The character lens: A person-centered perspective on moral recognition and ethical decision-making

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Abstract

We introduce the *character lens* perspective to account for stable patterns in the way that individuals make sense of and construct the ethical choices and situations they face. We propose that the way that individuals make sense of their present experience is an enduring feature of their broader moral character, and that differences between people in ethical decision-making are traceable to upstream differences in the way that people disambiguate and give meaning to their present context. In three studies, we found that individuals with higher standing on moral character (operationalized as a combination of Honesty-Humility, Guilt Proneness, and Moral Identity Centrality) tended to construe their present context in more moral or ethical terms, and this difference in moral recognition accounted for differences in the ethical choices they made. Moreover, individuals with higher levels of moral character maintained high levels of moral recognition even as pressure to ignore moral considerations increased. Accordingly, this work unifies research on moral character, moral recognition, sensemaking, and judgment and decision-making into a person-centered account of ethical decision-making, highlighting the way decision-makers actively and directly shape the choice contexts to which they must respond.

Keywords: Moral character, ethical decision-making, moral recognition, trustworthiness, whistleblowing

Introduction

In this paper, we introduce the *character lens* perspective on ethical decision-making to account for stable patterns in the way that individuals make sense of and construct the ethical choices and situations they face. At the broadest level, the character lens perspective postulates that individuals' sensemaking processes in particular situations (i.e., their efforts to answer "What is this situation?") is a component of their moral character. We propose that even when the objective properties of the situation are held constant, individuals high versus low on moral character are nonetheless responding to different *psychological* situations, situations that are tinted to a greater or lesser degree (respectively) with morality. The metaphor of the *lens* captures the central thesis of our proposal: that different ways of "seeing" the same situation will guide the choices a person makes in a given context where ethical concerns could be apparent.

The *lens* metaphor has been invoked by social science scholars to understand a range of enduring differences between people in seeing, interpreting, and understanding the world (e.g., Grover, 2014; Kochis, 2005; Lapsley & Lasky, 2001; Reynolds, 2008). Our theorizing is guided by two primary characteristics of the metaphor. First, just as optical lenses give form to the perceptual world to which individuals must respond, cognitive lenses give form to the psychological world to which individuals must respond (cf., Weick, 1988, 1995). As one example of this, findings from the conflict literature suggest that the way people mentally represent situations involving conflict and negotiation (e.g., as a Prisoner's Dilemma Game, a game of Chicken, an Assurance/Stag Hunt Game, or a Maximizing Difference Game) affects their behavior toward interaction partners and shapes how their interaction partners view them (Halevy, Chou, & Murnighan, 2012; Halevy & Katz, 2013). These findings highlight how the lens one party applies to a situation can dictate the way that person will behave, which in turn

shapes the patterns of interaction between the two parties. Second, the lens metaphor often connotes durability in one's perspective (Kochis, 2005). This aligns well with our view that individual sensemaking is to some degree a property of broader dispositions of the individual, and will persist across time and contexts, albeit with some variation due to maturity and significant life events.

The premise that ethical decision-making depends to some degree upon one's perception or interpretation of the situation has a long tradition in business ethics. Most theoretical accounts of ethical decision-making in the management literature (e.g., Jones, 1991; Moore & Gino, 2015; Tenbrunsel & Smith-Crowe, 2008; Treviño, 1986) derive their foundational assumptions from Rest's (1986) four-stage model of moral reasoning, which is social cognitive in nature. According to this model, the lifecycle of a moral decision begins with some form of *moral recognition*, in which decision-makers become cognizant of the moral implications of the situation they face. Various processes are theorized to be involved in moral recognition, including *moral awareness*, *moral construal*, *ethical decision framing*, *moral sensitivity*, and *moral attentiveness*. Following Reynolds and Miller (2015), we use the term *moral recognition* to broadly capture these processes, which as a group, describe the way in which decision-makers come to construe an issue as having moral relevance.[1] Although it is possible for decision-

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[1] In the literature, *moral awareness* (Reynolds, 2006; Jordan, 2009) refers to an individual's recognition that a single situation contains moral issues, whereas *moral sensitivity* (Sparks & Hunt, 1998; Sparks, 2015) refers to a broader recognition of moral issues across multiple situations (Reynolds & Miller, 2015). The terms *moral construal* (van Bavel, Packer, Haas, & Cunningham, 2012) and *ethical decision framing* (Tenbrunsel & Smith-Crowe, 2008) are largely synonymous with the term *moral awareness* in that they refer to processes whereby the decision-maker codes a decision as being relevant to morality, but unlike the term *moral awareness*, the terms *moral construal* and *ethical decision framing* do not imply a binary distinction between awareness versus unawareness (Tenbrunsel & Smith-Crowe, 2008). *Moral attentiveness* refers to a person's chronic attention to moral issues in his/her everyday environment, and in defining this construct, Reynolds (2008) uses a lens metaphor. Unlike our theorizing about the character lens, Reynolds does not argue that a person's moral lens is embedded in their moral character, but rather represents a stand-alone individual difference. Because the process of sensemaking is inherently integrative, our focus is on the holistic operation of moral recognition rather than on disentangling the specific nuanced facets that might comprise it.

makers to act ethically without moral recognition (Tenbrunsel & Smith-Crowe, 2008), a common assertion in the literature is that moral recognition makes ethical behavior more likely (or conversely that lacking moral recognition makes ethical behavior less likely).

