designed to investigate whether a disciplinary agent's accountability to an intra-organizational audience and the magnitude of negative consequences of the misconduct separately moderate the relationship between perceived organizational forgiveness and punitive intent. Through an in-basket simulation in which I manipulated perceived organizational forgiveness, accountability, and severity of negative consequences, I tested propositions one, two, and four. Consistent with experimental studies of punishment decision-making in social psychology (e.g., Carlsmith et al., 2002), I operationalized punitive intent in two ways: (i) as a measure of intention to punish, and (ii) as a proposed sanction. Accordingly, I tested the following pairs of hypotheses:

*Hypothesis 1a: Perceived organizational forgiveness will be negatively related to intentions to punish in response to ethical misconduct, such that disciplinary agents who perceive their work organization to be forgiving will report lower levels of intention to punish than agents who perceive their work organization to be unforgiving.*

*Hypothesis 1b: Perceived organizational forgiveness will be negatively related to proposed sanctions in response to ethical misconduct, such that disciplinary agents who perceive their work organization to be forgiving will propose less severe sanctions than agents who perceive their work organization to be unforgiving.*

*Hypothesis 2a: Accountability to an intra-organizational audience will amplify the negative relationship between perceived organizational forgiveness and intention to punish, such that the relationship will be stronger among disciplinary agents whose accountability is high rather than low.*

*Hypothesis 2b: Accountability to an intra-organizational audience will amplify the negative relationship between perceived organizational forgiveness and proposed sanctions, such that the relationship will be stronger among disciplinary agents whose accountability is high rather than low.*

*Hypothesis 3a: The severity of the negative consequence of the ethical misconduct will moderate the relationship between perceived organizational forgiveness and intention to punish, such that perceived organizational forgiveness and intention to punish will be negatively related when the ethical misconduct results in negative consequences that are low in severity, and unrelated when the ethical misconduct results in negative consequences that are high in severity.*

*Hypothesis 3b: The severity of the negative consequence of the ethical misconduct will moderate the relationship between perceived organizational forgiveness and proposed sanctions, such that perceived organizational forgiveness and proposed sanction will be negatively related when the ethical misconduct results in negative consequences that are low in severity, and unrelated when the ethical misconduct results in negative consequences that are high in severity.*

A diagram of the hypotheses being tested is presented in Figure 2.

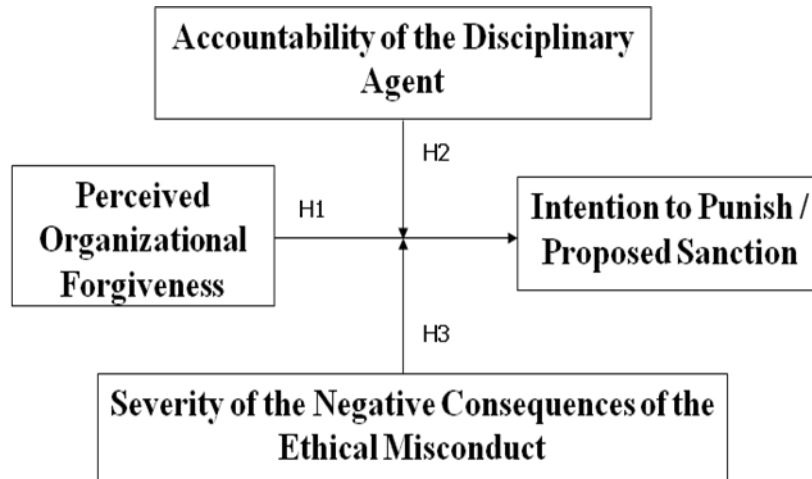


Figure 2 Model for Lab Study

## Method

### Sample and Design

One hundred seventy-three working undergraduate business students at a public university in the southeastern United States voluntarily participated in this in-basket study. Participants were randomly assigned to one of eight conditions of the 2 (perceived organizational forgiveness: high/low) x 2 (accountability: yes/no) x 2 (severity of negative consequences: high/low) factorial design. All of the participants reported working at least 5 hours a week for an average of 28.32 hours a week ( $SD = 11.14$ ), with the average company tenure being 2.68 years ( $SD = 2.57$ ). 36.5% reported that they were working full-time. The average participant was 23.75 years old ( $SD = 3.59$ ). Approximately 43.4% were female and 71.1% were non-Hispanic Caucasian (11.0% self-identified as Hispanic, 7.5% as Black, and 6.4% as Asian).

### Procedure

After reading a cover letter providing participants an overview of the study and their research-related rights, they completed an in-basket exercise. The exercise is a modified version of earlier forms developed and used by Brief and colleagues to measure participant intent to

engage in various behaviors, such as fraudulent financial reporting and employment discrimination (Brief, Dietz, Cohen, Pugh, & Vaslow, 2000; Brief, Dukerich, Brown, & Brett, 1996). In this exercise, participants assumed the role of an assistant manager, Chris Meyer, working for a fictional restaurant, JAKE'S. Presented with a series of memos, the participants indicated their decisions by using the options provided. I deemed the in-basket an appropriate technique for measuring the variables of interest because it allowed me to experimentally manipulate the context within which decisions are made and to measure behavioral intent, particularly punitive intent, in a way that was subtle and realistic (Brass & Oldham, 1976; Dukerich, Milliken, & Cowan, 1990).

To provide participants a context within which they were tasked to make a decision involving punishment, I asked them to read the following vignette, based on a scenario developed by McMahan and Harvey (2006). The vignette appeared as an in-basket memo from James Walters, JAKE'S Controller, from whom Chris Meyer expected a short report and recommendation regarding an act of ethical misconduct.

As per your request, here is what I found out about Steve Atkins, our assistant in charge of ordering and receiving restaurant equipment and supplies, based on reliable information I have gathered from other employees. In the delivery for the week ending July 6, 2007, Steve discovered an espresso maker that, by some mistake, was not ordered and did not appear on the invoice. Steve took the espresso maker home. Our supplier, Jensen Marketing, did not know about Steve's actions until early last week.

The full version of this memo, including the experimental manipulations discussed in the succeeding section, is presented as Appendix A. I informed the participants of the opportunity to be debriefed regarding the purpose and nature of the study, once the study was complete.



## Experimental Manipulations

**Perceived organizational forgiveness.** Perceived organizational forgiveness was manipulated through (1) the description of the fictional restaurant, JAKE’S, that participants read at the beginning of the in-basket, prior to reading the various memos and (2) a statement by another senior manager of JAKE’S, repeating or echoing the company slogan. Participants randomly assigned to the *high perceived organizational forgiveness* condition read the following description of JAKE’S:

...employees describe JAKE’S as a very forgiving workplace. Managers and subordinates alike avoid blaming, finger-pointing, and dwelling on failures, past mistakes, and bad decisions. In addition, people who work at JAKE’S tend to overcome grudges, resentment, or ill-feelings towards co-workers who may have offended them. In casual conversations, JAKE’S employees suggest that if there were to be a company mantra, it would be “Everybody deserves a second chance around here.”

Moreover, in an in-basket memo in which they were asked to make a decision regarding punishing an employee (the punishment intention being the dependent measure, explained in a succeeding sub-section), participants in this condition read a statement from another manager echoing this description of JAKE’S: “Of course, you know what people say around here: everyone deserves a second chance.”

Conversely, participants assigned to the *low perceived organizational forgiveness* condition read the following description of JAKE’S:

...employees describe JAKE’S as a very unforgiving workplace. Managers and subordinates alike tend to engage in blaming and finger-pointing, and to dwell on failures, past mistakes, and bad decisions. In addition, people who work at JAKE’S tend

to harbor grudges, resentment, or ill-feelings towards co-workers who may have offended them. In casual conversations, JAKE'S employees suggest that if there were to be a company slogan, it would be "Zero tolerance" or "There's no such thing as a second chance."

Analogously, in the memo in which they had to make a punishment decision, participants in this condition read a statement from another manager saying "Of course, you know what people say around here: zero tolerance. There's no such thing as a second chance."

**Accountability.** Accountability to an intra-organizational audience was manipulated through (1) a description of the role and responsibilities of Chris Meyer, prior to reading the various memos and (2) a statement regarding accountability that was embedded in one of the memos. As part of the introduction describing their role as Chris Meyer, participants randomly assigned to the *high accountability* condition read the following:

...as assistant manager, you should be aware that your fellow managers as well as senior executives at JAKE'S corporate office will want to be informed of the decisions you make and the actions you take. Thus, you should always be ready to justify these decisions and actions when you are called upon to do so.

In addition, as part of the memo asking them to impose a punishment, participants in the accountable condition will see the following comment made by Barbara Brown, the administrative assistant: "Chris – I'm sure other managers and assistant managers will be interested to see how you deal with this case and how you will justify your decision."

On the other hand, participants assigned to the *low accountability* condition will not read any such statements in either the description of their role as Chris Meyer or in the memos.

**Severity of negative consequences.** The severity of the negative consequences of the ethical misconduct was manipulated through a statement made by Controller James Walters as part of his assessment of the repercussions of Steve's actions with respect to JAKE'S supplier Jensen Marketing. Participants randomly assigned to the *high severity* condition read the following statement embedded in Walters' memo: "Unfortunately, based on my conversation with Jensen's representative, Steve's actions seemed to have made them seriously doubt our credibility as a business customer, which may likely result in more stringent and costly delivery processes for us." On the other hand, participants assigned to the *low severity* condition read the statement: "Based on my conversation with Jensen's representative, Steve's actions did not seem to have damaged our relationship with them in any way. I don't think the incident has any other serious or adverse consequences for JAKE'S as a company."

### **Dependent Measures**

I measured punitive intent by asking participants to consider an appropriate punishment for Steve Atkins, as part of their response to a memo from JAKE'S controller, James Walters. I operationalized punitive intent in response to ethical misconduct in two ways: as intention to punish and as proposed sanction. In addition, I constructed three composite measures of punitive intent based on these measures of intent to punish and proposed sanction.

**Intention to punish.** I measured participants' *intention to punish* as the average of a three-item scale, with which I asked participants to indicate, on a seven-point response format (1 = "strongly disagree," 7 = "strongly agree") the extent to which they agreed with each of the following statements: "I intend to punish Steve severely," "I plan to impose a stiff penalty on Steve for his actions," and "I am inclined to enforce serious negative sanctions on Steve." This

measure of intention to punish had a Cronbach's Alpha of .94, with all items loading onto a single factor.

**Proposed sanction.** In addition, I also asked participants to recommend an appropriate sanction for Steve using a nine-point response format ranging from “no suspension” (coded as 1) to “termination” (coded as 9). A sample memo with both punitive intent measures is shown as Appendix B.

**Composite measures of punitive intent.** For purposes of conducting post-hoc analyses, I constructed indexes or composite measures of punitive intent. Each of these composites is a weighted average of the standardized scores obtained from the three items used to measure intention to punish and the single item measuring proposed sanction. One composite, which I refer to as Punitive Intent (A), was computed as the average of the standardized score on the three-item intention to punish measure and the standardized score on proposed sanction. A second, Punitive Intent (B), was computed as the average of four standardized scores: three scores corresponding to each of the intention to punish items and the fourth corresponding to proposed sanction. A third, Punitive Intent (C), was computed as the average of two components: (i) the average of three standardized scores, corresponding to each of the items on the intention to punish measure, and (ii) the standardized proposed sanction score. All three composite measures were internally consistent (Cronbach's Alpha values were .79, .92, and .79 for the three composites, respectively).

After completing the in-basket exercise and the other measures, I asked participants to self-report demographic information such as age, sex, marital status, race/ethnicity, full time/part time work status, number of hours they work each week, and tenure in their current company.

## **Manipulation Checks**

After participants finished the in-basket exercise, they completed a brief questionnaire that contained the manipulation checks. All the manipulation check items were scored using a seven-point response format (1 = “strongly disagree,” 7 = “strongly agree”).

**Perceived organizational forgiveness.** The effectiveness of the perceived organizational forgiveness manipulation was assessed using a three-item scale asking participants to rate the extent to which they thought that JAKE’S was a company where people “are forgiving,” “dwell on past mistakes or bad decisions,” (reverse-scored) and “tend to harbor grudges ” (reverse-scored). The three items all cleanly loaded onto a single factor, and had a Cronbach’s Alpha of .85. These items were embedded within a scale that included five other items that may be used to describe people in a company such as JAKE’S (see Appendix C).

**Accountability.** The effectiveness of the accountability manipulation was assessed with the item “As assistant manager, I felt that I had to be able to justify my decisions and actions to the other managers.”

**Severity of negative consequences.** Finally, the effectiveness of the severity of negative consequences manipulation was assessed by asking participants to rate the extent to which they felt that Steve Atkins’s action of taking home the espresso maker resulted in serious repercussions for JAKE’S as a company. Two items were used for this manipulation check: “Steve Atkins’ action of taking the espresso maker home has serious negative consequences for JAKE’S” and “Steve Atkins’ action of taking the espresso maker home has grave repercussions for JAKE’S as a company.” The two items were significantly correlated ( $r_{(173)} = .58, p < .001$ ) and had an internal consistency of .73. Hence, they were averaged into an index.

## Results

Table 1 provides the means, standard deviations, and zero-order correlations. Intention to punish was highly correlated with proposed sanction ( $r_{(173)} = .65, p < .001$ ). As expected, the three composite measures were each highly correlated with intention to punish (minimum  $r_{(173)} = .90, p < .001$ ), with proposed sanction (minimum  $r_{(173)} = .80, p < .001$ ), and with each other (minimum  $r_{(173)} = .97, p < .001$ ).

