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# Impact of moral ethics on consumers' boycott intentions: A crosscultural study of crisis perceptions and responses in the United States, South Korea, and Singapore

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Article

**Impact of Moral Ethics** on Consumers' Boycott **Intentions: A Cross-Cultural Study of Crisis Perceptions** and Responses in the United States, South Korea, and **Singapore** 

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#### **Abstract**

This study investigates the effects of individuals' moral foundations on perceptions and responses to a company's crisis. Drawing on moral foundations theory, it empirically tests a theoretical model of crisis attribution and moral outrage with two antecedents (i.e., individualizing moral and binding moral) on three outcomes (i.e., crisis attribution, anger, and boycott intentions), using more than 3,000 respondents from three culturally diverse countries—the United States, South Korea, and Singapore. The study finds that individualizing and binding moral foundations have significant effects on attribution, emotional reaction (i.e., anger), and behavioral intentions related to corporate irresponsibility, although their effects are distinct and varied across countries. While individualizing moral foundations lead to boycott intentions, the effects of binding moral foundations are multifaceted. Implications for communication professionals practicing in a highly globalized business environment today to recognize variations in morality among different publics in times of crisis are discussed.

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## **Keywords**

crisis communication, crisis responses, moral foundations theory, multicultural business environments, boycotts

# **Background**

Crisis communication scholars have argued that there is an urgent need to understand stakeholders' reactions in times of crisis (e.g., H. J. Kim & Cameron, 2011). Given that crises are unanticipated events that trigger much uncertainty, outrage, and anxiety that often result in stakeholders exercising judgment of the situation (Weiner, 1986, 2000; Weiner, Perry, & Magnusson, 1988), attributions of whatever caused the crisis are often based on perceptions of how an organization appears to be managing the crisis. Researchers have thus maintained that it is only when organizations understand the processes of emotionally-charged responses from stakeholders' perspective can communication practitioners assist in crafting appropriate corporate messages aimed at reducing the reputational damage sustained by the organization (Fediuk, Coombs, & Botero, 2010). The ability to comprehend stakeholders' behaviors driven by their response rationale is hence a foremost concern for public relations managers practicing in today's highly globalized business environments (Yeo & Pang, 2017). Stakeholders' reactions, after all, can either aid or impede an organization's recovery from a crisis (McDonald, Sparks, & Glendon, 2010).

One key factor in understanding stakeholders' emotional reactions is related to individual moral foundations, which act as innate and instinctive compasses in distinguishing a right action from one that is wrong. According to Fediuk, Coombs, and Botero (2012), a significant affective response that occurs during a crisis is moral outrage. Morals are, in fact, the "primary function which guide the behavior of individuals" (Fediuk et al., 2012, p. 645) via emotions that assign meaning to a crisis event. This is subsequently followed by actions that often lead to outcomes resulting in reputational damage to the organization and behavioral intentions such as boycotts. Past research, for example, has shown that consumer boycotts are driven by ethical consumerism to force unethical businesses out of the marketplace (John & Klein, 2003). As consumers are increasingly aware of their moral responsibility as customers, they do not hesitate to exert collective pressure such as advocating boycotts (Brinkmann, 2004; Lindenmeier, Schleer, & Pricl, 2012) when they deem that their moral standards are in conflict with the company's business ethics. In this study, "morality" refers to individuals' guiding principles to judge corporate irresponsibility (subject is the agent of the judgment), and "ethics" to principles concerning the right or wrong conduct of corporations (object of judgment). As individuals' morality affects judgments and actions (Forsyth, O'Boyle, & McDaniel, 2008), examining individual moral foundations in the context of crisis communication is therefore theoretically significant in predicting consumers' reactions to an organizational crisis (Vassilikopoulou, Chatzipanagiotou, Siomkos, & Triantafillidou, 2011).

One social psychological theory that attempts to explain the origins and differences in human moral reasoning is the moral foundations theory (hereafter, MFT; Haidt & Graham, 2007; Haidt & Joseph, 2004). MFT maintains that morals are formed by psychological systems and these inherent values are influenced by a country's values, political ideologies, and religious beliefs. Predicting variation in human moral reasoning on the basis of moral orientations and moral plurality (Haidt & Graham, 2007), MFT's key assumption is that there are plural moral foundations such as fairness, harm/care, loyalty, authority, and sanctity on which different individuals put varying degree of values and emphases. Morality is also a cultural by-product rather than a finished or fixed concept of universal applicability. As such, cultural norms and culturally shaped moral outrage have a substantial impact on the domain of morality and the process of moral judgment (Haidt, Koller, & Dias, 1993).

An advantage of using MFT's pluralistic approach to crisis communication is that it aids in understanding how people with differing moral orientations react differently in response to the same issue. For example, consumers' responses to corporate transgression can be best predicted by fairness/justice if it is described/perceived as a violation of human rights and by sanctity/purity if it is described as disruptions in a local community due to the company's greed. As such, MFT facilitates the comprehension of the functions of morals in the context of crisis communication by specifying how various orientations in consumers' morality lead to different consumer reactions concerning corporate social irresponsibility.

In addition, MFT helps in the development of a moral framework to explore globally/culturally diverse consumers' response to corporate social irresponsibility. Previous studies have shown that moral foundations and ethical decision making may vary across cultures in times of a crisis (Robertson & Fadil, 1999). Robertson and Fadil (1999), for example, found that national values in collectivistic and individualistic cultures influence managers' moral reasoning and ethical decision makings differently. As MFT emphasizes the plurality of the morality under diverse cultural and political influences, the theory provides a fluid framework for our study to look into the variance in moral foundations at a national or group level, which few studies have investigated. However, despite past studies having demonstrated that individuals' morals held by different communities "fluctuate" and differ across individuals and cultures (e.g., Robertson & Fadil, 1999), few have investigated its effects on consumer response in times of crisis. As a result, although there appears to be a rational connection between morality, crisis, and consumer response, there is a lack of theory-grounded research in crisis communication literature to understand the impact of these moral factors on consumers' boycott intentions.