To explain why a person would or would not attain moral recognition in a particular context, most research has focused on factors inherent to the context itself. For example, individuals' moral recognition increases when the human consequences associated with a decision are evident (Butterfield, Treviño, & Weaver, 2000), particularly when those consequences are described vividly or with great intensity (Jones, 1991; Sparks, 2015), or when the decision-maker is exposed to moral symbols prior to making a decision, such as the presence of a value-laden quote at the bottom of an email (Desai & Kouchaki, 2017). Conversely, individuals' moral recognition decreases in competitive social contexts (Butterfield et al., 2000), when people are primed to think about money (Kouchaki, Smith-Crowe, Brief, & Sousa, 2013), or when ethically questionable practices are couched in euphemistic language (Tenbrunsel & Messick, 2004). When moral issues are present but moral recognition is lacking, decision makers are said to have an "ethical blind spot" (Bazerman & Tenbrunsel, 2011).

Although most ethical decision-making models incorporate characteristics of the decision-maker into some stage of the decision-making process, the role of these person-level factors is poorly understood from an empirical standpoint. In part, this is because scholars have tended to focus on constructs somewhat removed from moral thought and action, such as locus of control (Treviño, 1986), gender (Ameen, Guffey, & McMillan, 1996), nationality (Blodgett, Lu, Rose, & Vitell, 2001), and education level (Sparks & Hunt, 1998). Perhaps unsurprisingly, relationships between these individual differences and ethical decisions tend to be lackluster (Kish-Gephart, Harrison, & Treviño, 2010), whereas relationships between moral recognition

and characteristics that are more relevant to moral understanding (such as one's values) prove

more robust (Reynolds, 2006; Sparks, 2015). As Tenbrunsel and Smith-Crowe summarize in

their review of the moral awareness literature:

> An examination of the research that has investigated the impact of individual factors on moral awareness paints an incomplete and confusing picture, with some factors more consistent in their influence on moral awareness than others. … Values, orientations, ethical experience and moral disengagement are theoretically closer to notions of morality, and by extension to moral awareness, than are gender and nationality, leading to more robust results. … Mixed findings on moral awareness may thus be due more to a lack of theoretical specification and investigation than to the actual strength of a relationship. (Tenbrunsel & Smith-Crowe, 2008, p. 559)

We offer the character lens proposal to address precisely this "lack of theoretical

specification and investigation," providing a person-centered approach to understanding moral

recognition and ethical choice. In particular, we respond to Tenbrunsel and Smith-Crowe's

observation with two theoretical and empirical advancements over existing research. First, we

draw upon the established literature in moral psychology to specify and measure constructs that

are central to individuals' broader moral character and ethical behavior. We hypothesize that

moral recognition may be an important social-cognitive component of moral character. Second,

by linking broad individual differences in moral character to situation-specific moral recognition

and moral choice, we offer a comprehensive, person-centered account of moral choice, which

specifies the processes by which moral character shapes concrete decisions in specific contexts.

Moral character and ethical behavior

On the basis of several comprehensive reviews of a growing number of empirical papers,

it is now clear that people's ethical thought and behavior are shaped to a meaningful degree by

moral character traits (for reviews, see Cohen & Morse, 2014; Fleeson et al., 2014; Helzer, Furr,

& Jayawickreme, 2018; Jayawickreme et al., 2014; Lee & Ashton, 2012). Studies of self-other agreement on Honesty-Humility and Guilt Proneness (Cohen, Panter, Turan, Morse, & Kim, 2013; Lee et al, 2009), as well as virtues such as fairness, compassion, honesty, and temperance (Helzer et al., 2014), indicate that these and related dispositions can be reliably identified through questionnaire measures. Moreover, measures of these dispositions offer predictive power with respect to how individuals resolve a number of moral situations in work and life (Cohen, Helzer, & Creo, 2022; Cohen, Panter, Turan, Morse, & Kim, 2014; Crossan, Seijts, & Gandz, 2016; Kim & Cohen, 2015; Lee & Ashton, 2012; Thielmann, Spadaro, & Balliet, 2020). The construct of *moral character* encapsulates these and many other morally-relevant dispositions, referring to "an individual's disposition to think, feel, and behave in an ethical versus unethical manner" (Cohen & Morse, 2014; p. 43).