### Manipulation Checks

The manipulation checks were subjected to 2 x 2 x 2 analyses of variance (ANOVAs). As expected, participants assigned to the *high* perceived organizational forgiveness condition viewed JAKE'S as a more forgiving organization ( $M = 5.79, SE = 0.09$ ) than did those assigned to the *low* condition ( $M = 3.27, SE = 0.14$ ), with  $F_{(1,165)} = 216.60$  ( $p < .001$ , partial  $\eta^2 = 0.57$ ). In addition, participants assigned to the *high* accountability condition felt that they had to be able to justify their decisions and action to other managers more than those who were assigned to the *low* condition ( $M = 5.73, SE = 0.12$  and  $M = 5.29, SE = 0.17$ , respectively;  $F_{(1,165)} = 4.50, p < .05$ , partial  $\eta^2 = 0.03$ ). Finally, as anticipated, participants assigned to the *high* severity of negative consequences condition viewed Steve Atkins' action as resulting in severe repercussions for JAKE'S ( $M = 5.13, SE = 0.14$ ) more than did those assigned to the *low* condition ( $M = 4.27, SE = 0.16$ ), with  $F_{(1,165)} = 16.38, p < .001$ , partial  $\eta^2 = 0.09$ . The manipulation checks indicate that the experimental manipulations achieved their purpose. There were no statistically significant "cross-over" effects of the two- and three-way interactions on any of these manipulation checks.

Table 1 Means, Standard Deviations, and Intercorrelations

Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9
1. Perceived Organizational Forgiveness (0 = Low, 1 = High)	0.48	0.50									
2. Accountability (0 = Low, 1 = High)	0.51	0.50	-0.02								
3. Severity of Negative Consequences (0 = Low, 1 = High)	0.52	0.50	0.02	0.06							
4. Age	23.75	3.59	0.07	0.08	-0.13						
5. Sex (1 = Male, 2 = Female)	1.43	0.50	-0.12	-0.06	-0.05	-0.08					
6. Intention to punish	4.95	1.38	-0.13	-0.04	0.18*	0.06	-0.08				
7. Proposed sanction	4.61	2.46	-0.20**	0.03	0.11	-0.07	0.04	0.65***			
8. Punitive Intent (A)	0.00	0.91	-0.18*	-0.01	0.16*	-0.01	-0.02	0.91***	0.91***		
9. Punitive Intent (B)	0.00	0.89	-0.16*	-0.03	0.18*	0.03	-0.05	0.98***	0.80***	0.98***	
10. Punitive Intent (C)	0.00	0.88	-0.18*	-0.01	0.16*	-0.01	-0.02	0.90***	0.91***	1.00***	0.97***

N = 173. \*  $p < .05$ . \*\*  $p < .01$ . \*\*\*  $p < .001$ .

## Analysis

I conducted a three-way multivariate analysis of variance (MANOVA) to examine the effects of perceived organizational forgiveness, accountability, and severity of negative consequences on the two dependent measures. The results of the MANOVA are presented as Table 2. There was no evidence from Box's test to suggest that the variance-covariance matrices of both dependent variables were unequal across the eight cells generated by the 2 x 2 x 2 design (Box's  $M = 18.84$ ,  $F_{(21, 88763.42)} = 0.86$ ,  $p = .64$ ); therefore, I used Wilks'  $\Lambda$  to evaluate the effects.

Table 2 Multivariate Analysis of Variance of Punitive Intent: Lab Study

Effect	Wilks' $\Lambda$	$F_{(2,164)}$	$p$	partial $\eta^2$
Intercept	0.07	1180.53	.000	0.94
POrgForg	0.96	3.42	.035	0.04
Acct	0.99	0.56	.570	0.01
NegCons	0.97	2.81	.063	0.03
POrgForg x Acct	0.97	2.68	.072	0.03
POrgForg x NegCons	0.96	3.84	.023	0.05
Acct x NegCons	0.99	0.47	.625	0.01
POrgForg x Acct x NegCons	1.00	0.08	.925	0.00

*Note.* POrgForg = Perceived Organizational Forgiveness. Acct = Accountability.  
NegCons = Severity of Negative Consequences

The MANOVA results indicate a statistically significant main effect of perceived organizational forgiveness on the combined dependent measures of punitive intent (Wilks'  $\Lambda = 0.96$ ,  $F_{(2,164)} = 3.42$ ,  $p < .05$ ) as well as a statistically significant interaction of perceived organizational forgiveness and the severity of the negative consequences of the ethical misconduct (Wilks'  $\Lambda = 0.96$ ,  $F_{(2,164)} = 3.84$ ,  $p < .05$ ). As a follow up to these MANOVA results, I conducted separate analyses of variance (ANOVAs) for intention to punish and for proposed sanction. The results of the ANOVAs are presented as Table 3.



Table 3 Univariate Analyses of Variance: Lab Study

Source	df	DV = Intention to punish			DV = Proposed sanction		
		MS	F	partial $\eta^2$	MS	F	partial $\eta^2$
Intercept	1	4172.17	2328.79***	0.93	3588.72	632.38***	0.79
POrgForg	1	4.96	2.77 <sup>+</sup>	0.02	39.02	6.88**	0.04
Acct	1	0.93	0.52	0.00	0.13	0.02	0.00
NegCons	1	10.13	5.65*	0.03	12.43	2.19	0.01
POrgForg x Acct	1	0.02	0.01	0.00	16.94	2.99 <sup>+</sup>	0.02
POrgForg x NegCons	1	13.18	7.36**	0.04	27.02	4.76*	0.03
Acct x NegCons	1	1.69	0.94	0.01	2.57	0.45	0.00
POrgForg x Acct x NegCons	1	0.11	0.06	0.00	0.04	0.01	0.00
Error	165	1.79			5.68		
Total	173						

Note. POrgForg = Perceived Organizational Forgiveness. Acct = Accountability. NegCons = Severity of Negative Consequences.

<sup>+</sup>p < .10. \*p < .05. \*\*p < .01. \*\*\*p < .001.

Evidence from the study was consistent with Hypotheses 1a and 1b. As expected, individuals assigned to the *high* perceived organizational forgiveness condition reported the intention to punish Steve less severely ( $M = 4.76, SE = 0.15$ ) than did those assigned to the *low* perceived organizational forgiveness condition ( $M = 5.10, SE = 0.14$ ), although the effect of perceived organizational forgiveness on intention to punish was marginally significant ( $F_{(1,165)} = 2.77, p = .098, \text{partial } \eta^2 = 0.02$ ). Hence, there was marginal support for Hypothesis 1a, as depicted in Figure 3.

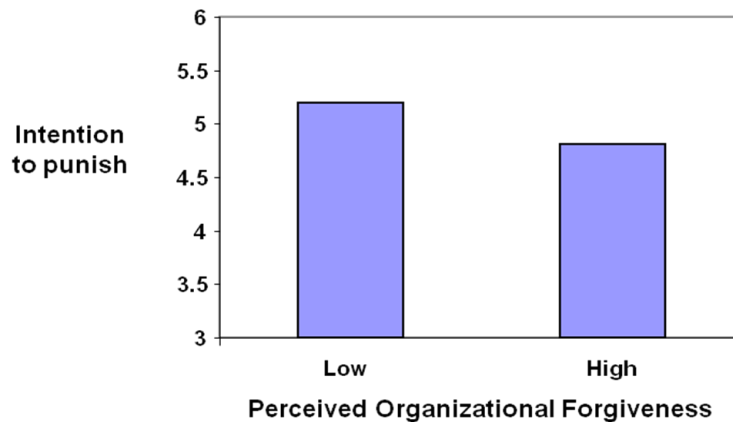


Figure 3 Main Effect of Perceived Organizational Forgiveness on Intention to Punish

On the other hand, the effect of perceived organizational forgiveness on proposed sanction was statistically significant ( $F_{(1,165)} = 6.88, p < .05, \text{partial } \eta^2 = 0.04$ ), with the sanction proposed by individuals assigned to the *high* perceived organizational forgiveness condition being less severe, on average ( $M = 4.10, SE = 0.26$ ), than the sanction proposed by those assigned to the *low* condition ( $M = 5.05, SE = 0.25$ ). Figure 4 depicts the effect of perceived organizational forgiveness on proposed sanction.

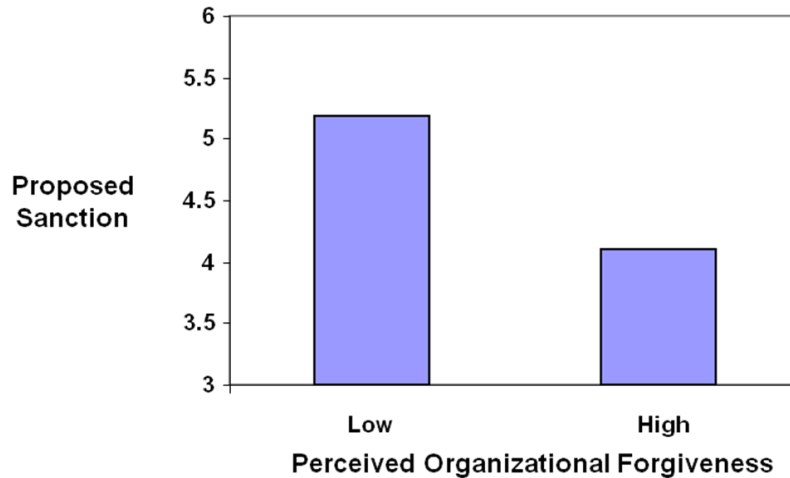


Figure 4 Main Effect of Perceived Organizational Forgiveness on Proposed Sanction

There was not sufficient evidence to support Hypotheses 2a and 2b. Based on a two-tailed criterion, there was no statistically significant interactive effect of perceived organizational forgiveness and accountability on both intention to punish ( $F_{(1,165)} = 0.01, p = .91$ ) and on proposed sanction ( $F_{(1,165)} = 2.99, p = .086$ ). However, given that the pattern of the interaction effect on proposed sanction was in the hypothesized direction, a one-tailed significance test suggests that there was a statistically significant interaction effect on proposed sanction ( $F_{(1,165)} = 2.99, p < .05$ , one-tailed; see Figure 5). Simple effects analysis revealed that perceived organizational forgiveness had a statistically significant simple effect on proposed sanction when accountability was high (simple effect  $F_{(1,87)} = 9.03, p < .01$ ), with participants assigned to the high perceived organizational forgiveness condition proposing less severe sanctions ( $M = 3.82, SE = 0.37$ ) than did those who were assigned to the low perceived organizational forgiveness condition ( $M = 5.40, SE = 0.35$ ). This simple effect was not detected when accountability was low ( $M = 4.39, SE = 0.37$  for high POF and  $M = 4.71, SE = 0.36$  for low POF, simple effect  $F_{(1,82)} = 0.39, p = .54$ ).

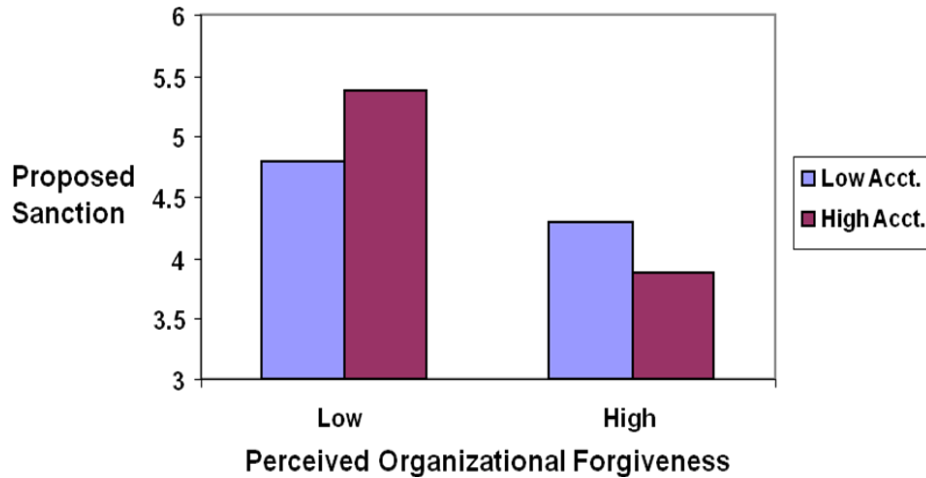


Figure 5 Interaction Effect of Perceived Organizational Forgiveness and Accountability on Proposed Sanction

Lastly, there was a statistically significant interaction effect of perceived organizational forgiveness and severity of negative consequences on both intention to punish ( $F_{(1,165)} = 7.36, p < .01, \text{partial } \eta^2 = 0.04$ ) and proposed sanction ( $F_{(1,165)} = 4.76, p < .05, \text{partial } \eta^2 = 0.03$ ).