This study thus employs MFT as the theoretical framework to guide its research objective using samples from three culturally diverse countries—the United States, South Korea, and Singapore. It proposes to empirically test a theoretical model of crisis attribution process with two independent variables of moral foundations: that is, (1) individualizing moral foundation and (2) binding moral foundation on three outcomes, that is, (a) crisis attribution, (b) emotions (i.e., anger), and (c) boycott intentions. As the focus of this article is on crisis communication and not culture, the three

countries were selected because we wanted broad representative samples from the West (the United States), the East (South Korea), and Southeast Asia (Singapore) to assist in explaining applied implications for businesses operating in today's challenging multicultural environments. Their combined diversity makes this study interesting as it offers valuable insights into the differences that affect global consumers' perceptions and responses to the same crisis event. Integrating existing research in communication and social psychology, this study further aims to offer theoretically driven results with applied implications for organizations. By doing so, we hope to better understand the role of individualizing and binding moral foundations and explain the similarities and differences in people's crisis attribution and its emotional outcomes at the individual and group levels so as to uncover the extent to which global companies' crises are perceived differently across countries.

### Literature Review

# Crisis Attribution, Moral Outrage, and Boycott Intentions

Boycott behaviors are defined as consumers' intended individual or collective actions to punish a firm's socially and ethically irresponsible business. They are carried out to induce the unethical company to change its corporate behavior by discrediting the firm and calling for consumers to disengage themselves from the firm's business (Romani, Grappi, & Bagozzi, 2013). Previous research on consumer boycotts showed that possible causes for such disruptions could be due to various psychological motivations related to social and ethical concerns (e.g., labor workers' rights, animal welfare). Globalization is also a context for tensions to erupt between local labor forces and global business practices (Hoffmann & Müller, 2009; Wiedenhoft, 2006).

According to the moral outrage model (Antonetti & Maklan, 2014), consumers' responses to a company's crisis involve three sequential steps: crisis attribution, emotional reactions (i.e., anger as moral outrage), and behavioral intentions. When a crisis occurs, individuals make cognitive efforts to understand the causes and consequences of the crisis by judging the ethical behaviors of the company and its conduct based on the individuals' attribution process and assessing dimensions, such as locus of causality and controllability (Coombs & Holladay, 1996; Lee, 2004). As crises are emotion-laden incidents, emotional responses calling for punitive actions against the company can vary from a low to a high level (Fediuk et al., 2012; Jin, 2010). When a crisis is associated with injustice and immorality, consumers tend to express moral outrage such as anger and resentment because expectations have been violated. Inevitably, this leads to moral outrage and results in consumers seeking to bring the company to justice for its immorality and misconduct (Fediuk et al., 2010; Lindenmeier et al., 2012). Following the unhappiness, active consumer groups advocate for retaliatory actions that include negative word of mouth, vindictive complaining, switching to an alternative, or calls for boycotts of the company's products (Heijnen & van der Made, 2012).

While previous research has explored the effectiveness of boycotts on business outcomes, literature is scarce on the role of consumer-driven moral values in the process of crisis responses. Few studies have examined perspectives of individual moral foundations on crisis attribution, emotions, and subsequent behavioral reactions to unethical corporate behaviors of global businesses. We are therefore interested in investigating the process of attribution-emotions-boycott intentions and their impact on consumer perceptions and reactions to global business practices through the lens of two types of moral foundations—individualizing moral foundations and binding moral foundations.

## Theoretical Framework: MFT

MFT was developed to address several fundamental assumptions about morality. Scholars (e.g., Haidt & Graham, 2007) questioned the fundamental elements involved in processes of morality and the extent to which they are universally similar or dissimilar across cultures. In this regard, MFT invites pluralism by acknowledging that morality consists of multiple domains (instead of a single entity) that evolve alongside social, political, and cultural challenges in societies. The concept of pluralism offered by MFT integrates both binding and individualizing moral foundations in understanding different moral layers to accommodate the extension of moral domains created by new social phenomena (Graham, Haidt, & Nosek, 2009).

Haidt and his colleagues (Haidt & Graham, 2007; Haidt & Joseph, 2004, 2007) suggested five moral foundations: harm/care, fairness/reciprocity, in-group/loyalty, authority/respect, and purity/sanctity. The former two, harm/care and fairness/reciprocity are considered as individualizing foundations, while the latter three as binding foundations. Harm/care pertains to caring for others and avoiding inflicting harm (Nilsson & Erlandsson, 2015), while fairness/reciprocity is associated with fair treatment of individuals (Haidt & Joseph, 2004, 2007). These two domains are considered as individualizing foundations due to their emphasis on the rights and welfare of individuals. In contrast, in-group/loyalty, authority/respect, and purity/ sanctity, termed as binding moral foundations, focus on group-binding loyalty, duty, and self-control. In-group/loyalty concerns individuals' loyalty and duty to, and sacrifice for, their in-groups, such as family, church, or country. Authority/respect is related to respecting social order, leadership, and traditions, while the virtues of purity/sanctity emphasize suppressing selfishness and cultivating a spiritual mindset (Graham et al., 2009). This two-layered pluralistic approach to moral foundations suggests that righteous and good people (in spite of high morals and ethics) can be divided into different groups and possess polarizing views because of their different moral orientations (e.g., liberals emphasizing individualizing moral foundations vs. conservatives valuing binding moral foundations; Haidt, 2012).

MFT further addresses the duality of moral foundations by proposing fixity/fluidity and commonality/variance of morality. The theory maintains that moral intuitions originate from people's innate psychological mechanisms, but also posits that these moral values are malleable and editable through various individual and cultural

experiences (Marcus, 2004). Conceptualized to be able to explain both similarities and differences in morality across diverse cultures, MFT posits that although the five domains of morality are commonly found in most cultures, each domain has varying impact across cultures. Binding moral foundations such as loyalty and sanctity, for example, are more salient in eastern cultures (e.g., East Asia) as compared with Western cultures (e.g., the United States).

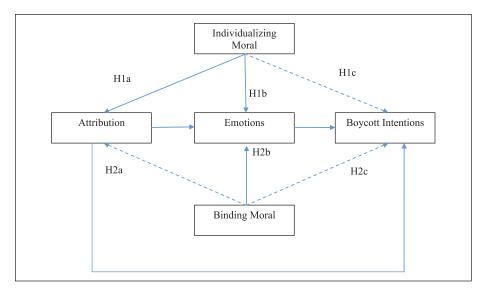
As noted earlier, MFT is a useful framework to predict moral foundations in influencing consumers' response to corporate social irresponsibility. For instance, it can be predicted that individualizing moral foundations are likely to affect boycott intentions when a company violates the rights of consumers or employees. In contrast, there is a higher tendency for binding moral foundations to influence boycott intentions against a company that creates unrest in a local community or group. Few studies, however, have examined the role of moral foundations in crisis communication. According to Low and Wui's (2016) study, moral foundations predicted attitudes toward the poor. The study argued that, although moral foundations significantly predicted attitudes toward the poor, individualizing foundations were found to have stronger impact than binding foundations. Moral foundations also lead to different decision makings in health business contexts. Consumers were found to be willing to donate more if their perceptions of the nonprofit campaign messages are aligned with their moral foundations (e.g., Winterich, Zhang, & Mittal., 2012). These findings suggest that congruently appealing to individualizing or binding moral foundations may possibly trigger intensive boycott intentions in response to corporate social irresponsibility.