In this paper, in an effort to maximize our relevance to organizational decision-making, we focus on three dimensions of moral character that are implicated consistently in the study of consequential ethical behavior inside the workplace. We base our selection on recent reviews and empirical studies of moral character, which have articulated clear theoretical and empirical grounds for including these constructs in our conceptualization of moral character (e.g., Cohen, Helzer, & Creo, 2022; Cohen & Morse, 2014; Cohen et al., 2014; Helzer et al., 2018; Kim & Cohen, 2015; Thielmann, Spadaro, & Balliet, 2020).

Honesty-Humility. The broad personality factor of Honesty-Humility (*H*), which encompasses people's concerns for and tendencies toward fairness, sincerity, modesty and avoidance of greed, has been added to the traditional Big Five model of personality to account for individual differences in morality (Ashton & Lee, 2009, 2020; Lee & Ashton, 2012). Recent research suggests that H subsumes the "Dark Triad" of Machiavellianism, narcissism, and

psychopathy (Hodson et al., 2018)—which is to say that individuals described as possessing

Dark Triad traits can be just as accurately, and more parsimoniously, described as being low on

the H dimension of personality. H is the best predictor of ethical decision-making and ethical

leadership of the "big six" personality factors, and is a robust predictor of ethical behavior

(Cohen, Panter, Turan, Morse, & Kim, 2013, 2014; De Vries, 2012; Heck, Thielmann,

Moshagen, & Hilbig, 2018; Hilbig & Zettler, 2015; Hodson et al., 2018; Lee et al., 2008; Lee &

Ashton, 2012; Thielmann & Hilbig, 2015; Thielmann et al., 2020).

  Guilt Proneness. Guilt Proneness (*GP*) refers to the degree to which individuals

anticipate they would feel guilt over their own wrongdoings. It is highly correlated with H, and

like H, GP is positively associated with trustworthiness and organizational citizenship, and

negatively associated with dishonesty, workplace deviance, and unscrupulous business decisions

(Cohen, Kim, Jordan, & Panter, 2016; Cohen, Panter, et al., 2013, 2014; Cohen, Wolf, Panter, &

Insko, 2011; Levine, Bitterly, Cohen, & Schweitzer, 2018). In a recent meta-analysis of 770

economic game studies (e.g., trust game, prisoner's dilemma), GP and H were found to be two of

the strongest personality predictors of prosocial behavior across games out of 51 individual

differences that were examined (Thielmann et al., 2020).

  Moral Identity Centrality (Internalization). Moral Identity Centrality (*MIC*) refers to

the degree to which being moral is critical to a person's sense of self. MIC is positively

associated with helping, charitable giving, and ethical leadership, and activating moral identity

has been shown to decrease deception (Aquino & Reed, 2002; Aquino et al., 2009; Black &

Reynolds, 2016; Cohen, Panter, et al., 2014; Hertz & Krettenauer, 2016; Mayer, Aquino,

Greenbaum, & Kuenzi, 2012). MIC appears to be a foundational component of character (Cohen

& Morse, 2014), as it has assumed a central role in several theoretical perspectives on morality in

the areas of business ethics, developmental psychology, as well as in ethnographic studies of the morally exceptional (Helzer et al., 2018; Lapsley, 2016). We focus on the Internalization facet of Moral Identity Centrality, which relates specifically to the degree to which the individual has internalized goals for achieving moral excellence.

By focusing on H, GP, and MIC in the current work, we seek to investigate how moral recognition differs among individuals that tend to be more honest, fair, humble, generous, and trustworthy than their peers (i.e., the various facets spanning these three dimensions of character). Past research suggests that not only do such individuals transgress less than others do, but when they do make a mistake or behave badly, they feel guilty about what they have done and try to correct for it, even if no one knows, or will know, what happened. Their sense of personal responsibility and moral sense of self are strong, which motivates ethical choice. The question we pose in the current research is whether such individuals also see the world in a different way than their peers. In other words, does being relatively high (versus low) on moral character shape the way people make sense of the world around them and construe the situations in which they find themselves?

Sensemaking and Situational Construal as Social-cognitive Components of Moral Character

The character lens perspective assumes that decision-makers actively enact the situations and choice contexts they face. According to this view, the choice environment is not a fixed property of the situation, but is, to a meaningfully degree, psychologically enacted through the lenses decision-makers habitually apply to make sense of their present experience. We postulate that decision-makers mentally construct the situations they face by filtering the raw materials of

experience through cognitive lenses that sharpen certain aspects of that experience (e.g., those promoting moral recognition) and dull others. We further propose that individuals' moral recognition is a component of their enduring moral character.[2]

Note that our perspective differs in important ways from the more traditional situationist or person-by-situationist approaches to understanding ethical behavior. In both of these other approaches, *situations* are delimited by the external, objective properties of a person's environment and exert main effects or moderated effects on individuals' ethical behavior. In contrast, the character lens perspective assumes that situations are dynamic, subjective representations of one's environment, and that two or more individuals can construct the "same" situation in dramatically different ways. We hypothesize that individuals higher in moral character answer the implicit question "What situation is this?" differently than those lower in moral character, and that the former's emphasis on the moral and relational aspects of their present context leads to more ethical behavior.