However, the interaction effect was not consistent with Hypotheses 3a and 3b. Simple effects analyses revealed that perceived organizational forgiveness had the anticipated effect on punitive intent only when the severity of the negative consequences of the ethical misconduct was high. Specifically, when the severity of the negative consequences of Steve's actions was high, perceived organizational forgiveness had a simple effect on intention to punish ( $F_{(1,88)} = 12.75, p < .001$ ), such that participants assigned to the high perceived organizational forgiveness condition indicated less severe intentions to punish Steve ( $M = 4.74, SE = 0.18$ ) than did those who were assigned to the low perceived organizational forgiveness condition ( $M = 5.62, SE = 0.17$ ). On the other hand, when the severity of the negative consequences of Steve's actions was *low*, the intention to punish reported by participants assigned to the high perceived organizational forgiveness did not significantly differ from that reported by participants in the low condition ( $M$

= 4.58,  $SE = 0.20$  and  $M = 4.81$ ,  $SE = 0.22$ , respectively, simple effect  $F_{(1,83)} = 0.50$ ,  $p = .482$ ; see Figure 6).

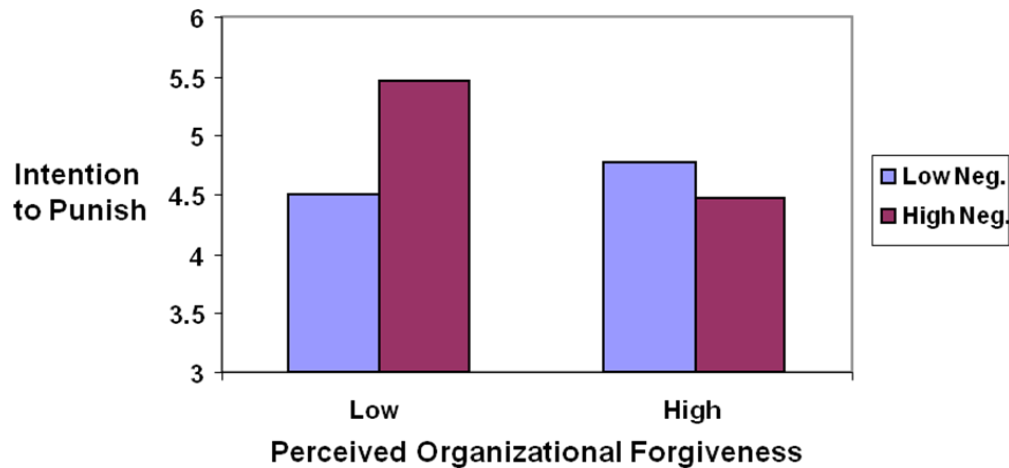


Figure 6 Interaction effect of Perceived Organizational Forgiveness and Severity of Negative Consequences on Intention to Punish

Similarly, perceived organizational forgiveness had a simple effect on proposed sanction when the severity of the negative consequences was high ( $F_{(1,88)} = 13.91$ ,  $p < .001$ ), with participants assigned to the high perceived organizational forgiveness condition proposing less severe sanctions ( $M = 3.96$ ,  $SE = 0.35$ ) than did those who were assigned to the low perceived organizational forgiveness condition ( $M = 5.76$ ,  $SE = 0.34$ ). When the severity of the negative consequences of Steve's actions was *low*, the sanction proposed by participants assigned to the high perceived organizational forgiveness did not significantly differ from that proposed by participants in the low condition ( $M = 4.26$ ,  $SE = 0.40$  and  $M = 4.39$ ,  $SE = 0.37$ , respectively, simple effect  $F_{(1,83)} = 0.06$ ,  $p = .811$ ). Figure 7 depicts this interaction.

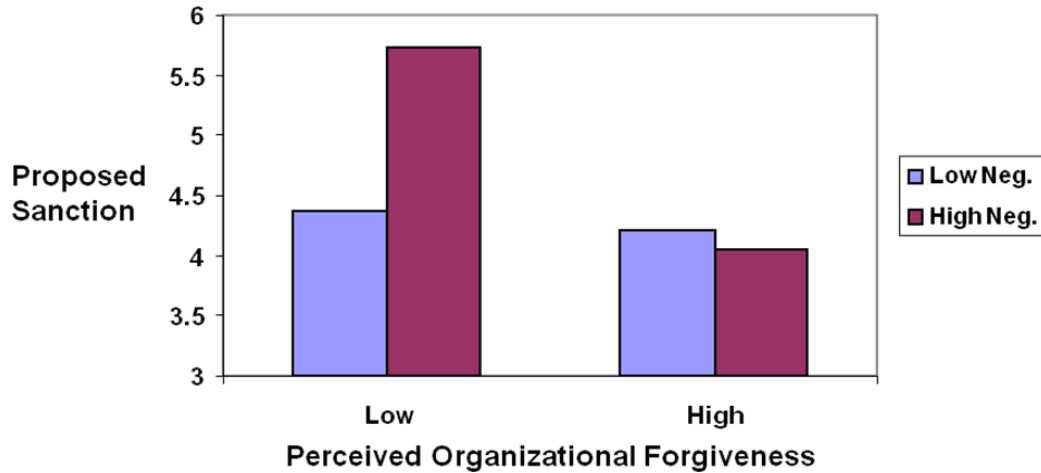


Figure 7 Interaction effect of Perceived Organizational Forgiveness and Severity of Negative Consequences on Proposed Sanction

### Post-hoc Analyses

As part of my follow-up analyses, I examined the hypothesized relationships by running three separate univariate ANOVAs, corresponding to the three composite measures of punitive intent. The results of these post-hoc analyses are summarized in Table 4.

Across all three composite measures, there was evidence of a main effect of perceived organizational forgiveness, consistent with hypotheses 1a and 1b. There was also evidence of the interaction effect of perceived organizational forgiveness and the severity of the negative consequences on each of the three composites, consistent with the patterns detected when intention to punish and proposed sanction were analyzed separately. However, there was no evidence of the interaction effect of perceived organizational forgiveness and accountability.

Table 4 Post-hoc Univariate Analyses of Variance of Composite Measures: Lab Study

Source	df	DV = Punitive Intent (A)			DV = Punitive Intent (B)			DV = Punitive Intent (C)		
		MS	F	partial $\eta^2$	MS	F	partial $\eta^2$	MS	F	partial $\eta^2$
Intercept	1	0.03	0.04	0.00	0.03	0.03	0.00	0.03	0.04	0.00
POrgForg	1	4.31	5.63*	0.03	3.19	4.30*	0.03	4.15	5.72*	0.03
Acct	1	0.08	0.10	0.00	0.21	0.29	0.00	0.07	0.09	0.00
NegCons	1	3.49	4.57*	0.03	3.97	5.35*	0.03	3.26	4.50*	0.03
POrgForg x Acct	1	0.61	0.80	0.01	0.11	0.15	0.00	0.61	0.84	0.36
POrgForg x NegCons	1	5.62	7.35**	0.04	5.74	7.73**	0.05	5.29	7.30**	0.04
Acct x NegCons	1	0.64	0.83	0.01	0.70	0.94	0.01	0.60	0.83	0.01
POrgForg x Acct x NegCons	1	0.01	0.01	0.00	0.02	0.03	0.00	0.01	0.01	0.00
Error	165	0.77			0.74					
Total	173									

Note. POrgForg = Perceived Organizational Forgiveness. Acct = Accountability. NegCons = Severity of Negative Consequences.

\* p < .05. \*\* p < .01. \*\*\* p < .001.

## Discussion

This study examined the influence of perceived organizational forgiveness on a disciplinary agent's punitive intent in response to ethical misconduct. The results provided support for this hypothesized effect, particularly when punitive intent was operationalized as proposed sanction. The results suggest that in response to ethical misconduct, individuals who view their organizational context as forgiving tend to propose less severe sanctions than those who see their organization as unforgiving. There was also evidence of this main effect when punitive intent was operationalized as intention to punish, although the effect became statistically significant only when the consequences of the unethical behavior to the organization were severe. In the concluding chapter, I discuss the implication of these findings to the use of criterion variables in research on punishment decision-making.

Moreover, the results suggest the conditions that appear to attenuate the effect of perceived organizational forgiveness on punitive intent. First, the data were consistent with expectation that the effect would be greater when the disciplinary agent had high accountability as opposed to low accountability. That the effect of perceived organizational forgiveness on proposed sanction was only observed among agents who were assigned to the high accountability condition suggests that having low accountability attenuated the effect. When individuals were put in a situation of low accountability, in which they presumably felt less of a need to justify their decisions to other organizational members, perceived organizational forgiveness did not have an effect on their proposed sanction. One theoretical implication of this finding is that defensive bolstering (Tetlock et al., 1989), which would have potentially amplified the effect of perceived organizational forgiveness on punitive intent, is less likely to be the mechanism underlying the influence of accountability on the relationship between perceived



organizational forgiveness and punitive intent. Instead, the attenuating effect of low accountability is consistent with what Kurzban, DeScioli, and O'Brien (2007) refer to as an audience effect of moralistic punishment. This audience effect refers to the increase in punishment imposed on another individual perceived to have committed a moral violation when the disciplinary agent anticipates that her decision will be revealed to others (e.g., an experimenter, an unknown third party).

In the context of this study, the condition of high accountability serves as a cue to the disciplinary agent that some third party audience is present and will know of the punishment decision. This cue apparently prompts the disciplinary agent to moralistically punish in accordance with the audience's expectations and preferences. The agent estimates these preferences using her perceptions of organizational forgiveness. Consequently, the agent imposes a severe punishment when the audience that will know of the decision is unforgiving and signifies a less severe punishment when that audience is forgiving. Conversely, under low accountability, operationalized as the condition in which there was no indication about the need for the disciplinary agent to justify her decision, there was an absence of such a prompt or cue to punish in accordance with the audience expectations. Hence, there was a nonsignificant effect of perceived organizational forgiveness in this condition.

Second, whereas I proposed that severe negative consequences of the unethical behavior would attenuate the effect of perceived organizational forgiveness on punitive intent, the data suggest the opposite. The results showed the influence of perceived organizational forgiveness on both intention to punish and proposed sanction only when the unethical conduct being punished had severe negative consequences for the organization. When the unethical behavior did not have serious negative implications for the organization, there was no effect of perceived

organizational forgiveness. To the extent that disciplinary agents use their perceptions of organizational forgiveness as a heuristic for making punishment decisions, this finding suggests that disciplinary agents tend to rely more on relevant cues provided by the organizational context (i.e., cues on forgiveness when the decision involves punishment) when the offense is more serious than when it is less serious. Punishing an offense that produced serious damage to an organization is a high-stakes decision, compared to punishing an offense that resulted in little damage to an organization. In such high-stakes decision contexts, the desire for accuracy among decision makers is heightened (e.g., Kahn & Baron, 1995). Thus, disciplinary agents seek out more information and maximize the use of available information, including their perceptions of organizational forgiveness, when punishing more serious offenses relative to when they punish less serious offenses.

Although the factorial experimental design of Study 1 allows for testing the causal effects of perceived organizational forgiveness and the moderating effects of accountability and the severity of the negative consequences of the offense, one potential limitation of this study is its external validity. To what extent do disciplinary agents' perceptions of perceived organizational forgiveness in their actual organizations influence their punishment decision making? This is the main impetus for the field study presented in Chapter Three.

## CHAPTER THREE: FIELD STUDY

### Purpose of the Study

Similar to Study 1, the purpose of this study is to examine the hypothesized negative relationship between perceived organizational forgiveness and punitive intent in response to ethical misconduct. In addition, this study also aims to investigate the moderating effects of a disciplinary agent's salient transgression experience and the presence of mitigating circumstances surrounding the ethical misconduct. Through a field experiment in which I measured perceived organizational forgiveness and manipulated both the participant's salient transgression experience and the presence of mitigating circumstances in a vignette depicting ethical misconduct, I tested Propositions 1, 3, and 5, as indicated in Chapter One. Consistent with the lab study and with experimental studies of punishment decision-making in social psychology (e.g., Carlsmith et al., 2002), I again operationalized punitive intent in two ways: (i) as a measure of intention to punish, and (ii) as a proposed sanction. Accordingly, I tested the following pairs of hypotheses:

*Hypothesis 1a: Perceived organizational forgiveness will be negatively related to intentions to punish in response to ethical misconduct.*

*Hypothesis 1b: Perceived organizational forgiveness will be negatively related to proposed sanctions in response to ethical misconduct.*

*Hypothesis 2a: A disciplinary agent's salient transgression experience will moderate the relationship between perceived organizational forgiveness and intention to punish, such that perceived organizational forgiveness and intention to punish will be negatively*

*related when the agent's salient experience is one of being forgiven and unrelated when the agent's salient experience is one of being unforgiven.*

*Hypothesis 2b: A disciplinary agent's salient transgression experience will moderate the relationship between perceived organizational forgiveness and proposed sanction, such that perceived organizational forgiveness and proposed sanction will be negatively related when the agent's salient experience is one of being forgiven and unrelated when the agent's salient experience is one of being unforgiven.*

*Hypothesis 3a: Evidence of mitigating circumstances will moderate the relationship between perceived organizational forgiveness and intention to punish, such that the negative relationship will be weaker when there is evidence of mitigating circumstances than when there is none.*

*Hypothesis 3b: Evidence of mitigating circumstances will moderate the relationship between perceived organizational forgiveness and proposed sanction, such that the negative relationship will be weaker when there is evidence of mitigating circumstances than when there is none.*

A diagram of the hypotheses being tested is presented in Figure 8.