Previous literature has further noted the impact of individual differences and culture on ethical decision making (e.g., Robertson & Fadil, 1999). Marketers and business managers, for instance, tended to carry out different levels of business ethics based on individual's cultural and moral tendencies (Robertson & Fadil, 1999). However, the roles of moral foundations in business ethics and multinational consumers' responses to unethical corporate behavior across diverse cultures have not been thoroughly investigated.

Given MFT's well-developed and designed constructs to elaborate the impact of ethical dissensus (Haidt & Graham, 2007), this framework is useful in predicting consumers' response and the influence of moral foundations on judgments and actions related to crisis communication. The extension of MFT to the context of a corporate crisis would enable us to examine the roles of moral foundations (individualizing and binding) in explaining culturally different segments of people whose attitudinal and behavioral responses to a crisis could be dissimilar, hence leading to possibly different levels of blame attribution, moral outrage, and boycott intentions against corporate social irresponsibility.

# Research Model and Hypotheses

Guided by MFT to provide a useful ethics-driven research framework to examine consumers' cognitive, emotional, and behavioral responses to unethical corporate



**Figure 1.** Research model and hypotheses.

Note. Solid lines represent paths that were significant across four country samples. Dotted lines represent paths that were significant only in certain countries or rejected in all four countries. As such, a research model containing all paths in the figure represent a baseline (i.e., saturated) research model and a model containing only solid paths represent an integrated (i.e., trimmed) research model.

behavior, Figure 1 shows our research model and hypotheses. Consumers' cognitive, affective, and behavioral responses to crisis are defined as attribution, anger as moral outrage, and boycott intentions (Antonetti & Maklan, 2014).

When a crisis occurs, there is a tendency to blame an organization based on the degree to which it is deemed to be the organization's fault (Coombs, 2007). Perceiving that a moral principle has been violated, people indulge in "reasoning" their moral judgment to help in processing and identifying perpetrators to whom responsibility should be attributed (Antonetti & Maklan, 2014), and following consumers' cognitive appraisal of blame attributions, boycott intentions are likely to ensure (Lindenmeier et al., 2012). For instance, boycott intentions are generated when the cause of the crisis falls under corporate irresponsibility and greediness (Antonetti & Maklan, 2014).

A consequence of blame attributions is moral outrage (e.g., Funches, 2011), and according to the moral outrage model, this emotional reaction strongly affects consumers' boycott intentions (Antonetti & Maklan, 2014). Among the emotional reactions to cases involving violations of business ethics, anger has been influential in guiding people's behaviors. A strong predictor of consumers' intentions to participate in boycotts against a firm's egregious behavior, anger has been shown to be a precursor to consumer participation in boycotts, particularly when unfair treatment is perceived to have harmed victims (O'Mara, Jackson, Batson, & Gaertner, 2011).

As such, as Figure 1 shows, we posit that blame attribution and anger as moral outrage are antecedents to consumer boycotts. Given that the relationship between

these variables are well-demonstrated in previous studies (e.g., Antonetti & Maklan, 2014; Fediuk et al., 2010; H. J. Kim & Cameron, 2011), the link between these three factors were treated as propositions. In our research model, we focus on the research hypotheses predicting the impact of individualizing and binding moral foundations on these three outcome factors. Although several studies using MFT employed the five-factor model (e.g., Low & Wui, 2016; Nilsson & Erlandsson, 2015), other studies have adopted a simplified, two-factor model of moral foundations (e.g., Franks & Scherr, 2015; Winterich, Zhang, & Mittal, 2012). For our study, we have chosen to follow the two-factor model to take advantage of the parsimonious model to align with the study's objective to examine the impact of individualizing *versus* binding moral foundations. Looking into the different effects of the five sets of moral foundations is therefore less efficient, whereas the two-factor model of moral foundations is likely to better elaborate differences in people's moral views, attitudes, and behaviors.

As we posit that individual moral judgment is connected closely to attitudinal and behavioral responses to social matters and to corporate crises, we hypothesize that both individualizing and binding moral foundations have positive associations on the three elements of the crisis attribution process, namely blame attribution, negative emotions, and boycott intentions. First, we presume that two individualizing moral foundations—fairness/reciprocity and harm/care—will affect individuals' crisis attribution processes, emotions, and boycott intentions. As individuals with harm/care moral foundation morally disapprove of pain/harm-causing entities while approving of those who prevent harm (Koleva, Graham, Iyer, Ditto, & Haidt, 2012), they also will do likewise for a company involved in a crisis. Similarly, when individuals with strong fairness/reciprocity moral foundations detect that their moral principles of equality and justice have been violated, their blame attribution, anger as moral outrage, and behavior will work against the company. Individuals possessing these two individualizing moral foundations will perceive a corporate crisis as a transgression rather than an accident or unfortunate circumstance and will therefore be likely to have stronger intentions to participate in boycotts.

To answer our inquiry on the impact of individualizing moral foundations on consumers' boycott intentions, we posit our first hypothesis as follows:

**Hypothesis 1 (H1):** Individualizing moral foundation will increase (a) the blame attribution to, (b) anger toward, and (c) boycott intentions against the company in crisis.