By integrating the sensemaking process into moral character, we bring together social-cognitive and trait-based accounts of moral personality. Social cognitive models (Lapsley & Hill, 2009; Lapsley & Naravez, 2004; 2005; Naravez et al., 2006; Reynolds, 2006, 2007) offer process-based approaches to understanding individual differences that are consistent with aspects of the character lens hypothesis. For example, Lapsley and Naravez (2005) have argued that "Virtuous individuals…[are] those for whom moral categories are chronically accessible for appraising and interpreting the social landscape" (p. 30). Similarly, Reynolds (2008) introduced the construct of moral attentiveness to account for the chronic accessibility of moral concepts

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[2] This is not to say that moral character influences interpretation of <u>all</u> decisions that individuals face in their daily lives— moral recognition is nonetheless still bounded by "reality constraints" (Kunda, 1991). Though a wide range of decisions can be moralized, at least for some people some of the time (Kreps & Monin, 2011), reality imposes some limits on what people can see in any given situation.

that "[color] the identification and interpretation of incoming information, [shape] the analysis of and reflection on that information, and thereby [create] a person who is attentive to the moral aspects of day-to-day experiences" (p. 1028). In both cases, individual differences in ethical thought and behavior are traced to the degree to which individuals selectively attend to moral content and interpret incoming information through moral knowledge structures.

Proponents of social cognitive models have typically contrasted them against trait- or disposition-based models of moral personality (Lapsley & Hill, 2009; Lapsley & Narvaez, 2004; Narvaez et al., 2006; Narvaez & Lapsley, 2009). Trait-based models rely upon descriptive typologies (such as the Big Five or HEXACO) for categorizing behavioral tendencies (Ashton & Lee, 2020; John, Naumann, & Soto, 2008; Lee & Ashton, 2012; McRae & John, 1992). In a typical trait-based approach to moral personality, relevant dimensions, such as Honesty-Humility, are assessed and used to predict individual differences in moral behavior. Other trait-based accounts of moral personality include "basket of virtues" approaches, whereby moral character traits such as compassion, honesty, or fairness, for example, are assessed to account for between-person differences in specific domains of moral behavior (Helzer et al., 2014).

Although there are important differences between trait-based and social cognitive approaches to understanding personality, there is also great value in integrating the descriptive (i.e., trait-based) and explanatory (i.e., social cognitive) aspects of personality (Fleeson & Jayawickreme, 2015). Whole Trait Theory (WTT, Fleeson & Jayawickreme, 2015; 2021) offers a conceptual understanding of traits predicated upon the idea that these two perspectives "not only can be brought together, but appear to be logically implicative of each other" (Fleeson & Jayawickreme, 2015, p. 83). As its name implies, WTT asserts that "whole traits" embody both descriptive behavioral manifestations of traits (i.e., those captured by the so-called trait-based

approach above) as well as the proximate causal mechanisms that give rise to these behaviors in particular instances (i.e., those captured by the social-cognitive approach). Fleeson and Jayawickreme (2021, p. 1) put it this way:

> "One part of individuals' traits is the descriptive part, and describes how much people enact the trait content in their behavior. The other part is the explanatory part, and consists of social-cognitive, motivational, and biological mechanisms that cause the trait contents people enact in their behavior."

Our theorizing applies the fundamental principles of WTT to the domain of broad moral character. If moral character refers to "an individual's disposition to think, feel, and behave in an ethical versus unethical manner" (Cohen & Morse, 2014, p. 43), then it is reasonable to postulate that social-cognitive processes of thinking and feeling, which govern individuals' proximal interpretation of situations and contexts, are components of moral character. Accordingly, the character lens hypothesis links descriptive moral character constructs, such as Honesty-Humility, Moral Identity Centrality, and Guilt Proneness, to proximal social cognitive processes—specifically moral recognition in particular circumstances—to provide an integrative account of moral personality. Importantly, according to this account, moral character does not "cause" moral recognition; rather, enhanced moral recognition is theorized to be a social-cognitive component of character.

Research overview

In what follows, we report the results of three studies investigating the character lens perspective. In Studies 1A and 1B, we leverage mixed-source data to test whether variability in Masters of Business Administration (MBA) students' trustworthiness in a trust game (Berg, Dickhaut, & McCabe, 1995; Levine et al., 2018; Pilutla, Malhotra, & Murnighan, 2003) could be explained by the way in which they made sense of the choice context, which we tapped into by

asking participants to explain their decision-making strategies. Our results indicate that decision-makers' moral recognition can be uncovered by the explanations they give for their choices, and provide evidence supporting the character lens perspective by showing that moral recognition is a social-cognitive mechanism linking dispositional differences in moral character to specific instances of sensemaking and choice in particular choice contexts. We chose the trust game to investigate the character lens perspective because there is potential for variability in how people perceive and make sense of the choice context, viewing it as an ethical decision and/or as calculated financial decision (Pilutla et al., 2003).