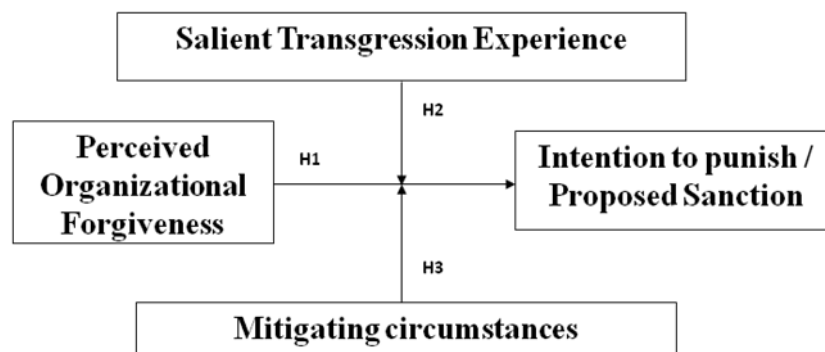


Figure 8 Model for Field Study

## Method

### Sample and Design

Two hundred nineteen working undergraduate business students at a public university in the southeastern United States voluntarily participated in this field study in which perceived organizational forgiveness was measured, as opposed to manipulated. Participants were randomly assigned to one of four conditions of the 2 (salient transgression experience: unforgiven/forgiven) x 2 (mitigating circumstances: present/absent) factorial design. Fifty-two participants (23.74%) did not respond substantively to the salient transgression experience manipulation or failed to complete both dependent measures (e.g., did not write anything on the space provided, or indicated that the situation was not applicable to them) and were excluded from the final sample. All of the 167 participants in the final sample reported working at least 9 hours a week for an average of 28.82 hours a week ( $SD = 10.67$ ), with the average company tenure being 2.58 years ( $SD = 2.68$ ). With the final sample, 38.3% reported that they were working full-time. The average participant was 24.05 years old ( $SD = 4.15$ ). Approximately 43.7% were female and 61.1% were non-Hispanic Caucasian (18.0% self-identified as Hispanic, 9.0% as Asian, and 7.2% as Black).

### Procedure

After reading a cover letter providing them an overview of the study and their research-related rights, participants were asked to complete several tasks as part of the field survey. I asked them to recall and summarize a work-related experience in which they were either forgiven or not forgiven for a transgression they had committed. I then provided them a context within which they were to indicate their punitive intent in response to ethical misconduct. Specifically, I asked them to read the following vignette, in response to which they would have

to signify their punitive intent. I patterned the vignette after that embedded in the lab study in-basket, based on a scenario developed by McMahon and Harvey (2006):

Imagine that you are a manager of your current work organization. Working for you is Steve Atkins, an administrative assistant in charge of ordering equipment and supplies. Based on credible information that you gathered from other employees, Steve discovered an espresso maker in a delivery he received around three months ago. Your company did not order the espresso maker, and it did not appear on the invoice. Steve took it home without informing the supplier and the delivery person about it, and has since sold it online.<sup>1</sup>

Finally, I asked the participants to complete other measures, including a scale measuring perceived organizational forgiveness. As with the lab study, I offered participants the opportunity to be debriefed regarding the purpose and nature of the study, after all participants had completed the survey.

### **Experimental Manipulations**

**Salient transgression experience.** The experience of being unforgiven (versus forgiven) was manipulated through an incident-recall exercise typical of the methodological paradigm used to study transgression-specific forgiveness and forgiveness interventions (McCullough & Worthington, 1999). Participants randomly assigned to the [*un*]forgiven condition read the following instructions, with elements adapted from similar recall exercises (e.g., Baumeister, Stillwell, & Wotman, 1990; Freedman & Enright, 1996; McCullough, Worthington, & Rachal, 1997; Miller, 1992; Zechmeister & Romero, 2002):

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<sup>1</sup> Based on a pilot test that included individuals working full-time in non-restaurant settings (N = 24), there was no evidence that an espresso maker was inappropriate for a vignette.

Nearly everyone has, at some point, treated a co-worker, subordinate, or boss in such a way that may have hurt or offended them. It may have been unintentional or intentional. But it may have led to a sense of injustice, of being hurt, or a betrayal of trust on the part of the other person. Spend a few moments to recall a work-related incident in which you were [*not*] forgiven by someone whom you may have hurt or offended. Visualize in your mind what that person said in deciding [*not*] to forgive you, and how you felt during that moment. In the spaces provided below, write a 3-5 sentence summary of the incident. Whenever possible, describe your experience in detail, but feel free to withhold identifying information (e.g., names, places, company, dates) in writing your summary.

**Mitigating circumstances.** The existence of mitigating circumstances surrounding Steve Atkins' ethical misconduct was manipulated by providing additional information regarding his reasons for taking home the espresso maker and selling it online. In the condition in which evidence of mitigating circumstances was *present*, participants read the following additional sentences:

When you talked with Steve about his actions, he explained that he took the espresso maker and sold it online because he needed the money to pay for the medical bills of his wife, who is sick of cancer. You have verified from other employees that indeed, he was having a hard time making ends meet since his wife got sick.

On the other hand, participants assigned to the condition in which evidence of mitigating circumstances was *absent* read the following information:

When you talked with Steve about his actions, he explained that he took the espresso maker and sold it online because he needed the money to pay for his credit card

bills. You have verified from other employees that indeed, he was having a hard time making ends meet because of his credit card debt.

### **Independent Variables and Potential Covariates**

**Perceived organizational forgiveness.** To assess the participant's perceived organizational forgiveness of his or her current workplace, I used the three-item measure of organizational forgiveness developed by Cameron et al. (2004). On a seven-point response format (1 = "to a small extent," 7 = "to a large extent"), I asked participants to rate the extent to which they think the following statements are true of their current work organization: "We try to learn from our mistakes here; consequently, missteps are quickly forgiven," "This is a forgiving, compassionate organization in which to work," and "We have very high standards of performance, yet we forgive mistakes when they are acknowledged and corrected." Based on a principal components analysis, all three items loaded on a single factor and had a Cronbach's Alpha of .79.

**Social desirability.** As a potential covariate, I measured each participant's propensity to respond in socially desirable ways initially using *revised Form XI*, a seven-item subset of Crowne and Marlowe's (1960) Social Desirability Scale that Fischer and Fick (1993, p. 423) described as one of the two subscales that was "superior to all of the other scales," having "acceptable internal consistency." The seven items loaded onto two factors, based on a principal components analysis. Three items loaded onto a single factor but had extremely low internal consistency (Cronbach's Alpha = .39). The other four-item subset, which consisted of items that were all reverse-scored, cleanly loaded onto a second factor, with a modest internal consistency of .62. I used the average rating from these four items ("I sometimes feel resentful when I don't get my way," "There are times when I felt like rebelling against people in authority even though



I knew they were right,” “There have been times when I was quite jealous of the good fortune of others,” and “I am sometimes irritated by people who ask favors of me”) as a measure of social desirability. The items used a five-point response format (1 = “to a small extent,” 5 = “to a large extent”).

**Perceived Unethicality of Steve’s Actions.** As a covariate potentially useful for a post-hoc analysis of the mechanisms underlying the relationship between perceived organizational forgiveness and punitive intent, I also assessed the participants’ ethical tolerance by measuring their perceptions of the extent to which Steve’s actions were unethical. After participants had read the vignette and before they indicated their intention to punish and their proposed sanction, I asked them to rate on a seven-point response format (1 = “to a small extent,” 7 = “to a large extent”), the extent to which they agreed with following statements: “What Steve did was a major breach of ethical standards,” and “Steve’s actions constitute grave misconduct.” Because the two items were highly correlated ( $r = .69, p < .001$ ), I took their average as a measure of perceived unethicality of Steve’s actions. Cronbach’s Alpha for this two-item measure was .82.

**Tendency to Forgive.** As another potential covariate that may account for variance in punishment intentions, I also assessed the participants’ dispositional tendency to forgive. I measured this tendency to forgive using Brown’s four-item (2003) scale, with which participants rated on a seven-point response format (1 = “almost always false of me,” 7 = “almost always true of me”) the extent to which thought statements about forgiving were true of themselves. Sample items were “I tend to get over it quickly when someone hurts my feelings” and “I have a tendency to harbor grudges” (reverse-scored). Cronbach’s Alpha for this four-item measure was .69.

**Demographic variables.** After completing the in-basket and other measures, I asked participants to self-report demographic information such as age, sex, marital status, race/ethnicity, full time/part time work status, number of hours they work each week, and tenure in their current company.

### **Dependent Measures**

I measured punitive intent by asking participants to consider an appropriate punishment for Steve Atkins. As I did with the lab study, I operationalized punitive intent in response to a transgression in two ways: as intention to punish and as proposed sanction. As I did in the lab study, I constructed three composite measures or indexes of punitive intent based on these measures of intent to punish and proposed sanction, for purposes of conducting post-hoc analyses.

**Intention to punish.** I measured participants' *intention to punish* as the average of a three-item scale, with which I asked them to indicate, on a seven-point response format (1 = "strongly disagree," 7 = "strongly agree") the extent to which they agreed with each of the following statements: "If I were Steve's manager, I would punish him severely," "If I were Steve's manager, I would impose a stiff penalty on him for his actions," and "If Steve were my subordinate, I would enforce serious negative sanctions on him." This measure of intention to punish had a Cronbach's Alpha of .88, with all items loading onto a single factor.

**Proposed sanction.** In addition, I asked participants to recommend an appropriate sanction for Steve using a nine-point response format ranging from "no suspension" (coded as 1) to "termination" (coded as 9).

**Composite measures of punitive intent.** Analogous to what I did in the lab study, I created three composite measures of punitive intent as weighted averages of the standardized

scores obtained from the three items used to measure intention to punish and the single item measuring proposed sanction. The first, Punitive Intent (A), was computed as the average of the standardized score on the three-item intention to punish measure and the standardized score on proposed sanction. Punitive Intent (B), the second, was computed as the average of four standardized scores: three scores corresponding to each of the intention to punish items and the fourth corresponding to proposed sanction. The third, Punitive Intent (C), was computed as the average of two components: (i) the average of three standardized scores, corresponding to each of the items on the intention to punish measure, and (ii) the standardized proposed sanction score. All three composite measures were internally consistent (Cronbach's Alpha values were .73, .87, and .74 for the three composites, respectively).

### **Manipulation Checks**

**Salient transgression experience.** The effectiveness of the salient transgression experience manipulation was assessed by asking participants to rate the extent to which the word “unforgiven” describes them at that moment, using a five-point response format (1 = “very slightly or not at all,” 5 = “extremely”). This single-item manipulation check was embedded within the twenty-item Positive and Negative Affect Schedule (PANAS; Watson, Clark, & Tellegen, 1988) and was administered immediately following the incident-recall manipulation.

**Mitigating circumstances.** To assess the effectiveness of the mitigating circumstances manipulation, I asked participants to rate the extent to which they felt that there were circumstances that attenuated Steve Atkins' responsibility for what he did, using a seven-point response format (1 = “strongly disagree,” 7 = “strongly agree”). Two items were used for this manipulation check: “There are aspects of Steve's circumstances that make him less blameworthy for his actions” and “The reason Steve gave for taking the espresso maker and

selling it online makes him less culpable for his actions.” The two items were significantly correlated,  $r_{(167)} = .43$ ,  $p < .001$  and had an internal consistency of .61. Given that both sentences were stated in terms of less responsibility on the part of Steve, higher average scores on these two items reflect perceptions of a lower degree of culpability on Steve’s part.

## Results

Table 5 provides the means, standard deviations, and zero-order correlations. As with Study 1, intention to punish was highly correlated with proposed sanction ( $r_{(167)} = .58$ ,  $p < .001$ ). Age was significantly correlated with both intention to punish ( $r_{(167)} = .20$ ,  $p < .01$ ) and proposed sanction ( $r_{(167)} = .24$ ,  $p < .01$ ). Sex was significantly correlated with proposed sanction ( $r_{(167)} = .16$ ,  $p < .05$ ), with women proposing more severe sanctions than men ( $M = 4.64$ ,  $SE = 0.34$  and  $M = 3.80$ ,  $SE = 0.24$ , respectively, with  $t_{165} = 2.08$ ,  $p < .05$ ). As expected, the three composite measures were each also highly correlated with intention to punish (minimum  $r_{(167)} = .88$ ,  $p < .001$ ), with proposed sanction (minimum  $r_{(167)} = .76$ ,  $p < .001$ ), and with each other (minimum  $r_{(173)} = .97$ ,  $p < .001$ ). Social desirability was not significantly correlated with any of the dependent measures with the exception of Punitive Intent (A) ( $r_{(167)} = .16$ ,  $p < .05$ ).

Table 5 Means, Standard Deviations, and Intercorrelations: Field Study Variables

Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11	12
1. Perceived Organizational Forgiveness	5.21	1.23												
2. Salient transgression experience (-1 = Forgiven, 1 = Unforgiven)	-0.01	1.00	-0.08											
3. Mitigating Circumstances (-1 = Absent, 1 = Present)	0.01	1.00	-0.02	-0.04										
4. Age	24.03	4.15	0.00	0.08	0.02									
5. Sex (1 = male, 2 = female)	1.44	0.50	0.09	0.07	0.03	0.08								
6. Social Desirability	3.43	0.75	-0.05	-0.01	0.03	0.07	0.14							
7. Intention to punish	4.75	1.54	0.10	0.03	-0.39***	0.20**	0.06	0.14						
8. Proposed Sanction	4.17	2.64	0.05	0.01	-0.17*	0.24**	0.16*	0.14	0.58***					
9. Punitive Intent (A)	0.00	0.89	0.09	0.02	-0.32***	0.25**	0.12	0.16*	0.89***	0.89***				
10. Punitive Intent (B)	0.01	0.85	0.10	0.02	-0.37***	0.23**	0.10	0.15	0.97***	0.76***	0.97***			
11. Punitive Intent (C)	0.00	0.85	0.09	0.02	-0.32***	0.25**	0.13	0.15	0.88***	0.90***	1.00***	0.97***		
12. Perceived Unethicality of Offense	5.75	1.31	0.12	0.02	-0.30***	0.15	0.18*	0.15	0.71***	0.44***	0.65***	0.70***	0.64***	
13. Tendency to Forgive	4.14	1.16	0.08	-0.03	-0.10	0.01	-0.09	0.37***	0.08	0.01	0.05	0.07	0.05	0.07

N = 167. \*p < .05. \*\*p < .01. \*\*\*p < .001.