Second, three binding moral foundations are also expected to influence people's crisis attribution processes, emotions, and boycott intentions. Binding moral foundations emphasize "conformity" to social norms and fulfillment of prescribed duties. For individuals with higher in-group/loyalty foundation, the group's well-being and cohesion are imperative. As such, individuals' loyalty and sacrifice for their in-groups are important (Haidt & Graham, 2007). The authority/respect foundation refers to respecting social order, and those with this kind of foundation

prefer stability to change (Graham et al., 2009). The purity/sanctity foundation emphasizes cultivating spiritual mind-set and is associated with the emotion of disgust in response to spiritual corruption (Koleva et al., 2012). Distinct from individualizing moral foundations, individuals with high binding moral foundations are more sensitive to social dangers (e.g., van Leeuwen & Park, 2009), and are likely to blame the company for a crisis caused by a corporate's selfishness or greed. Owing to high levels of attachment to their in-group, binding foundations are likely to motivate individuals to engage in moral behaviors to protect their groups (Winterich et al., 2012). Conceptually, binding moral foundations are associated with duty-based morality, which emphasizes conformity to absolute standards, rules, codes, and social norms, as the basis for determining whether or not an action is moral (Wurthmann, 2017). When applying this perspective to corporate contexts, binding moral foundations will increase blame attribution to a company for having violated its "duties" toward consumers.

As such, when individuals feel that a company's misconduct is working against their in-group's well-being and a society's stability, they are likely to view the company negatively. Hence, we posit the following second hypothesis:

**Hypothesis 2 (H2):** Binding moral foundation will increase (a) the blame attribution to, (b) anger toward, and (c) boycott intentions against the company in crisis.

In addition to testing the above two hypotheses, we are also keen to uncover cultural differences in the impacts of moral foundations on the three outcomes. Despite Haidt and Kesebir (2010) having suggested that these moral foundations are universally present, different societies may have different cultures and moralities due to the emphasis on different foundations (Haidt et al., 1993; Koleva et al., 2012). Past studies, for example, found that region is a significant predictor of moral foundation-related concerns. Easterners (Asians) tended to express greater levels of binding morality such as loyalty and purity when compared with their counterparts in the West, supporting some findings in previous research that have established cultural differences in collectivistic and individualistic cultures (Triandis, 1995, cited in Graham et al., 2013). For instance, past studies on ethical decision making were found to differ across cultures due to contrasting cultural dimensions of individualism and collectivism (Triandis, 1995). Ethical dissensus was also explained on grounds that Easterners tended to judge based on thought processes that are more holistic and complex as compared with counterparts in the West (Choi, Dalal, Kim-Prieto, & Park, 2003). Empirical evidences were offered to suggest the association between utilitarianism and collectivism as an ethically right action maximizing the good of the overall society, in contrast to ethical egoism where individual right is more focused on social well-being (Donaldson & Werhane, 1993, cited in Robertson & Fadil, 1999). As this knowledge on cultural differences showing alignment with moral foundations would fill the research gap of explicating individuals' reactions to a corporate crisis across diverse cultures, our study further purports to build a model specifying MFT roles in predicting crisis attribution, anger, and boycott intentions

by testing H1 and H2. The following research question asks the question on cultural differences or universal applicability offered in the suggested model.

**Research Question 1 (RQ1):** Are there differences in the examined countries relating to the impacts of moral foundations on three outcomes? (i.e., blame attribution, anger, and boycott intentions)?

# **Method**

This study used large-scale surveys to solicit the feelings of different consumers from the United States, South Korea, and Singapore. An English version of survey questionnaire was administered in the United States and Singapore where English is the official language. A Korean version was administered in South Korea. Two native Koreans who are proficient in English translated the English version into the Korean version, and another back-translated it to the original language as a quality check. A reputable research company, Qualtrics, was hired to collect data from their pool of survey respondents. The exercise was carried out from March to June 2016 with a targeted 1,100 participants from each country making the total number of participants 3,334 (Singapore: 1,112; South Korea: 1,098; the United States: 1,124). Of this number, 52% were females and 48% were males. The average age was 41 years (the United States: 46, South Korea: 40, and Singapore: 37). Online Appendix B presents the distribution of samples in terms of demographics across three countries.

The web survey comprised measures of antecedents, mediating variables, outcomes, and a modified scenario extracted from a published story on a crisis faced by a global conglomerate in the fashion industry. Story context and plot were taken from a real-life crisis case to provide accurate and true-to-life realism, although all names (companies, countries, and products) were changed to make the article appear "fictitious" so as to avoid inducing preconceived thoughts or emotions that may have resulted from previously reading about the crisis. Name changes also allowed removal of possible confounding factors associated by participants' nationalities or by identification of the country in which the company was based.

To measure participants' personal ethical attributions of the crisis, they were first asked to read a vignette (see Online Appendix A for details) about a company facing an ethical crisis in global business practices. Thereafter, participants responded to questions based on that fictitious scenario (see below for measured variables). A 5-point Likert-type scale ( $1 = strongly\ disagree$ ,  $5 = strongly\ agree$ ) was employed for all measures.

# Measured Variables

Individualizing moral foundations. Borrowing existing measurements from Haidt and Graham (2007), participants rated the following four statements (M = 4.05, SD = .70,  $\alpha = .80$  in the United States; M = 4.00, SD = .53,  $\alpha = .67$  in South Korea; M = 4.36,

M = 4.19, SD = .56,  $\alpha = .80$  in Singapore): "Compassion for those who are suffering is the most crucial virtue," "Justice, fairness and equality are a society's most important requirements," "When government makes laws, the first principle should be to ensure that everyone is treated fairly," and "Government first and foremost must protect all people from harm."

Binding moral foundations. Borrowing existing measurements from Haidt and Graham (2007), participants rated the following five statements (M=3.46, SD=.68,  $\alpha=67$ . in the United States; M=3.71, SD=.55,  $\alpha=.68$  in South Korea; M=3.78, SD=.55,  $\alpha=.67$  in Singapore): "People should not do what revolts others, even if no one is harmed," "Chastity remains an important virtue for teenagers today, even if many disagree," "Government should try to help people live virtuously and avoid sin," "Respect for authority is what all children need to learn," and "When government makes laws, those laws always should respect the nation's traditions and heritage."

Anger. Borrowing existing measurements from H. J. Kim and Cameron (2011), this study measured anger (e.g., "I feel angry with this crisis" and three other items). Participants rated four statements ( $M=3.61, SD=.87, \alpha=.86$  in the United States;  $M=3.70, SD=.70, \alpha=.88$  in South Korea;  $M=3.45, SD=.68, \alpha=.80$  in Singapore).