Study 2 builds on these studies and asks whether individual differences in sensemaking persist in contexts that might crowd out moral recognition. We show that individuals high in moral character maintain high levels of moral recognition even when induced to ignore ethical considerations, and accordingly express stronger intentions than those low in moral character to speak up about financial misconduct. We further show that individuals' moral recognition can be assessed reliably through their spontaneous reactions to the situation, and such recognition is linked to individual differences in moral character.

We report all measures, manipulations, and exclusions in each of these studies. Study materials, data files, and results of auxiliary analyses are available in the online supplemental materials on the Open Science Framework (https://dx.doi.org/10.17605/OSF.IO/A2YGJ). All studies were approved by the institutional review board (IRB) at the authors' institutions.

Study 1A

The purpose of Study 1A was to obtain initial evidence for the character lens perspective by examining MBA students' decisions in an economic decision-making task along with their moral character and moral recognition. We examined whether individual differences in moral

character were associated with behavior in a trust game vis-à-vis the distinct ways in which individuals high and low in moral character made sense of (i.e., construed) the game context.

Method

Participants & Procedures

Data for this study come from full-time MBA students from two U.S. universities who completed surveys and class activities relevant to our research questions as part of their required organizational behavior courses. Participants were a blend of international (48%) and domestic (52%) students. Two years' worth of data were collected. Prior to running analyses, we excluded 10 participants with missing data (1.8% of the total sample), resulting in a sample of 555 individuals (173 female) for analysis.

Participants completed a personality survey containing assessments of H, GP, and MIC several weeks prior to taking part in a multi-round decision-making task with their peers—a task that researchers have labeled the trust game (Berg et al., 1995; Levine et al., 2018; Pilutla et al., 2003). In addition to making decisions about whether to send and return money to classmates in the decision-making task, participants also were queried about their strategies and reasons for their choices, which allowed us to gauge their moral recognition of the choices they faced.

Personality Survey: Moral Character

At the start of the course, several weeks prior to completing the decision-making task, students completed an online personality survey and were later provided with extensive feedback reports about their scores as part of a lesson personality and leadership. Embedded in this survey along with other personality measures were scales assessing Honesty-Humility (H), Guilt Proneness (GP), and Moral Identity Centralization (MIC). In this study and the ones that follow, we operationalize moral character as a mean composite of these three character measures and

focus on this composite variable in testing our hypotheses. For clarity and thoroughness in our reporting, we also present separate results for each moral character dimension in the online supplemental materials. As indicated in our tables, results are similar regardless of whether we examine the moral character composite or any of the three specific moral character dimensions that comprise it.

H was measured with the 10-item Honesty-Humility scale from the HEXACO-60 personality inventory (Ashton & Lee, 2009; e.g., "If I knew that I could never get caught, I would be willing to steal a million dollars."). Participants indicated their response to each item on a five-point rating scale ranging from 1 (*completely disagree*) to 5 (*completely agree*). GP was assessed with the Five-Item Guilt Proneness (GP-5) scale (Cohen, Kim, & Panter, 2014; Cohen, Panter, Morse, Turan, & Kim, 2014; e.g., "After realizing you have received too much change at a store, you decide to keep it because the salesclerk doesn't notice. What is the likelihood that you would feel uncomfortable about keeping the money?"). Participants indicated their response to each item on a five-point rating scale ranging from 1 (*extremely unlikely*) to 5 (*extremely likely*). MIC was measured with the five-item Moral Identity Internalization scale (Aquino & Reed, 2002), which presents respondents with a list of moral adjectives (e.g., fair, honest) and asks them to indicate how important having these characteristics is to them (e.g., "Being someone who has these characteristics is an important part of who I am"). Participants indicated their response to each moral identity item on a five-point rating scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

Decision-Making Task: Trustworthiness, Trust, & Moral Recognition

Several weeks after completing the personality survey, students completed a "decision-making task" online. The task was a trust game, although the terms trust and trustworthiness

were never used in the study, so as not to prime or bias participants. After students were trained on the task and made aware of the financial consequences of their decisions, they made decisions in the *Sender* role first, and the *Receiver* role second. At the next in-person class session, per the instructions given to students in the task, course instructors selected at random one round of the trust game from all rounds completed by students in the class, and awarded two students (i.e., one Sender and one Receiver) in each class section monetary compensation based on their choices in the decision-making.[3]

In the Sender role, students were presented with the full class roster and asked, for each classmate, whether they wanted to keep $10 or send that money to the Receiver. If the Sender sent the money it was tripled and the Receiver would decide whether to keep the $30 or send half ($15) back to the Sender. After making decisions in the Sender role, students answered questions in the Receiver role. They were presented with the full class roster and asked, for each classmate: "If I am paired with ____, and s/he sends me the initial $10, the amount I will have is $30. In this circumstance: I choose to keep the $30 for myself or I choose to return half the money ($15) to the Sender." Based on students' decisions in the task, we calculated their *trustworthiness*, as measured by the percentage of times they returned money ($15 out of $30) to a peer who had entrusted the money to them, and their *willingness to trust others*, as measured by the percentage of times they decided to send money ($10) to a peer in hopes of having $15 returned to them. We note that decisions to send and return money in this task are ambiguous – they involve moral and social considerations, economic considerations, and concerns about rational self-interest (Dunning, Fetchenhauer, & Schlosser, 2019). Indeed, the ability to view these decisions through various lenses is what makes the trust game an excellent test for the character lens hypothesis.