## Manipulation Checks

The manipulation checks were subjected to 2 x 2 analyses of covariance (ANCOVAs) in order to control for the positive correlation between age and the manipulation check for the salient transgression experience ( $r = .16, p < .05$ ) and for the possible spillover effect of one manipulation on the manipulation check measure of the other variable. As expected, participants assigned to the *unforgiven* experience condition reported feeling more unforgiven ( $M = 1.63, SE = 0.11$ ) than did those assigned to the *forgiven* condition ( $M = 1.35, SE = 0.09$ ), with  $F_{(1,161)} = 3.55$  (one-tailed  $p = .03$ , partial  $\eta^2 = 0.02$ ). In addition, participants assigned to the mitigating circumstances *present* condition saw Steve Atkins as less culpable or blameworthy for his actions ( $M = 3.60, SE = 0.16$ ) than did those assigned to the *absent* condition ( $M = 2.34, SE = 0.13$ ), with  $F_{(1,163)} = 36.72, p < .001$ , partial  $\eta^2 = 0.19$ . There were no statistically significant cross-over effects of the two-way interaction between salient experience and mitigating circumstances on any of these manipulation checks.

## Analysis

I conducted two separate moderated multiple regressions to examine the effects of perceived organizational forgiveness, salient transgression experience, and mitigating circumstances on each of the dependent measures. Because cumulative empirical evidence suggests that age and sex predict ethical cognition (e.g., Borkowski & Ugras, 1998; O'Fallon and Butterfield, 2005), I included age and sex as controls in regression analyses whenever they systematically accounted for significant variation in each of the dependent measures. Thus, because age was significantly correlated with both intention to punish and proposed sanction, I included age as a control in both regression analyses. Moreover, given that sex was significantly correlated with proposed sanction, I included it as a control variable in the regression analysis of

proposed sanction. In addition, I mean-centered perceived organizational forgiveness and centered the dichotomous independent variables, salient transgression experience and mitigating circumstances, around zero.

I entered the relevant control variables in the regression equation in step 1. Perceived organizational forgiveness, salient transgression experience, and mitigating circumstances were then entered as predictor variables in step 2. Two-way and three-way interaction terms were then entered as predictors in steps 3 and 4. Although I did not hypothesize a three-way interaction among the independent variables, I included a three-way interaction term in the final regression models because Table 6 shows the moderated multiple regression results for both intention to punish and proposed sanction.

Table 6 Moderated Multiple Regression Analyses: Field Study

Predictors	DV = Intention to Punish								DV = Proposed Sanction							
	Step 1		Step 2		Step 3		Step 4		Step 1		Step 2		Step 3		Step 4	
	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$
Age	0.08 (0.03)	0.20**	0.08 (0.03)	0.21**	0.07 (0.03)	0.19**	0.06 (0.03)	0.16*	0.14 (0.05)	0.22**	0.15 (0.05)	0.23**	0.14 (0.05)	0.21**	0.13 (0.05)	0.20*
Sex									0.75 (0.40)	0.14	0.77 (0.40)	0.15	0.92 (0.40)	0.17*	0.93 (0.40)	0.18*
POrgForg			0.11 (0.09)	0.09	0.10 (0.09)	0.08	0.13 (0.09)	0.11			0.07 (0.16)	0.04	0.05 (0.16)	0.02	0.07 (0.16)	0.03
SalientExp			0.01 (0.11)	0.01	0.01 (0.11)	0.01	0.02 (0.10)	0.02			-0.06 (0.20)	-0.02	-0.06 (0.20)	-0.02	-0.05 (0.20)	-0.02
Mit			-0.60 (0.11)	-0.39***	-0.58 (0.11)	-0.38***	-0.56 (0.10)	-0.37***			-0.48 (0.20)	-0.18*	-0.46 (0.19)	-0.18*	-0.45 (0.19)	-0.17*
POrgForg x SalientExp					0.27 (0.09)	0.22**	0.24 (0.09)	0.19**					0.39 (0.16)	0.18*	0.36 (0.16)	0.17*
POrgForg x Mit					0.00 (0.10)	0.00	-0.02 (0.09)	-0.02					0.05 (0.16)	0.03	0.04 (0.16)	0.02
SalientExp x Mit					0.07 (0.11)	0.04	0.07 (0.10)	0.04					0.20 (0.20)	0.08	0.21 (0.20)	0.08
POrgForg x SalientExp x Mit							0.22 (0.09)	0.18*							0.16 (0.17)	0.07
F	6.90**		10.30***		7.62***		7.66***		6.65**		3.98**		3.37**		3.09**	
Adj R <sup>2</sup>	0.03		0.18		0.22		0.24		0.06		0.08		0.10		0.10	
$\Delta R^2$	0.04**		0.16***		0.05*		0.03*		0.08**		0.04		0.04		0.01	

Note. POrgForg = Perceived Organizational Forgiveness. SalientExp = Salient Transgression Experience. Mit = Mitigating Circumstances.  
\* p < .05. \*\* p < .01. \*\*\* p < .001.



There was a non-significant positive relationship between perceived organizational forgiveness and intention to punish ( $r_{(167)} = .10$ ,  $p = .20$ ;  $\beta = .11$ ,  $p = .13$ ). Thus, hypothesis 1a was not supported. There was also a non-significant positive relationship between perceived organizational forgiveness and proposed sanction ( $r_{(167)} = .05$ ,  $p = .49$ ;  $\beta = .03$ ,  $p = .68$ ). Thus, hypothesis 1b was not supported.

To determine whether evidence from the study was consistent with Hypothesis 2a, I examined the statistically significant effect of the interaction of perceived organizational forgiveness and salient transgression experience on intention to punish ( $\beta = .19$ ,  $t = 2.72$ ,  $p < .01$ ) in light of the significant three-way interaction with mitigating circumstances ( $\beta = .18$ ,  $p < .05$ ;  $\Delta R^2 = .03$ ,  $\Delta F_{(1,158)} = 6.13$ ,  $p < .05$ ; cf. Aiken & West, 1991). Perceived organizational forgiveness and salient transgression experience did have a significant interaction effect on intention to punish for participants assigned to the *present* mitigating circumstances condition ( $\beta = .37$ ,  $t = 3.57$ ,  $p < .01$ ; see Figure 9), but not for those assigned to the *absent* mitigating circumstances condition ( $\beta = .01$ ,  $t = 0.11$ ,  $p = .91$ ; see Figure 10). Consistent with hypothesis 2a, there was a statistically significant negative relationship between perceived organizational forgiveness and intention to punish (simple slope =  $-0.38$ ,  $t = -2.47$ ,  $p < .05$ ) among participants assigned to the *forgiven* salient transgression experience condition. However, contrary to hypothesis 2a, there was also evidence of a statistically significant *positive* relationship between perceived organizational forgiveness and intention to punish (simple slope =  $0.63$ ,  $t = 3.83$ ,  $p < .001$ ) among participants for whom an *unforgiven* transgression experience was salient. Thus, hypothesis 2a was partly supported.

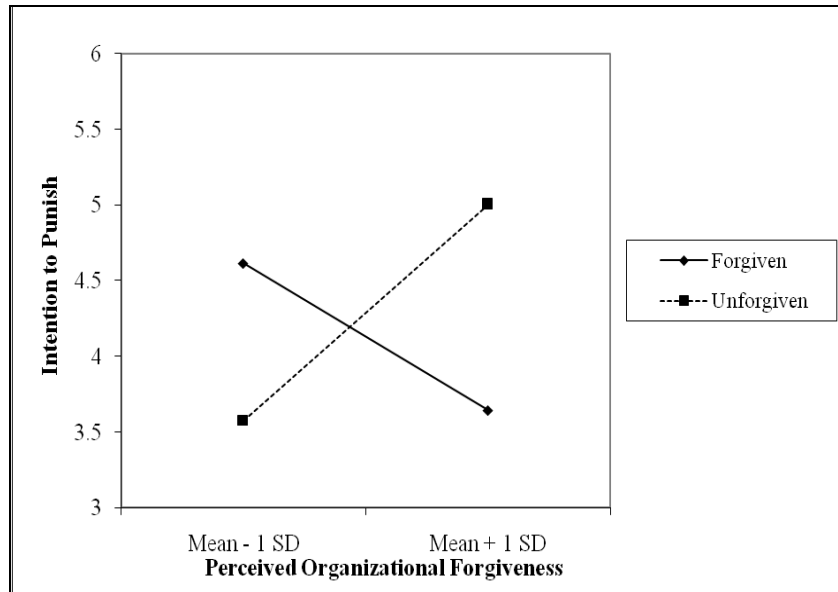


Figure 9 Interaction Effect of Perceived Organizational Forgiveness and Salient Transgression Experience on Intention to Punish (Mitigating Circumstances Present Condition)

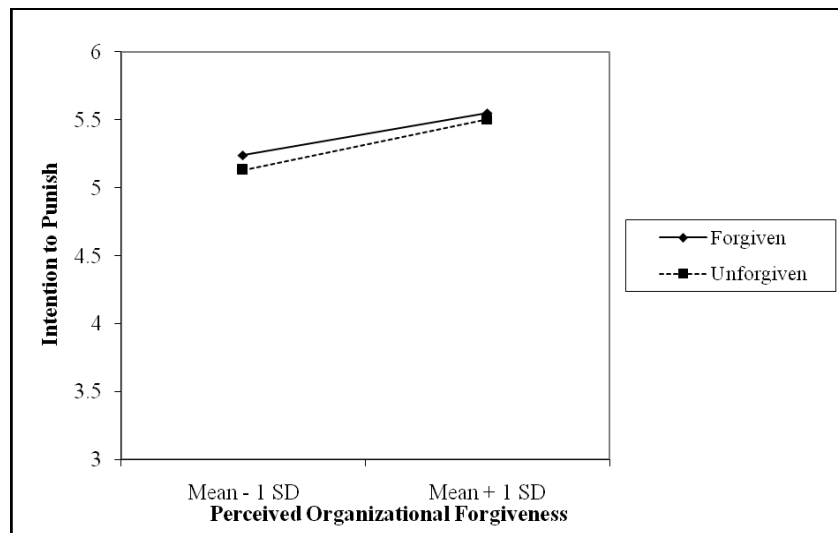


Figure 10 Interaction Effect of Perceived Organizational Forgiveness and Salient Transgression Experience on Intention to Punish (Mitigating Circumstances Absent Condition)

There was no three-way interaction among perceived organizational forgiveness, salient transgression experience, and mitigating circumstances, when the dependent measure was proposed sanction. Nevertheless, there was an observed interaction effect of perceived

organizational forgiveness and salient transgression experience on proposed sanction ( $\beta = .17, t = 2.20, p < .05$ ; see Figure 11). Consistent with hypothesis 2b, there was a negative, albeit non-significant, relationship between perceived organizational forgiveness and proposed sanction among participants assigned to recall a transgression experience in which they were forgiven (simple slope =  $-0.28, t = -1.14, p = .26$ ). However, contrary to hypothesis 2b, there was evidence of a statistically significant positive relationship between perceived organizational forgiveness and proposed sanction among participants for whom an *unforgiven* transgression experience was salient (simple slope =  $0.47, t = 2.06, p < .05$ ). Thus, hypothesis 2b was not supported.

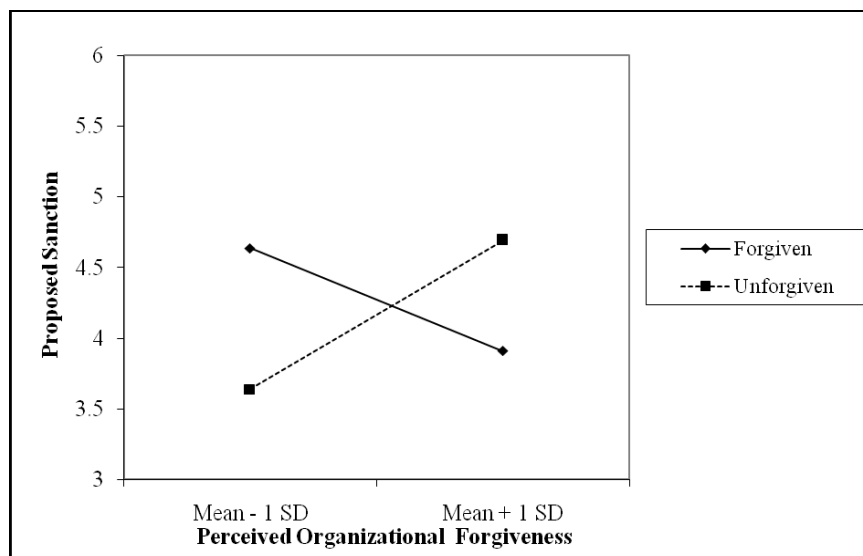


Figure 11 Interaction Effect of Perceived Organizational Forgiveness and Salient Transgression Experience on Proposed Sanction

Finally, although there was a main effect of mitigating circumstances on intention to punish ( $\beta = -.37, t = -5.41, p < .001$ ) such that participants who read that Steve' Atkins needed to pay for his wife's medical bills indicated less severe punishment intentions than those who read that Steve did what he did to pay for his credit cards ( $M = 4.15, SE = 0.17$  and  $M = 5.34, SE = 0.13$ , respectively), the interaction between perceived organizational forgiveness and mitigating

circumstances was not statistically significant ( $\beta = -.01$ ,  $t = -0.21$ ,  $p = .84$ ). Thus, hypothesis 3a was not supported. Analogously, although participants who read the vignette with mitigating circumstances *present* tended to propose a significantly less severe sanction than those who read the version where mitigating circumstances were absent ( $M = 3.71$ ,  $SE = 0.28$  and  $M = 4.63$ ,  $SE = 0.29$ , respectively;  $\beta = -.17$ ,  $t = -2.31$ ,  $p < .05$ ), there was no statistically significant interaction effect of perceived organizational forgiveness and mitigating circumstances on proposed sanction ( $\beta = .02$ ,  $t = 0.25$ ,  $p = .81$ ). Hypothesis 3b was not supported.