Attribution. Adopted and modified from Griffin, Babin, and Darden (1992), this study used the following three items to measure blame attribution (M = 3.91, SD = .83,  $\alpha = 86$  in the United States; M = 4.03, SD = .65,  $\alpha = .78$  in South Korea; M = 3.87, SD = .66,  $\alpha = .73$  in Singapore): "The crisis was preventable by WorldJeans," "WorldJeans has enough resources to have prevented the crisis from occurring," and "WorldJeans' greed to maximize profit margin is the direct cause of this crisis."

Boycott intentions. Boycott intentions were assessed by 10 items adapted from Klein, John, and Smith (2001) and J. N. Kim and Rhee (2011; M = 3.71, SD = .84,  $\alpha = 91$  in the United States; M = 3.61, SD = .59,  $\alpha = .86$  in South Korea; M = 3.50, SD = .69,  $\alpha = .89$  in Singapore): The survey questionnaire included "I would recommend others to avoid WorldJeans' products," "I would feel guilty if I bought a WorldJeans' product," and eight more items.

#### Results

To test the hypotheses and the research model, structural equation modeling analyses were performed using a path analysis approach. Data were analyzed with the IBM AMOS 23 software program, with a covariance-based approach, using maximum-likelihood estimation.

Figure 1 shows a visual representation of the research model. To recap, in addition to our research hypotheses (H1a-c and H2a-c), we added to the research model the

				The United States	South Korea	Singapore	
				β	β	β	
Hla	Individualizing	>	Attribution	.473***	.419***	.387***	
НIЬ	Individualizing	>	Anger	.143***	.153***	.110***	
HIc	Individualizing	>	Boycott	.110***	.101**	.011	
H2a	Binding	>	Attribution	008	.058	013	
Н2ь	Binding	>	Anger	.094***	.099***	.075*	
H2c	Binding	>	Boycott	057***	024	00 I	
Р	Attribution	>	Anger	.54 <b>7</b> ***	.431***	.400***	
Р	Anger	>	Boycott	.515***	.608***	.557***	
Р	Attribution	>	Boycott	.313***	.155***	.203***	

Table 1. Results of Structural Equation Modeling Analyses.

paths between attribution, anger, and boycott intention as propositions (P1-P3) because previous studies consistently have confirmed a significant association between these (Antonetti & Maklan, 2014; Grégoire, Laufer, & Tripp, 2010). This resulted in a fully saturated path model, where all observed variables in our research model are predicted to have a relationship with each other. We employed this saturated model as a baseline model, and subsequently tested a trimmed model to establish a more universally applicable model across countries. This multistep approach has been employed in previous moral foundations studies when specifying an integrative model across cultures (Kugler, Jost, & Noorbaloochi, 2014).

Results of the saturated path model analyses are summarized in Table 1. As the model is saturated, typical fit indices such as chi-square, comparative fit index (CFI), Tucker-Lewis index (TLI), and normed fit index (NFI) are not meaningful because the saturated model has a perfect fit (e.g.,  $\chi^2 = 0$ ; CFI, TLI, NFI = 1.000).

Overall, results provided partial support for our original research model. H1 predicts the path from individualizing moral foundations to attribution (H1a), emotions (H1b), and boycott intentions (H1c). Individualizing moral foundations had a positive relationship with attribution in all three samples ( $\beta = .473$ , p < .001 in the United States;  $\beta = .419$ , p < .001 in South Korea;  $\beta = .387$ , p < .001 in Singapore). Individualizing moral foundations also had a significant, positive association with anger in all three samples ( $\beta = .143$ , p < .001 in the United States;  $\beta = .153$ , p < .001 in South Korea;  $\beta = .110$ , p < .001 in Singapore). Hence, H1a and H1b were supported. Results suggest that individuals with high individualizing moral foundations perceive the crisis as a result of corporate transgression rather than as accident or unfortunate circumstance. They also have a higher level of emotional reactions. H1c posits that individualizing moral foundations had a *positive*, *direct* association with boycott intentions. Results show that individualizing moral foundations has a significant association with boycott intentions in the U.S. sample and the South Korea sample ( $\beta = .110$ , p < .001 in the United States;  $\beta = .101$ , p < .01 in South Korea), but

p < .05. p < .01. p < .01. p < .001.

a nonsignificant association in the Singapore samples ( $\beta = .011, p > .05$  in Singapore). Hence, H1c was partially supported.

H2 posits a positive association between binding moral foundations and three variables such as attribution (H2a), emotions (H2b), and boycott intentions (H2c). Results show that binding moral foundations has a nonsignificant association with attribution in all three samples ( $\beta = -.008$ , p > .05 in the United States;  $\beta = .058$ , p > .05 in South Korea;  $\beta = -.013$ , p > .05 in Singapore). Hence, H2a was not supported. Yet, binding moral foundations has a significant association with anger in all three samples ( $\beta = .094$ , p < .001 in the United States;  $\beta = .099$ , p < .001 in South Korea;  $\beta = .075$ , p < .05 in Singapore). Hence, H2b was fully supported. It appears that individuals with binding moral foundations have strong and instant emotional reactions not necessarily determined by a cognitive, attributional process. H2c posits that binding moral foundations has a positive, direct association with boycott intentions. However, results show that binding moral foundations has a significant, negative association with boycott intentions in the U.S. sample ( $\beta = -.057$ , p < .01in the United States), and a nonsignificant association in the South Korea sample and in the Singapore sample ( $\beta = -.024$ , p > .05 in South Korea;  $\beta = -.001$ , p >.05 in Singapore). Hence, H2c was rejected.

Overall, H1a, H1b, and H2b were fully supported, and H1c and H2a partially supported. H2c was rejected because the predicted association was either nonsignificant or significant in the opposite direction. Effect sizes for endogenous factors assessed by  $R^2$  were as follows: attribution (the United States: .221; Korea: .204; Singapore: .145), anger (the United States: .423; Korea: .317; Singapore: .232), and boycott (the United States: .641; Korea: .553; Singapore: .460), respectively.

In sum, the findings showed that individualizing moral foundations had a significant, and consistent effect on attribution (H1a) and anger (H1b) across countries. Its effect on boycott intention (H1c) was observed in the United States and South Korea but not in Singapore. On the other hand, the effect of binding moral foundations was less pronounced. The effect of moral foundations on anger (H2b) was significant across countries, but its predicted relationship with attribution (H2a) and intention (H2c) was not observed. The results suggest that some paths in our original research model are robust but others are inconsistent across countries or nonsignificant. Hence, in our subsequent analyses, we tested the moderating effect of country through multiple-group analyses and specified an integrated model by trimming the inconsistent paths.