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[3] Data collection occurred over the course of two academic years at both universities. The majority of the data (78.4%) were collected using the design described here. The remainder of data (one year at one of the universities) were collected with fully hypothetical choices. This change did not substantively affect the results.

After making Sender and Receiver decisions concerning each of their peers, students were asked several questions about their decisions in a post-task survey. First, they were asked to describe what strategies they had used to make decisions about to whom to send and return money (one open-ended question each; see Study 1B for analysis of these open-ended responses). Next, two of the questions in the post-task survey captured *moral recognition*, adapted from Reynolds (2006). Students indicated their agreement versus disagreement with the following statements about the decision-making task (1 = *strongly disagree, 7 = strongly agree*): "There are very important ethical aspects to this decision-making task"; "This task clearly does not involve ethics or moral issues." For the purposes of discriminant validity, we also included items assessing recognition of other aspects of the task: "There are very important business aspects to this game;" "There are very important personality aspects to this game;" and "There are very important social aspects to this game;" all of which were answered on the same seven-point *strongly disagree* to *strongly agree* scale.

Results

After reverse-scoring appropriate items for the H, GP, and MIC scales, responses were averaged into their respective indices (H: α = .83; *M* = 3.49, *SD* = .61; GP: α = .73, *M* = 4.08, *SD* = .70; MIC: α = .74, *M* = 4.53, *SD* = .58). To form a moral character composite variable, we then standardized each character measure and averaged them (α = .83). For ease of interpretation, we standardized this variable to a z-score so that it would have a mean of 0 and a standard deviation of 1. In addition, the two items measuring moral recognition were averaged after reverse scoring the second item (α = .72, *M* = 5.08, *SD* = 1.56) into a single composite of *moral recognition in the trust game*.

Consistent with our theorizing, individuals higher on each of the three moral character dimensions, as well as the moral character composite, had higher levels of moral recognition in the trust game (see Table 1). Specifically, moral character was positively and significantly correlated with moral recognition, $r(554) = .21$, $p < .001$, which supports the character lens perspective by indicating that higher levels of moral character were associated with a greater likelihood of viewing the decision-making task through a moral lens. Moral character was also significantly correlated with individuals' trustworthiness, $r(554) = .23$, $p < .001$, and willingness to trust others, $r(554) = .20$, $p < .001$.

Moral character was not significantly correlated with the item "There are very important business aspects to this decision-making task," $r(554) = .06$, $p = .19$, nor with the item "There are very important personality aspects to this decision-making task," $r(554) = .07$, $p = .10$, suggesting discriminant validity of moral recognition from recognition of other aspects of the task. The correlation between moral character and the item "There are very important social aspects to this decision-making task, $r(554) = .09$, $p = .02$, was significant, albeit weaker than the corresponding correlation with moral recognition. This may reflect conceptual overlap between the "social" and "ethical" domains, or may indicate additional social components to the task.

INSERT TABLE 1 HERE

Next, we used multiple regression models (see Table 2) and Hayes's (2018) PROCESS model (with 10,000 bias-corrected bootstrap resamples) to confirm that a significant portion of the relationship between moral character and trustworthiness and trust was accounted for by individuals' moral recognition. In these analyses, we controlled for both gender and university affiliation, as these were modestly correlated with some of our variables of interest. Removing these control variables does not meaningfully affect the results reported below. In both models,

the confidence intervals for the indirect effects did not include zero, $CI_{trustworthiness}$ = [1.31, 3.69], CI_{trust} = [1.07, 3.21], consistent with our theorizing that enhanced moral recognition on the part of those higher versus lower in moral character explained these individuals' higher propensity for trust and trustworthiness in their decision-making. These results support the character lens perspective on decision-making by showing that sensemaking about the task differed according to individuals' standing on moral character, and that the moral lens applied by those high in moral character was associated with more trustworthy and trusting decisions.