### **Post-hoc Analysis**

As part of my follow-up analyses, I examined the hypothesized relationships by running three separate moderated multiple regressions, corresponding to the three composite measures of punitive intent. The results of these post-hoc analyses are summarized in Tables 7 and 8.

Across all three composite measures, the pattern of effects was consistent with those detected when intention to punish and proposed sanction were analyzed separately. There was a main effect of mitigating circumstances and an interaction effect of perceived organizational forgiveness and salient transgression experience on each of the composite measures. The effect of the three-way interaction among the predictors was significant only for Punitive Intent (B). Given that this was the composite measure with which the intention to punish items received an aggregate weighting three times that of the proposed sanction item, this finding is not surprising and is consistent with the three-way interaction discussed earlier.

Table 7 Post-hoc Moderated Multiple Regression Analyses: Field Study

Predictors	DV = Punitive Intent (A)								DV = Punitive Intent (B)							
	Step 1		Step 2		Step 3		Step 4		Step 1		Step 2		Step 3		Step 4	
	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$
Age	0.05 (0.02)	0.24**	0.05 (0.02)	0.24**	0.05 (0.02)	0.23**	0.04 (0.02)	0.20**	0.05 (0.02)	0.23**	0.05 (0.01)	0.24**	0.05 (0.01)	0.23**	0.04 (0.01)	0.19**
Social Desirability	0.17 (0.09)	0.14	0.19 (0.09)	0.15*	0.17 (0.08)	0.15*	0.16 (0.08)	0.14								
POrgForg			0.06 (0.05)	0.09	0.06 (0.05)	0.08	0.07 (0.05)	0.09			0.06 (0.05)	0.09	0.06 (0.05)	0.08	0.07 (0.05)	0.11
SalientExp			-0.00 (0.06)	-0.01	-0.00 (0.06)	-0.00	0.00 (0.06)	0.00			-0.01 (0.06)	-0.01	-0.01 (0.06)	-0.01	-0.00 (0.06)	-0.00
Mit			-0.29 (0.06)	-0.32***	-0.28 (0.06)	-0.31***	-0.27 (0.06)	-0.30***			-0.32 (0.06)	-0.38***	-0.31 (0.06)	-0.37***	-0.30 (0.06)	-0.35***
POrgForg x SalientExp					0.15 (0.05)	0.20**	0.13 (0.05)	0.18*					0.15 (0.05)	0.21**	0.13 (0.05)	0.18*
POrgForg x Mit					-0.00 (0.05)	0.00	-0.01 (0.05)	-0.01					0.00 (0.05)	0.00	-0.01 (0.05)	-0.01
SalientExp x Mit					0.06 (0.06)	0.06	0.06 (0.06)	0.06					0.05 (0.06)	0.06	0.05 (0.06)	0.06
POrgForg x SalientExp x Mit							0.09 (0.05)	0.13							0.12 (0.05)	0.17*
F	7.13**		7.61***		6.02***		5.74***		9.38**		10.34***		7.59***		7.52***	
Adj R <sup>2</sup>	0.07		0.17		0.20		0.21		0.05		0.19		0.22		0.24	
$\Delta R^2$	0.08**		0.11***		0.04*		0.01		0.05**		0.15***		0.05*		0.03*	

Note. POrgForg = Perceived Organizational Forgiveness. SalientExp = Salient Transgression Experience. Mit = Mitigating Circumstances.  
\* p < .05. \*\* p < .01. \*\*\* p < .001.

Table 8 Additional Post-hoc Moderated Multiple Regression Analysis: Field Study

Predictors	DV = Punitive Intent (C)							
	Step 1		Step 2		Step 3		Step 4	
	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$	<i>b</i> (SE <i>b</i> )	$\beta$
Age	0.05 (0.02)	0.25**	0.05 (0.02)	0.26**	0.05 (0.01)	0.24**	0.04 (0.02)	0.21**
Social Desirability								
POrgForg			0.06 (0.05)	0.08	0.05 (0.05)	0.07	0.06 (0.05)	0.09
SalientExp			-0.01 (0.06)	-0.02	-0.01 (0.06)	-0.01	-0.00 (0.06)	-0.01
Mit			-0.27 (0.06)	-0.32***	-0.26 (0.06)	-0.31***	-0.26 (0.06)	-0.30***
POrgForg x SalientExp					0.14 (0.05)	0.20**	0.12 (0.05)	0.18*
POrgForg x Mit					0.01 (0.05)	0.01	0.01 (0.05)	0.00
SalientExp x Mit					0.06 (0.06)	0.07	0.06 (0.06)	0.07
POrgForg x SalientExp x Mit							0.10 (0.05)	0.14
F	10.69**		8.32***		6.17***		5.94***	
Adj R <sup>2</sup>	0.06		0.15		0.18		0.19	
$\Delta R^2$	0.06**		0.11***		0.04*		0.02	

Note. POrgForg = Perceived Organizational Forgiveness. SalientExp = Salient Transgression Experience. Mit = Mitigating Circumstances.  
\*p < .05. \*\*p < .01. \*\*\*p < .001.

To explore the potential mechanisms underlying the effect of the interaction between perceived organizational forgiveness and salient transgression experience on punitive intent, I first examined the relationships between these predictors and the affective states of guilt and anger (i.e., hostility), which the participants self-reported when they completed the PANAS as part of the manipulation check. Neither guilt nor anger was correlated with perceived organizational forgiveness, salient transgression experience, or the interaction between the two predictors.

Next, I examined how a disciplinary agent's ethical tolerance, operationalized as the agent's perception of the unethicity of Steve's offense, serves as a mechanism explaining the interaction effect of perceived organizational forgiveness and salient transgression experience on punitive intent. Among those assigned to the mitigating circumstances present condition, I found the correlation between the interaction of perceived organizational forgiveness and salient transgression experience (i.e., the product term) and perception of unethicity of Steve's offense to be statistically significant ( $r_{(85)} = .36, p < .01$ ). In addition, the correlations between this perception of unethicity and each of the dependent measures were also statistically significant. The correlation between perceived unethicity and intention to punish was  $r_{(85)} = .67 (p < .001)$  and the correlation between perceived unethicity and proposed sanction was  $r_{(85)} = .47 (p < .001)$ . Given these relationships, I conducted a mediated moderation analysis using methods suggested by Edwards and Lambert (2007). Because the correlation between the interaction of perceived organizational forgiveness and salient transgression experience and the disciplinary agent's perceptions of unethicity of Steve's actions was not statistically significant among participants assigned to the mitigating circumstances absent condition ( $r_{(83)} = .05, p = .69$ ), I confined my post-hoc mediated moderation analysis of intention to punish to those assigned to the mitigating circumstances present condition.

The results of the mediated moderation analyses for intention to punish are summarized in Table 9, with the simple effects at each of the levels of the salient transgression experience (unforgiven vs. forgiven) indicated in Table 10.

Table 9 Mediated Moderation Regression Analyses: DV = Intention to Punish

Predictor	DV = Perceived Unethicality		DV = Intention to Punish	
	Model 1	Model 2	Model 3	Model 4
Age				0.06
Sex		0.88**		
POrgForg	0.10	0.04	0.03	0.03
SalientExp	-0.02	-0.02		
POrgForg x SalientExp	0.41***	0.46***		
Perceived Unethicality			0.73***	0.70***
Adj R <sup>2</sup>	0.11	0.19	0.44	0.46
F	4.41**	5.84***	34.26***	24.72***

N = 85, corresponding to participants assigned to the Mitigating Circumstances *present* condition. Numbers are unstandardized regression coefficients.  
 \* p < .05. \*\* p < .01. \*\*\* p < .001.

Table 10 Mediated Moderation Regression Simple Effects: DV = Intention to Punish

Salient Transgression Experience	Stage		Effect		
	First	Second	Direct	Indirect	Total
Unforgiven	0.51**	0.73**	0.03	0.37**	0.41**
Forgiven	-0.32*	0.73**	0.03	-0.23*	-0.20

N = 85, corresponding to participants assigned to the Mitigating Circumstances *present* condition. Effects were computed based on unstandardized regression coefficients.  
 \* p < .05. \*\* p < .01

Consistent with the moderated multiple regression analysis of intention to punish, perceived organizational forgiveness and salient transgression experience exhibited a statistically significant interaction effect on the disciplinary agent’s perception of the unethicality of Steve’s action (b = 0.41, p < .001, Model 1) when mitigating circumstances surrounding Steve Atkins’ action were present. This was true even controlling for the effect of sex on perceived unethicality (b = 0.46, p < .001, Model 2). The simple effects analysis summarized in Table 10 suggest that when an experience of being unforgiven in the workplace was salient to the disciplinary agent, perceived organizational forgiveness and perceptions of the unethicality of



Steve's action were positively related (simple effect = 0.51,  $p < .01$ ). On the other hand, they were negatively related when an experience of being forgiven was the one that was salient to the agent (simple effect = -0.32,  $p < .05$ ). In turn, the higher the perceived unethicity of Steve's action, the more severe the agent's intention to punish (simple effect = 0.73,  $p < .001$ , Model 3). The indirect effect of perceived organizational forgiveness on intention to punish, mediated by the agent's perceived unethicity of Steve's action, was positive when the experience salient to the agent was one of being unforgiven (indirect effect = 0.37,  $p < .01$ ). It was negative when the salient experience was one of being forgiven (indirect effect = -0.23,  $p < .05$ ). Figure 12 illustrates these mediated relationships for the unforgiven and the forgiven groups.

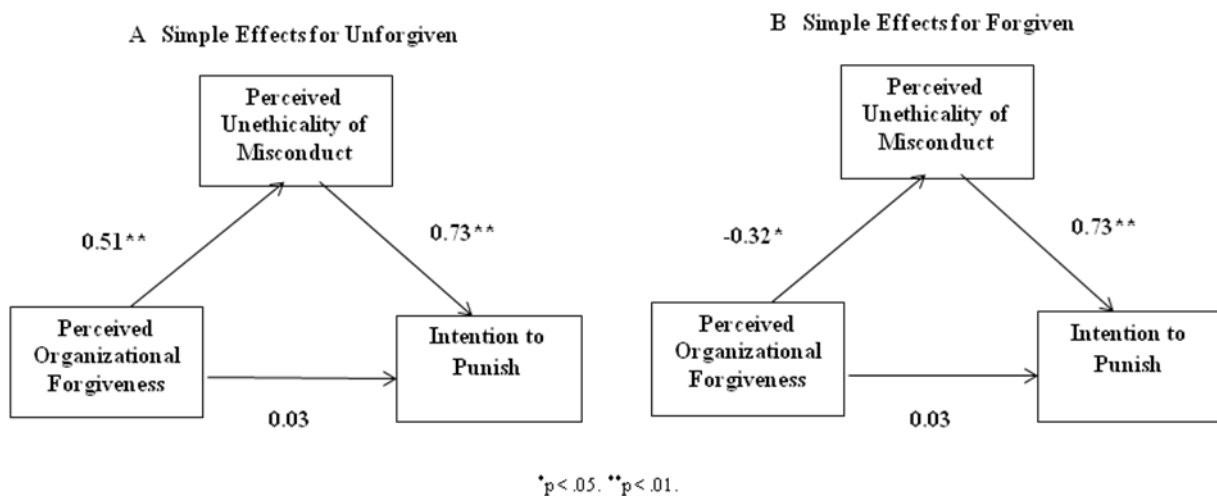


Figure 12 Mediated Models Showing Simple Effects for Unforgiven (Panel A) and Forgiven (Panel B) Participants (DV = Intention to Punish)

There was evidence of a similar mediated moderation pattern when punitive intent was operationalized as proposed sanction. Table 11 summarizes the results. Table 12 shows the corresponding simple effects at each of the levels of the salient transgression experience (unforgiven vs. forgiven).