# Multiple-Group Analysis

To answer our RQ1, we conducted multiple-group analyses to test whether country moderated the paths hypothesized in the research model. In Step 1, a fully constrained model was examined in which all the path coefficients in our research model were set to be equal across groups. In Step 2, we tested the moderating effect of country on each path by freeing an equality constraint to each path at a time. A series of chi-square difference tests were conducted to determine whether freeing the path in Step 2 (i.e., unconstrained model) significantly improves the model fit compared with that of the

				Constrained		Unconstrained		
				$\chi^2$	df	$\chi^2$	df	$\Delta\chi^2$ (sig.)
Hla	Individualizing	>	Attribution	92.882	20	85.558	18	7.324*
HIb	Individualizing	>	Anger	92.882	20	82.318	18	10.564**
HIc	Individualizing	>	Boycott	92.882	20	79.803	18	13.079**
H2a	Binding	>	Attribution	92.882	20	86.828	18	6.054*
H2b	Binding	>	Anger	92.882	20	88.581	18	4.301 ns
H2c	Binding	>	Boycott	92.882	20	92.711	18	0.171 <sup>ns</sup>
Р	Attribution	>	Anger	92.882	20	68.890	18	23.992***
Р	Attribution	>	Boycott	92.882	20	53.644	18	39.238***
Р	Anger	>	Boycott	92.882	20	82.059	18	10.823**

Table 2. Results of Multiple-Group Analysis.

Note. ns = not statistically significant.

fully constrained model. A significant difference in chi-square statistics between the two models indicates that country moderates the respective path in our research model. As shown in Table 2, the paths between binding moral foundations and anger, and between binding moral foundations and boycott intentions, were invariant across all three samples. Except for those two, all other paths were significantly moderated by country, indicating that the country-level factor affects the predicted relationships in the model. As noted earlier (see Table 1), the effect of individualizing moral foundations on attribution and boycott intentions was consistently higher in the United States than in other countries.

# Integrated Model

Next, we developed an alternative research model in which inconsistent (i.e., culturally variant) paths were removed from the research model. The purpose of developing this trimmed model is to establish a more universally applicable model that contains paths that are significant across the board. Results are summarized in Tables 3 and 4. Model fits assessed by NFI, incremental fit index (IFI), TLI, CFI, and root mean square error of approximation (RMSEA) were all within acceptable ranges, >.90 or >.95 for NFI, IFI, CFI, and TLI; <.06 or <.08 for RMSEA. There was one exception: RMSEA for the U.S. sample was .09, which is slightly higher than the recommended cutoff (<.08). However, others have suggested .10 as the cutoff for RMSEA (Kenny, Kaniskan, & McCoach, 2014), so this single exception was deemed acceptable given that other model fit indices were within acceptable ranges.

# **Mediation Analyses**

Finally, we tested a few indirect effects implied in the integrated research model. As suggested by Preacher and Hayes (2008), a bias-corrected 90% confidence interval

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

				The United States	South Korea	Singapore	
				β	β	β	
Hla	Individualizing	>	Attribution	.47	.449	.38	
HIb	Individualizing	>	Anger	.143	.154	.110	
H2b	Binding	>	Anger	.094	.099	.075	
Р	Attribution	>	Anger	.547	.432	.400	
Р	Anger	>	Boycott	.527	.625	.559	
Р	Attribution	>	Boycott	.349	.185	.206	

Table 3. Results of Structural Equation Modeling Analyses (Integrated Model).

Note. All beta estimates in this table were significant at p < .001.

Table 4. Model Fit Indices.

Nation	$\chi^2$	df	Þ	RMSEA	NFI	IFI	TLI	CFI
The United States	30.029	3	.001	.090	0.986	0.987	0.958	0.987
Korea	19.523	3	.001	.071	0.990	0.991	0.971	0.991
Singapore	0.366	3	.947	.001	I	1.002	1.006	1

Note. RMSEA = root mean square error of approximation; NFI = normed fit index; IFI = incremental fit index; TLI = Tucker-Lewis index; CFI = comparative fit index.

(CI) was calculated using 5,000 bootstrap samples to test the significance of the indirect effects.

Results showed that the indirect effects of individualizing moral foundations on boycott intentions via attribution and anger were significant in all three samples (indirect = .453, 90% CI = [.403, .501] in the United States; indirect = .334, 90% CI = [.288, .382] in South Korea; indirect = .280, 90% CI = [.231, .336] in Singapore). As reported earlier (see Table 1), the direct effects of individualizing moral foundations on boycott intentions was statistically significant in the U.S. sample and the South Korea sample ( $\beta$  = .110, p < .001 in the United States;  $\beta$  = .101, p < .01 in South Korea), but insignificant in the Singapore sample ( $\beta$  = .011, p > .05 in Singapore). Overall, results show that the effects of individualizing moral foundations on boycott intentions were *partially* mediated by attribution and anger in the U.S. sample and the South Korea sample, and *fully* mediated in the Singapore sample. This finding indicates that the U.S. and South Korean samples' decision making is driven more by ethical *intuition* than by fully relying on cognitive and affective process, in comparison with the Singapore sample.

Results regarding binding moral foundations were more complicated. The indirect effects of binding moral foundations on boycott intentions via anger were significant and *positive* in all three samples (indirect = .061, 90% CI = [.037, .090] in the United States; indirect = .067, 90% CI = [.027, .103] in South Korea; indirect = .052, 90% CI = [.012, .099] in Singapore). As for the direct effects of binding moral foundations

on intentions, binding moral foundations had a significant, *negative* association with boycott intentions in the U.S. sample ( $\beta = -.057, p < .01$  in the United States), and an insignificant *negative* association in the South Korea sample and in the Singapore sample ( $\beta = -.024, p > .05$  in South Korea;  $\beta = -.001, p > .05$  in Singapore). Overall, results indicate an inconsistent mediation model for binding moral foundations (MacKinnon, Krull, & Lockwood, 2000). In other words, binding moral foundations appear to inhibit boycott intentions by exerting a *negative, direct* impact on intentions (in the United States). However, when mediated by emotion (i.e., anger), binding moral foundations had *positive, indirect effects* on intentions.