INSERT TABLE 2 HERE

Study 1B: Observer reports of the character lens

In Study 1B, we recruited a sample of observers to read the open-ended text responses of participants in Study 1A with the goal of inferring how Study 1A participants were making sense of the decisions they faced in the task. Our primary question was whether observers' inferences about participants' sensemaking (made on the basis of participants' strategy descriptions) would track with participants' self-ratings of moral recognition, as well as their trust and trustworthiness decisions. To test our research question, we designed a methodology inspired by Liberman, Samuels, and Ross' (2004) "name of the game" study. In their study, participants played a prisoner's dilemma game that was introduced to them either as the *Wall Street Game* or the *Community Game*. They found powerful framing effects, such that participants playing the community game behaved more cooperatively than participants playing the Wall Street Game. We adapted (and flipped) their ideas about the "name of the game" by asking participants in Study 1B (observers) to read Study 1A participants' (targets') open-ended responses describing the strategies they used to make their choices in the decision-making task, and infer the game the

target participants thought they were playing: *a game about fostering trust and community building* or *one about advancing self-interest and maximizing personal resources*. We expected observers' ratings to correlate with the target participants' self-reports of moral recognition, and with targets' trust and trustworthiness decisions.

Method

Participants

We recruited 353 English-speaking participants (51% female) from an online participant pool (Prolific.ac) for monetary compensation. Participants were drawn from several countries across North America, South America, Europe, and Asia, and ranged in age from 18 to 65 (M = 30.75, SD = 10.29) years.

Materials and Procedures

After providing consent, participants completed basic demographic information and were introduced to the task through the following instructions:

> You will read responses given by participants in a previous research study. Participants completed a decision making task in which they were given choices about whether to send and return money to different partners. After they made their decisions, they described the strategies they used.
>
> - Some participants believed they were playing a game about *fostering trust and community building*.
>
> - Other participants believed they were playing a game about *advancing self-interest and maximizing personal resources*.
>
> Your job is to read these participants' stated strategies and give your best guess about which of the two games the person believed he or she was playing.

Study 1B participants (observers) then read open-ended responses provided by 25 randomly selected participants from Study 1A (targets). For each response, observers were shown a participant's description of the strategy s/he described for decisions s/he made in the

sender role, followed by the description of the strategy s/he described for decisions s/he made in the receiver role. As an example, one participant in Study 1A wrote:

> **Participant's stated strategy as a sender:** "According to the game theory, the optimal decision for me is to keep the money, so I would keep it.'"
>
> **Participant's stated strategy as a receiver:** "For senders, the optimal choice is to keep, but if someone sends the money to me, it means they trust me, so I choose to send half back."

Another Study 1A participant wrote:

> **Participant's stated strategy as a sender:** "Send the money to people who are more ethical, honest, and modest."
>
> **Participant's stated strategy as a receiver:** Send money back to everyone. I know the most economical strategy is to retain all the money. However, in each case, I want a win-win ending. It's not stupid; human civilization is based on this to thrive."

After reading the participant's sender and receiver strategy statements, observers were asked to indicate their "best guess about which of the two games this person believed he or she was playing," and were provided with three options: *They believed they were playing a game about… "fostering trust and community building," "advancing self-interest and maximizing personal resources," or "cannot tell based on what is written."* Observers made a forced choice from among these three options. They repeated this process until they had read and rated strategies from 25 randomly selected participants. This resulted in at least eight ratings (*Mdn.* = 13) for each of the 555 target participants from Study 1A.

Results

For each target participant, we summed the number of times the *trust and community building* option was selected by observers and then divided that by the number of observers who rated that response, resulting in a proportion score. This was our primary dependent measure (*observer-reported moral recognition*). Scores ranged from 0 to 1.0, with $M = 0.49$, $SD = 0.28$.

(We note that the results below replicate fully (albeit in the opposite direction) when the proportion of times "advancing self-interest and maximizing personal resources" is instead used as the dependent measure.)

The test for correspondence between self-reported moral recognition in Study 1A and observer-reported moral recognition in Study 1B yielded a significant correlation, $r(554) = .37$, $p < .001$, indicating that target participants who self-reported greater moral recognition were more likely than those reporting lesser moral recognition to be judged by observers as playing a trust and community building game. Thus, the way in which Study 1A participants made sense of the choices they faced was evident from their strategy descriptions, with observer ratings of moral recognition corroborating participants' direct reports.

Next, we tested whether observer ratings of moral recognition tracked individual differences in moral character. Consistent with our expectations, individuals higher in moral character (as indicated by self-report in Study 1A) were more likely to be judged by observers in Study 1B as playing the trust and community game based on their described strategies, $r(554) = .22$, $p < .001$. This same pattern held for each moral character dimension when examined individually ($r_H = .19$, $r_{GP} = .18$, $r_{MIC} = .15$, all ps $< .001$).