Table 11 Mediated Moderation Regression Analyses: DV = Proposed Sanction

Predictor	DV = Perceived Unethicality		DV = Proposed Sanction	
	Model 1	Model 2	Model 3	Model 4
Age				0.11***
Sex		0.53**		0.40
POrgForg	0.12	0.09	0.00	-0.00
SalientExp	0.04	0.03		
POrgForg x SalientExp	0.26**	0.29***		
Perceived Unethicality			0.88***	0.81***
Adj R <sup>2</sup>	0.06	0.09	0.18	0.21
F	4.33**	5.15**	19.66***	11.96**

N = 167. Numbers are unstandardized regression coefficients. \* p < .05. \*\* p < .01. \*\*\* p < .001.

Table 12 Mediated Moderation Regression Simple Effects: DV = Proposed Sanction

Salient Transgression Experience	Stage		Effect		
	First	Second	Direct	Indirect	Total
Unforgiven	0.38**	0.88**	0.00	0.33**	0.33*
Forgiven	-0.14	0.88**	0.00	-0.12	-0.12

N = 167. Effects were computed based on unstandardized regression coefficients. \* p < .05. \*\* p < .01.

Perceived organizational forgiveness and salient transgression experience exhibited a statistically significant effect on the disciplinary agent's perception of the unethicality of Steve's action ( $b = 0.26, p < .01$ ), which, in turn, was positively related to the severity of the sanction proposed by the agent ( $b = 0.88, p < .001$ ). This time, the indirect effect of the interaction of perceived organizational forgiveness and salient transgression experience on proposed sanction, mediated by the agent's perceived unethicality of Steve's action, was statistically significant when the experience salient to the agent was one of being unforgiven (indirect effect = 0.33,  $p < .01$ ) but nonsignificant when the salient experience was one of being forgiven (indirect effect = -0.12, n.s.). Figure 13 illustrates these mediated relationships for the unforgiven and the forgiven

groups.

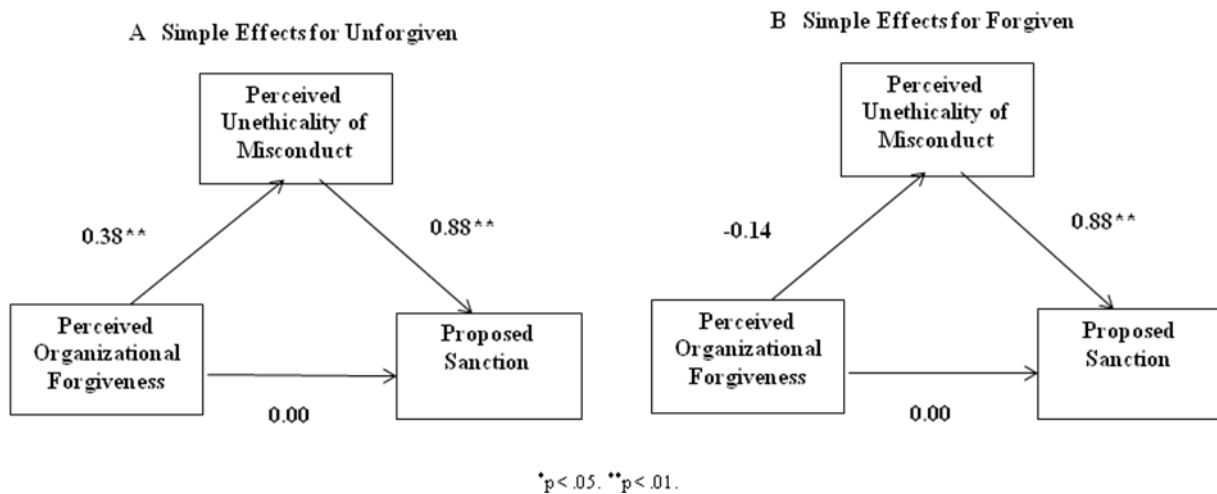


Figure 13 Mediated Models Showing Simple Effects for Unforgiven (Panel A) and Forgiven (Panel B) participants (DV = Proposed Sanction)

## Discussion

The purpose of this study was to examine the relationship between perceived organizational forgiveness and punitive intent, drawing on participants' perceptions of and experience of forgiveness in actual organizational settings. There was no evidence of the hypothesized main effect of perceived organizational forgiveness on punitive intent, operationalized either as intention to punish or proposed sanction. That said, the results of the study suggest the conditions under which perceived organizational forgiveness is related (or unrelated) to punishment intentions.

First, there was evidence of the hypothesized negative relationship between perceived organizational forgiveness and the measure of intention to punish. More importantly, that relationship was evident when the transgression experience salient to the disciplinary agent was one in which she herself was forgiven *and* when there were mitigating circumstances surrounding the transgressor's unethical behavior. When mitigating circumstances regarding the

unethical behavior were absent, perceived organizational forgiveness and intention to punish were not related. The observed main effect of mitigating circumstances suggests that participants who had no information that would mitigate an offender's responsibility for an unethical act tended to indicate higher levels of punitive intent than those who are made aware of mitigating circumstances.

One way of interpreting these results, taken together, is that perceived organizational forgiveness serves as a heuristic that anchors intentions to punish only when the disciplinary agent has experienced being forgiven *and* information that potentially diminishes attributions of responsibility to the offender are present. In the absence of such information, a disciplinary agent apparently attributes responsibility for the unethical act solely to the offender, making a heuristic such as perceived organizational forgiveness less salient and critical with respect to her intention to punish.

The finding that seems to be more robust is the positive relationship between perceived organizational forgiveness and punitive intent when the transgression experience salient to the disciplinary agent was one of being unforgiven, as opposed to being forgiven. Disciplinary agents for whom an experience of being unforgiven was salient seemed to be more punitive the more they saw their organizational context as forgiving, and less punitive the more they saw their organizational context as unforgiving. Apparently, it is when an experience of *not* being forgiven in a forgiving organizational context is salient to disciplinary agents that they increase their desire to punish and propose more severe sanctions in response to ethical misconduct. This is a counterintuitive relationship that deserves closer study.

The post-hoc analyses discount the roles that guilt and anger play as potential mechanisms underlying what I proposed as the interaction effect of perceived organizational

forgiveness and salient transgression experience on punitive intent. Instead, these post-hoc analyses suggest that the combination of the experience of being denied forgiveness and the perception of a forgiving organizational context heightens a disciplinary agent's ethical intolerance (i.e., increases her perception that an ethical misconduct is serious). In turn, this high level of ethical intolerance prompts the agent to be more punitive in response to ethical misconduct, both in terms of the agent's intention to punish and proposed sanction.

One possible explanation for this is that individuals who remember being unforgiven in a forgiving organization experience a form of *contextual dissonance*, a discrepancy between an individual's social characteristics or experience and those of the people who surround her or him (cf. Rosenberg 1962, 1977). A disciplinary agent with this dissonant experience (i.e., being unforgiven in a forgiving organizational context) may tend to make that agent more sensitive to distinctions between what is "good" and what is "bad." Faced with the task of making a judgment about ethical misconduct, such individuals apparently tend to compensate for the past damage for which they were unforgiven, by hewing to behavior that is normative and "moral." In doing so, the individual seems to develop an intolerance for unethical behavior, which translates into higher levels of intention to punish and more severe proposed sanctions in response to ethical misconduct.

In summary, data from this field study suggested a more nuanced relationship between perceived organizational forgiveness and punitive intent. In the final chapter, I discuss how one might reconcile the seemingly contradictory findings from this study with those from the lab study. I also note the limitations and implications of these studies.

## **CHAPTER FOUR: OVERALL DISCUSSION AND CONCLUSIONS**

The overarching purpose of this dissertation was to extend research into punishment by examining the influence of contextual factors in shaping punishment decisions. Specifically, I investigated the relationship between a disciplinary agent's perceived organizational forgiveness and punitive intent in response to ethical misconduct. Evidence from the two empirical studies I reported suggests that the extent to which a disciplinary agent sees her organization as forgiving accounts for that person's decision to punish unethical behavior. Data from the lab study suggest that the sanctions proposed by decision-makers who perceived the organizational context as forgiving were less severe than those proposed by disciplinary agents who saw the organizational context as unforgiving. In addition, evidence from the experiment suggests that the effect of perceived organizational forgiveness on punitive intent is attenuated when the agent is less accountable to other organizational members and when the ethical misconduct results in less severe negative consequences to the organization.

On the other hand, evidence from the field study suggests that the hypothesized negative relationship between perceived organizational forgiveness and punitive intent holds only under certain conditions. More precisely, disciplinary agents who perceive their organization as forgiving tend to indicate lower levels of intention to punish than those who see their organization as less forgiving, when two conditions hold: (a) when an experience of being forgiven is salient to them, and (b) when there are mitigating or extenuating circumstances surrounding the ethical misconduct. Surprisingly, the evidence suggests that under other conditions, the relationship between perceived organizational forgiveness and punitive intent appears to be positive. Specifically, disciplinary agents who perceive their organization as

forgiving tend to indicate higher levels of intention to punish and propose more severe sanctions than those who see their organization as less forgiving, when an experience of being unforgiven is salient to them.

One way to reconcile these two seemingly inconsistent sets of findings is to take into account the distributional nonequivalence<sup>2</sup> of perceived organizational forgiveness across the two studies (cf. Cooper & Richardson, 1986). In the lab study, the negative relationship between perceived organizational forgiveness and punitive intent was observed over two “extreme” levels of perceived organizational forgiveness: high (“forgiving”) and low (“unforgiving”). In the field study, the non-negative relationship between perceived organizational forgiveness and punitive intent was observed, for the most part, over a narrower range of levels, mostly in the upper half of the perceived organizational forgiveness scale (i.e.,  $M = 5.21$ ,  $SD = 1.23$ ). This is not to say that perceived organizational forgiveness, as an independent variable, suffered from range restriction in Study 2, as responses among participants ranged from 1 to 7 on the seven-point response format. However, across the two studies, there is a potential distributional nonequivalence, in the Cooper and Richardson (1986) sense, because values of perceived organizational forgiveness in Study 2 did not vary over the whole range of possible levels as did values in Study 1.

Thus, it is possible that the relationship between perceived organizational forgiveness and punitive intent observed in Study 1 is not inconsistent with that observed in Study 2. For instance, the relationship between the two variables may be a nonlinear function that is not strictly monotonic. In this case, the average level of punitive intent could still be lower among agents who see their organization as forgiving than among those who see their organization as

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<sup>2</sup> By distributional nonequivalence between two variables, Cooper and Richardson (1986) meant that the realized values of one factor or variable do not vary over an equivalent range of realized values of the other variable.

unforgiving. But among those who see the organization as forgiving (i.e., those whose mean perceived organizational forgiveness scores lie in the upper half of a scale using an n-point response format), the relationship between perceived organizational forgiveness and punitive intent may be positive, negative, or essentially zero, depending on the types of information salient to the disciplinary agent (e.g., the agent's transgression experience, the mitigating circumstances surrounding the unethical act). The potential nuances of the form of the relationship between perceived organizational forgiveness and punitive intent is an empirical issue that future research can explore.

Before pointing out the implications of this dissertation for research and practice, it is important to consider some of its limitations and the directions for future research that these limitations suggest.

### **Limitations**

One limitation of this dissertation is the cross-sectional design of the studies. This is less of an issue for Study 1, because the predictor variables were manipulated and participants were randomly assigned to experimental conditions. However, the design can raise concerns about causal inferences in Study 2, in which perceived organizational forgiveness and punitive intent were measured at a single point in time. In addition, the cross-sectional design of these studies assumes that perceptions of organizational forgiveness are relatively stable over time.

Controlling for the effect of the demographic and psychological covariates whose bivariate correlations with the punitive intent measures were statistically significant (i.e., age, sex, and social desirability) reduces this threat to internal validity. Future research using longitudinal designs may address issues surrounding causal inference and the stability of perceptions.



A second limitation is the way in which I defined and operationalized forgiveness. Among scholars of forgiveness within the behavioral sciences, there has been an on-going debate about the nature and definition of forgiveness. Some insist on a strictly intrapersonal definition of forgiveness, with the process of overcoming negative cognitions, feelings, and attitudes towards a transgressor at its core (e.g., Aquino et al., 2003; Worthington, 2006). Others acknowledge this intrapersonal component, but also emphasize an equally necessary interpersonal dimension that includes a transgression victim's willingness to resume pre-transgression patterns of interaction with the offender, manifested in actual behaviors (e.g., Baumeister, et al. 1998; Rusbult et al., 2005). Although Cameron and Caza (2002) emphasized the intrapersonal aspects of forgiveness in workplace settings, Cameron et al. (2004) defined and operationalized forgiveness at the organizational level on the basis of interpersonal aspects of forgiveness (e.g., being compassionate, forgiving mistakes quickly).

An assumption I made in defining perceived organizational forgiveness as an individual's perception and belief that the organization and the organizational members are quick to forgive mistakes and missteps by other organizational members is that forgiveness subsumes *both* dimensions. This was evident in my operationalization of perceived organizational forgiveness in Study 1, in which I explicitly described the forgiving organization as one in which people avoid dwelling on failures and past mistakes *and* tend to overcome resentment or ill-feelings. This may not have been as evident or explicit in Study 2, in which the measure of perceived organizational forgiveness I used (i.e., the measure developed by Cameron et al., 2004) taps mainly into the "forgiving mistakes" aspect of forgiveness. Given that laypeople typically associate forgiveness (or the word "forgive") with both intrapersonal and interpersonal dimensions (Lawler-Row, Scott, Raines, Edlis-Matityahou, & Moore, 2007; Younger, Piferi,

Jobe, & Lawler, 2004), assuming that the study participants also see forgiveness as subsuming both dimensions is a reasonable one to make. Nevertheless, future empirical research could tease out the effects of each of these dimensions of forgiveness on punishment decisions.