## Discussion

This study contributes to crisis communication scholarship and corporate ethics literature by developing an extensive MFT model that focuses on boycott intentions across different cultures in times of a crisis. Based on our integrated model of the three countries examined, our key findings indicate that individualizing moral foundations have a universal impact on blame attribution and anger, which directly and/or indirectly affect boycott intentions. Binding moral foundations, on the other hand, show associations with anger yet have a multifaceted impact on attribution and boycott intentions across the three countries.

Overall, we are of the view that our morals-driven research model offers useful explanations as to how different types of morals affect consumers' responses to unethical corporate behavior. Regarding MFT's role in predicting boycott intentions, the study finds strong correlation between individualizing moral foundation and attribution and anger across all three countries. Given that individualizing moral foundations concern harm/care and justice/fairness in society, transnational companies' violations of human rights in developing countries are seen as obvious violations of justice. This leads to blame attribution and to moral outrage. As for effects of binding moral foundation, limited effects of binding moral foundations on cognition of corporate irresponsibility were found. Nevertheless, a strong influence of binding moral foundation on boycott intentions arises when associated with anger as moral outrage in all three countries.

It appears that the effects of binding moral foundations on boycott intentions are multilayered. In all three countries, binding moral foundations induce boycott intentions when they trigger affective and emotional reactions such as anger. However, in the United States, binding foundations have a direct, inhibiting effect on boycott intentions. A possible reason is that individuals with binding moral foundations have a greater tendency to avoid revolts in a given society. Hence, binding moral foundations have a positive effect on intentions when mediated by anger and a negative direct effect when not associated with negative emotion.

Our findings thus indicate the differing role of individualizing and binding moral foundations on attribution and emotion in inducing boycott intentions. The role of individualizing moral foundation is straightforward and one-directional. It illustrates consumers' I-will-punish-the-bad-company mind-set as consumers' blame attribution

is affected mainly by individualizing moral foundations. In contrast, binding moral foundations have been found to be more related to emotional reactions to the crisis than to attribution. This might hint at consumers' thought processes, that is, disruptions to the community's well-being are not necessarily the company's fault but, if emotional outrage driven by morals is associated with the crisis, they might seek revenge against the company.

Complicated roles of binding moral foundation in a corporate crisis become clearer when we analyze and compare the direct model for each country *versus* the mediated model, allowing us to conjecture various roles of binding moral foundations in diverse contexts and thought processes. That is, in a crisis, caring for the local community tends to induce *vengeful* sentiments against the company involved, but might tend to *inhibit* boycott intentions in pursuit of harmonious orchestration of the whole community when the company is perceived as a valid and active community member.

One explanation may be due to the differing role of binding moral foundation in the two moral foundations. The morality of the entity itself is based on cognition. However, binding morality is based on group-oriented sentiments such as loyalty, authority, and sacrifice for the sake of a community's well-being, which are related to respecting social order and traditions. This demonstrates that binding moral foundations are not only a conceptually unique domain. They actually play a distinct role in shaping consumers' responses to a corporate crisis. Given that most scholarly attention has been paid to individualizing moral foundations in business ethics research (Grappi, Romani, & Bagozzi, 2013), more research is needed to elaborate the role of binding moral foundations to have a more complete picture concerning the relationship between morality, consumer action, and corporate crisis.

It is worthwhile to note that the negative impact of binding moral foundations on boycott intentions was observed in the U.S. sample only but not in the Korean and Singapore samples. As many U.S.-based companies have businesses globally, participants in the U.S. sample may have perceived that the company in our study's scenario is a U.S.-based global company, although we did not specify its nationality. The U.S. consumers with high binding foundations may therefore have perceived that boycotts against the company results in disruptions and tensions in their society, violating their group-oriented values such as community's well-being and harmony. Unlike the United States, we did not find binding foundations generating inhibiting effect on boycott intentions among South Korea and Singapore consumers. It is conjectured that Asian consumers exhibit a lesser level of a bond to the global company than U.S. consumers.

Interestingly, though, our study found that Singapore consumers demonstrate a unique pattern in their moral foundations. While they perceive themselves as slightly more morally sensitive in terms of individualizing foundations over the United States and South Korea, the impact of individual moral foundations in the Singapore sample on three outcomes such as blame attribution, anger, and boycott intentions are lowest among the three countries. We conjecture that Singaporean society requires a high level of morals to individual citizens but that this individual level of moral sensitivity does not tend to translate into moral outrage and judgment toward a company's corpo-

rate social responsibility. This may be due to Singapore being a relatively stable society, and that boycotts and activism are relatively dormant.

Overall, our study is significant on several fronts: First, it challenges previous research approaches in crisis communication research. Instead of focusing on factors such as situations, communication messages, media frames, and organizational behaviors (Coombs, 2007; Sandin, 2009), this study highlights individual moral foundations as among the most important in consumers' crisis response. Guided by MFT, this study explored specific types of moral foundations and examined how individualizing and binding foundations affect consumers' cognitive, affective, and behavioral response in times of crisis. By understanding moral antecedents in the attribution process, communication professionals are in a better position to aptly manage the two-way communication between the organization and its affected stakeholders to prevent costly outcomes to businesses. This is because the failure to respond congruently and communicate strategically in a crisis can have far-reaching impact if companies are unmindful of varying moral standards in individuals and across cultures.

Given the increasing number of multinational organizations today operating in an ever internationalizing economy that are endlessly "globalizing," "glocalizing," or "grobalizing" (Chaney & Martin, 2013, p. 3), being culturally competent to communicate effectively with culturally diverse publics has never been more critical. It has been argued that if morals are inherent foundations of cultures and that morality varies across cultures, a comprehensive understanding of these universally innate psychological systems, which are often similar yet vacillating, will certainly equip communication professionals and their top management to better engage with their diverse stakeholders (Graham et al., 2013; Macnamara, 2004). This is particularly vital in times of crisis when organizations are desperate to influence diverse public's perceptions in dire attempts to salvage a damaged corporate reputation. The process of rebuilding an organization's esteemed reputation, after all, is by "listening to public's expectations, addressing them with planned flows of communication content and cultivating relationships with the most salient stakeholders" (Romenti, 2010, p. 306). This process, which forms the bedrock for building and recovering a strong and consistent corporate reputation, is naturally best achieved through being aligned with the morals and ethics that affect stakeholders' emotional responses and reactions.