Third, punitive intent was measured in response to a particular incidence of employee theft. There are other forms of ethical misconduct in the workplace that may be perceived either as more serious or less outrageous than the Steve Atkins incident. In this sense, the generalizability of the patterns of punitive intent observed may be limited. That said, the vignette used in the studies seemed to be substantively appropriate and realistic, based on pilot-testing. It also appeared to be methodologically appropriate in terms of reducing the likelihood of ceiling and floor effects.

Given these limitations, the results of these empirical studies still have important implications for the study not only of punishment, but also of forgiveness. In addition, these findings have potential implications for the practice of management.

### **Implications for Research**

This dissertation extends research on punishment decision-making in several ways. First, it highlights the role played by contextual factors in shaping punishment decisions. Although extant research in social psychology (e.g., Darley et al., 2000; Carlsmith, 2006) has demonstrated the influence of contextual factors on punishment decision-making, these factors have, for the most part, been circumstances surrounding the object of the punishment – the perpetrator or the transgression. In demonstrating that a disciplinary agent's perceived organizational forgiveness influences her punishment decisions, this dissertation incorporates the decision-maker's context as an antecedent to punishment decisions. It thereby calls attention to the role of factors that are likely to be independent of the nature of the offender or the offense being punished.

Theoretically, incorporating elements of the decision-maker's context into models of punishment decision-making facilitates the development of more comprehensive models explaining intentions to punish. Given that variation in punishment decisions is not entirely explained by elements of the transgression or characteristics of the transgressor, examining perceived organizational forgiveness (and other similar organizational context factors) as antecedent to punishment decisions raises interesting questions and opens opportunities to examine more subtle influences that shape punitive judgment. Much of the debate within social psychology regarding the motives individuals have for punishing assumes that punishment justifications (e.g., retribution, incapacitation, moral outrage) and attributions are associated with unique aspects of transgressions (see Carlsmith, 2006). Examining perceived organizational forgiveness and other similar factors regarding the disciplinary agent's context relaxes such assumptions, as well as assumptions about the rationality of the agent and the sources of her moral outrage. To the extent that a disciplinary agent's perceptions regarding the unethicity of a morally questionable act are indicative of her moral outrage and ethical tolerance, the post-hoc analyses presented in the second study suggest that a combination of contextual factors that are forgiveness-related have the potential to make individuals more ethically sensitive. In other words, these findings suggest that the moral outrage that drives punishment intentions may be influenced by contextual factors independent of the offense that is the target of punishment.

Second, this dissertation proposed and demonstrated that punishment, at least from a disciplinary agent's perspective, is related to forgiveness. Although philosophers, theologians, and lay persons have long associated forgiveness with punishment and have grappled with the nuances surrounding the relationship between these two concepts, social scientists have, for the most part, examined punishment independently of forgiveness. The only exceptions within the

behavioral sciences are recent work by Aquino, Bies, and Tripp (e.g., Aquino, Bies, & Tripp, 2006; Tripp, Bies, & Aquino, 2007), which has examined punitive revenge and forgiveness as alternative responses to interpersonal transgressions. Considering forgiveness as a contextual variable (cf. Cameron et al., 2004), I extend the literature on punishment by integrating the role that forgiveness plays as an antecedent to punishment decisions.

One by-product of examining forgiveness as an antecedent to punitive intent is that this dissertation also extends research on the interpersonal consequences of forgiveness. Whereas there has been a rich literature on the *intrapersonal* consequences of forgiveness (e.g., the health benefits of forgiving to the forgiving individual), there has been very limited study regarding the consequences of forgiveness on individuals who have been forgiven or unforgiven (for recent exceptions, see Kelln and Ellard, 1999 and Wallace et al., 2008). In particular, the results of this dissertation draw attention to potential unintended consequences of forgiveness on individuals who are not the victims of transgression. Scholars of the positive psychology and positive organizational behavior traditions have viewed forgiveness as good and unforgiveness as less than desirable. To the extent that moralistic punishment (i.e., punishing ethical misconduct) is “good” and “ethical,” the results of these dissertation studies suggest that an unforgiving context may also promote judgment that is “good” and “ethical” among disciplinary agents.

In Study 1, the mean intention to punish and mean proposed sanction were highest among participants assigned to the condition where the organizational context was unforgiving and the negative consequences of the ethical misconduct to the organization were severe. That the confidence interval of the mean intention to punish and confidence interval of proposed sanction did not overlap (for the most part) with the other confidence intervals of the mean in this unforgiving-high negative consequences condition suggests that these higher levels of punitive

intent were less likely to be the result of unsystematic variability in the dependent measures. In addition, this suggests that higher punishment intentions were driven by an unforgiving context, in combination with a serious offense.

In Study 2, the mean intention to punish and mean proposed sanction were apparently highest among participants assigned to the contextually dissonant condition of having been denied forgiveness in a forgiving organization. Given the pattern of results in Study 1, these results raise the possibility that an unforgiving context, whether in terms of a psychological climate or a salient personal experience, may interact with other contextual factors to induce disciplinary agents to engage in higher levels of moralistic punishment.

Lastly, the results of this dissertation suggest that scholars studying punishment should take a second look at criterion variables used in punishment research. Although the two measures of punitive intent, intention to punish and proposed sanctions, were significantly correlated in both studies, they differed in terms of the extent to which they were influenced by perceived organizational forgiveness and the moderators used. In previous experimental studies on punishment in social psychology, similar “dual operationalizations” of punishment have been used. For instance, in the research of Darley and colleagues (e.g., Carlsmith et al., 2002; Darley et al., 2000), “appropriate punishment severity,” analogous to the intention to punish measure used in this dissertation, usually appears as a two-item measure with a seven-point response format. A “sentencing scale,” analogous to the proposed sanction measure used in this dissertation, usually appears in a 13-point response format ranging from *not guilty* to *life sentence*. Similar to the results of this dissertation, those previous studies have reported high correlations between these analogous dependent measures (i.e., as high as .91). However, contrary to the pattern of results I found, those studies reported negligible differences in the

patterns of results across the two measures. Apart from psychometric differences between the measures used in this dissertation and the measures used in previous studies, one factor that may explain the differences in patterns of results between intention to punish and proposed sanction is the context in which experimental studies on punishment have been carried out. For instance, business students with work experience who are tasked to punish an unethical employee (as is the case in these dissertation studies) may draw a sharper distinction between their desire to punish and the actual sanction they propose than undergraduate students who are tasked to punish an individual guilty of violating criminal statutes (as is the case in the other social psychology studies). Whether the “psychological proximity” between the participants and the transgressors, or some other factor, is driving the difference in the pattern of results found in this dissertation is a question for future research on punishment decision-making.

Aside from these research implications, the findings from this dissertation also have potential implications for practice.

### **Implications for Practice**

The results of these studies suggest that at least under certain conditions, perceptions of organizational forgiveness have the potential of shaping punishment decisions in the workplace. Recognizing this, human resource managers may want to take such perceptions into account when reviewing formal disciplinary actions recommended or imposed by self-managed teams and by first-level supervisors in response to ethical misconduct. This may prove useful in attenuating high levels of disciplinary sanctions that might have come about as the result of considerations only remotely related to the ethical misconduct. Doing so would likely go a long way in discouraging punished employees from feeling unfairly treated or excessively punished.

Conversely, given the benefits of having a forgiving organization in terms of encouraging innovation (Cameron et al., 2004), managers may want to be cautious in promoting perceptions of organizational forgiveness. Engaging in ways to enhance perceived organizational forgiveness may result in the application of weak sanctions in response to ethical misconduct. To the extent that imposing weak sanctions for ethical violations is perceived as tolerance for unethical behavior, having a high level of perceived organizational forgiveness among employees may serve to counteract ethical initiatives of the organization, by making people unwilling to punish appropriately and to administer negative sanctions against unethical conduct. Worse, high levels of perceived organizational forgiveness may promote a false impression that ethically questionable acts will not necessarily be punished, and are therefore acceptable.

### **Summary**

There are many potential factors that influence the punishment decisions made by individuals in response to ethical misconduct in the workplace. In this dissertation, I proposed that a disciplinary agent's perceived organizational forgiveness and the agent's punitive intent would be negatively related, such that agents who see their organization as forgiving will tend to punish less severely than agents who see their organization as unforgiving. Evidence from the two studies I conducted yielded equivocal results. Data from the lab study were consistent with this main hypothesis and suggest that this relationship holds when the disciplinary agent is high in accountability and is punishing in response to misconduct that has resulted in serious damage to the organization. Data from the field study did not support this main hypothesis. Instead, this negative relationship seemed to hold only when an experience of being forgiven was salient in the mind of the disciplinary agent and there were mitigating circumstances surrounding the ethical misconduct that is the subject of punishment. Surprisingly, the field study results suggest

a positive relationship between perceived organizational forgiveness and punitive intent when an experience of being denied forgiveness is salient to the disciplinary agent. In this final chapter, I proposed a possible explanation for reconciling these seemingly inconsistent findings. I also pointed out limitations of these studies and the future directions for research that these limitations suggest. Finally, I suggested that the results of this dissertation might have several important implications to research on punishment and forgiveness and to the practice of management.



## **APPENDIX A. ETHICAL MISCONDUCT MEMO**



# Jake's

10847 W Sand Lake St., Orlando, FL 32819

## MEMORANDUM

TO: Chris Meyer, Assistant Manager

FROM: James Walters, Controller

RE: Steve Atkins Incident

DATE: October 16, 2007

CC: Mary Copeland, Manager

As per your request, here is what I found out about Steve Atkins, our assistant in charge of ordering and receiving restaurant equipment and supplies, based on reliable information I have gathered from other employees. In the delivery for the week ending July 6, 2007, Steve discovered an espresso maker that, by some mistake, was not ordered and did not appear on the invoice. Steve took the espresso maker home. Our supplier, Jensen Marketing, did not know about Steve's actions until early last week. Unfortunately, based on my conversation with Jensen's representative, Steve's actions seemed to have made them seriously doubt our credibility as a business customer, which may likely result in more stringent and costly delivery processes for us.

At the minimum, we have to ask Steve to return what he took. Of course, you know what people say around here: everyone deserves a second chance. There are additional sanctions you may want to consider, such as suspension without pay or even termination.

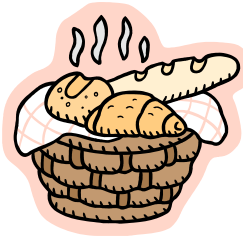
Let me know if you need more information to make your decision.

Chris – I'm sure other managers and assistant managers will be interested to see how you deal with this case and how you will justify your decision. To make things easier for you, I attached on the next page a series of questions that you may respond to.

Thanks,  
Barbara

PLEASE GO ON TO THE NEXT PAGE.

**APPENDIX B. PUNITIVE INTENT MEMO**



# Jake's

10847 W Sand Lake St., Orlando, FL 32819

## MEMORANDUM

TO: Chris Meyer, Asst. Manager

FROM: Barbara Brown, Senior Admin. Asst.

RE: Steve Atkins Incident

*Chris – Indicate the extent to which you agree with each of the following statements. Please circle one number, according to the following scale.*

1	2	3	4	5	6	7
Strongly <u>dis</u> agree						Strongly agree

1. What Steve did was a major breach of ethical standards.	1	2	3	4	5	6	7
2. I intend to punish Steve severely.	1	2	3	4	5	6	7
3. Steve's actions constitute grave misconduct.	1	2	3	4	5	6	7
4. I plan to impose a stiff penalty on Steve for his actions.	1	2	3	4	5	6	7
5. What Steve did constitutes a serious offense.	1	2	3	4	5	6	7
6. I am inclined to enforce serious negative sanctions on Steve.	1	2	3	4	5	6	7

*In addition to asking Steve to return what he took, should we impose an additional sanction on him?  
Please **circle** your recommended disciplinary action:*

No suspension	1-2 day suspension without pay	3-4 day suspension without pay	1-week suspension without pay	2-week suspension without pay	3-week suspension without pay	1-month suspension without pay	2-month suspension without pay	Termination
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*In addition to your response above, do you have any comments?*

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*Thanks,  
Barbara*

## **APPENDIX C. MANIPULATION CHECK**

## Instructions

Now that you have finished the "in-basket," we want to know your perceptions about *Jake's*. In completing this part, it is very important that you do not turn back to any of the preceding parts. Please respond to the items below based upon the impressions you formed while playing the role of Chris Meyer, Assistant Manager.

To what extent does each of the following statements characterize *Jake's*? Please use the following scale to record your responses. Write the most appropriate number in the blank to the left of each statement. If at all possible, please do not skip any of the items.

1	2	3	4	5	6	7
Strongly <u>Disagree</u>	<u>Disagree</u>	Slightly <u>Disagree</u>	Neither Agree nor <u>Disagree</u>	Slightly Agree	Agree	Strongly Agree

---

*Jake's* is a company where people...

- \_\_\_\_\_ 1. are professional.
- \_\_\_\_\_ 2. **are forgiving.**
- \_\_\_\_\_ 3. are generous.
- \_\_\_\_\_ 4. achieve desired results.
- \_\_\_\_\_ 5. **dwel on past mistakes or bad decisions.**
- \_\_\_\_\_ 6. believe in customer service.
- \_\_\_\_\_ 7. can be counted on to achieve results.
- \_\_\_\_\_ 8. **tend to harbor grudges.**

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