Second, this study integrates literature in crisis communication and MFT and borrowed insights from the moral outrage model. This integrative framework provides a useful understanding of why people react in differing ways to communication messages related to corporate crisis. For instance, our findings suggest that consumers with strong individualizing moral foundations are likely to focus on the responsibility (blame attribution) of the company and react based on this attributional process, whereas those with strong binding moral foundations are more likely respond based on their emotional reactions, such as anger, triggered by binding moral concerns.

This appraisal process mainly hinges on people's preexisting moral foundations, indicating that company's responsibility for the crisis is via the *ethical* lenses of the consumers, demonstrating that different moral foundations have different impacts:

direct positive/negative impacts on boycott intentions, and positive indirect impacts with/without affecting attribution. Our findings hence suggest that consumers' responses to crisis communication occur through multiple routes, and moral foundations are a central factor that determines the path that different individuals take. As such, moral foundations would be able to provide an analytic framework to predict aggressive and antagonistic consumers' response to crisis based on individual's differing moral standards.

As for applied relevance, our findings showed that it is imperative for crisis communication practitioners to adopt effective response message strategies that align with consumers' moral foundations. Previous crisis communication strategies have suggested the importance of crafting communication messages related to remedy, compensation, and transparency (e.g., Benoit, 1997; Ulmer, Seeger, & Sellnow, 2007), which are conceptually related to individualizing moral concerns such as justice, fairness/reciprocity, and harm/care. Our study contributes to literature by demonstrating the importance of binding moral foundations that have equally significant impact on consumers' boycott intentions. Crisis communication messages that emphasize binding moral values such as sacrifice, community well-being, sanctity, and in-group respect can be particularly important for a group (e.g., conservatives) or country (e.g., eastern countries) where people are oriented toward binding moral foundations (Haidt, 2012). However, relatively little is known about communication strategies that can effectively deal with consumers outraged by binding moral concerns such as loyalty, purity, and community well-being. We therefore propose that future research investigates further into this increasingly important topic to better understand international public relations so as to "propel the profession toward greater sophistication and effectiveness" (Sriramesh & Verčič, 2003/2009, p. 35).

Third, such multidisciplinary approach sheds insights on cultural differences in consumers' behaviors and responses to corporate crises. It is interesting that our study, for example, found blame attribution to be universally true in predicting boycott across the three cultures, yet individualizing and binding foundations demonstrating varying contributions in the model across the countries. We hope that our findings would allow management and communication professionals practicing in global companies to be better aware of variations in morality especially if they are planning to expand their business operations overseas.

In summary, our study is the first to *globally* map different levels of effects of moral foundations *in a cross-cultural crisis context*. To global corporations, findings from this study provide interesting explanations of consumers' behaviors as well as practical implications. As literature offers scant knowledge on Asian consumers relating to moral foundations and ethical business crises, we believe this study affords a valuable opportunity to explore regional traits relating to conflicts with industries, ethical consumer psychology and behavior, and boycott intentions. It also allows the assessment of potentially significant threats to business operations in major markets in Asia. By shifting research focus from a *company's* perspective to an *audience's* perspective, our study further reveals consumer insights into communication strategies and approaches for businesses and corporations.

Our research is not without limitations. We studied only three countries. Our framework should be tested and examined in other cultures such as those in the Middle East and Europe to obtain universal validity of results. Also, this study's framework was examined in the context of an alleged human rights violation by a huge global enterprise, and this might not be applicable to other contexts such as small-medium business enterprises or nonhuman issues. In addition, it should be noted that consumers' involvement in crisis regarding fashion industry could be a confounding factor in affecting the result. This study further yielded low Cronbach alpha reliability estimates of binding and individualizing measurement items although the lower estimate of .70 is commonly reported in previous MFT literature (e.g., Haidt & Graham, 2007; Nilsson & Erlandsson, 2015). While we acknowledge that this is a statistical limitation, given that such estimates have been accepted in past studies, our scores still may reside within an acceptable range. Finally, as morals and ethics are related to social, political, cultural, and religious factors, more research is needed to explore antecedents such as individual ethical traits.

## Conclusion

Our research offers interesting insights for businesses that are planning or are already operating in culturally diverse countries. By adding new variables of moral foundations in the context of consumers' activists and negative behaviors against crisis inflicted by organizations, we hope our study contributes to the development of theoretically driven communication research, particularly in the field of crisis communication. We also hope that our study will further provide impetus for research in consumer-buying behaviors and ethics that will assist in better communication between organizations and their key stakeholders when confronted with crises that involve ethical issues in today's crisis-prone business environments.

As argued by Coombs and Holladay (2010), crises, after all, are perceptual, and one of the critical components in crisis management is having to manage morals and ethics held closely by stakeholders (Sandin, 2009). In addition to acquiring crisis knowledge, it is equally pertinent for crisis communication professionals to manage consumers' reactions. It is only when practitioners are capable of diagnosing consumers' moral standards can efforts be effectively applied to influence consumers' perception of the company in crisis, and the crafting of corporate messages to reduce negative responses to aid in recovery.

In conclusion, few attempts thus far have been carried out to explore moral differences in understanding audience traits and responses in the context of business ethical issues in different countries. This study expands the scope of the MFT framework in the field of crisis communication and management by offering findings related to the differing effects of two types of moral foundations in the context of global business ethical issues. It also provides insights into activists' consumerism in three culturally diverse countries, in addition to filling the gap in previous MFT scholarship, which focused mainly in contexts related to political and social contexts. By adopting rigorous empirical methods and testing a research model that

specifies theoretical links between moral foundations and behaviors against a firm using large-scale data from different countries, our study further contributed to the understanding of communication issues faced by organizations in times of crisis. We are hopeful that this study will inspire future scholars and equip existing communication professionals with the need to increase their understanding and handling of multinational consumers' responses to corporate crises.

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# Supplemental Material

Supplemental material is available for this article online.

#### Note

1. We tested for two possible omitted variables: gender and age. We ran additional analyses by adding the demographic variables (i.e., age and gender) to our models as covariates. No significant changes were observed after controlling for the demographic differences. None of regression coefficients in our models changed by more than 5% when age and gender are added as control variables. Only one out of 27 regression coefficients changed from marginally significant one (p < .06) to a significant one (p = .049). Hence, we rule out the possibility that cultural variations found in our study are due to differences in these demographic variables across countries. Our aim is to build a theory-based, parsimonious research model. Therefore, we decided not to add demographic variables as control variables because they are neither theoretically important nor empirically confounding factors in this study.

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