We then tested the degree to which observers' ratings of moral recognition tracked and explained variance in participants' trust and trustworthiness decisions. As expected, individuals who were believed to be playing the trust and community game did, in fact, trust more often (i.e., sent money more frequently), $r(554) = .51$, $p < .001$, and were more trustworthy with their peers (i.e., returned money more frequently), $r(554) = .51$, $p < .001$. These results show that observer-reported moral recognition was associated with both trust and trustworthiness. We formally tested the full chain from Moral Character ⭢ observer-reported moral recognition ⭢ trust and

trustworthiness using Hayes's (2018) PROCESS model with 10,000 bias-corrected bootstrap resamples. This analysis confirmed that a significant portion of the relationship between moral character and trust and trustworthiness decisions was accounted for by observer-reported moral recognition (after controlling for participant sex and university affiliation). In both models, the confidence intervals for the indirect effects did not include zero, $CI_{trust} = [1.81, 4.91]$, $CI_{trustworthiness} = [1.72, 4.61]$, confirming the results of Study 1A and offering additional support for the character lens perspective on decision-making.

Study 1A & 1B Discussion

Studies 1A and 1B rely upon multi-source data collected at different time points to test the character lens perspective on decision-making. Individual differences in moral character, self- and observer-reported moral recognition, and trust and trustworthiness decisions cohered, demonstrating a link between broad moral dispositions and sensemaking, interpretation, and action in a particular choice context. These individual differences were visible to outside observers from the way in which participants described their choice strategies, and were reliably detected even with moral character measured several weeks prior to the assessment of trust and trustworthiness.

Study 2: Assessing the durability of the character lens

The purpose of Study 2 was to test the robustness of the character lens by examining moral recognition dynamically; that is, as it unfolds across different decision points. Although the decision-making task in Study 2 was a hypothetical simulation, it provided the opportunity to investigate our phenomenon of interest in the psychologically-rich context of responding to ongoing and worsening organizational corruption.

Method

Participants

      To separate our measures of moral character from the primary task and outcome measures, participants ($N = 306$) were sampled from a larger pool from whom the study team had previously collected measures for all three moral character dimensions. English-speaking participants living in the United States were recruited from Amazon's Mechanical Turk to complete the study for monetary compensation. Participants were excluded prior to analysis if they failed to meet pre-specified exclusion criteria—that is, if they failed to complete the study or if they submitted poor quality responses (as measured by unreasonably fast study completion times and/or blank or nonsense open-ended responses). After accounting for these exclusions, 281 participants[4] were retained for data analysis ($M_{age} = 37.33$, $SD_{age} = 12.08$; 50% female).

Materials and Procedures

      Moral character. Measures of H, GP, and MIC (identical to those used in Study 1A) were collected as part of a larger battery during an earlier, unrelated study that took place two to six months before Study 2.

      Decision-making simulation. The purpose of the simulation was to track how moral recognition changed as participants became increasingly entangled in an unethical business practice. To accomplish this, the study team wrote a simulation that allowed for multiple measurements of moral recognition and whistleblowing intentions (see the online supplemental materials).

      Consenting participants were encouraged to engage with the simulation and offer responses that reflected what they thought they would actually do if faced with the situation. They then proceeded through four rounds of the simulation. After each round, participants

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[4] Among these 281 participants, several had missing values for some items: round 3 moral recognition ($n=3$), round 4 moral recognition ($n=2$), round 2 internal whistleblowing ($n=2$), round 1 external whistleblowing ($n=2$), and round 3 external whistleblowing ($n=2$). We used data from all 281 participants in our analyses and accounted for missing data by using the full information maximum likelihood (FIML) estimation method.

completed the same dependent measures, in order. At the end of the simulation, participants were thanked for their participation and compensated.

In Round 1 of the simulation, participants read that they had recently taken a job as the director of the accounting department for a large technology firm (DenWare), and that they had discovered irregularities in accounting practices. Participants imagined that they had discussed the issue with a team member who had told them that the practice is quite common at the firm, and that the books "always balance out in the end." Participants were then asked to imagine that they were considering contacting DenWare's corporate office to alert them to the practices going on in their team.

In Round 2, participants imagined having a conversation with another director in which the quarterly reports come up. "The director assures you that this is normal practice: 'This isn't just happening in your department… And you should get used to this – everybody in the industry plays this game in some way. If we didn't do it, we would fall behind other places that do. But don't worry about it – the numbers always work out in the end.'" Participants then read that they were once again considering alerting the corporate office, but were conflicted because of additional expenses in their lives that would make job loss especially difficult.

In Round 3, participants were asked to imagine that several weeks had passed and they had formed many good relationships with members of the accounting team, as well as with their boss, who had said she expected them to advance quickly at DenWare. However, when the time came to finalize the current quarter's earnings report, participants realized that contracts were still being backdated. Participants imagined discussing this with a senior member of their team, who tells them that the corporate office "has all but recommended the accounting team do this to align earnings reports with 'industry standards.'" Participants envisioned feeling once again

conflicted about whether or not to contact the corporate office, in part because "thoughts of your potential promotion loom large, as does the potential fall-out in case the corporate office reacts negatively to the conversation."

In Round 4, participants were told that two months had passed since the previous quarterly report, and they had begun the promotion process. The new position comes with prestige, and involves direct communication with the corporate offices. Participants then imagined having lunch with a corporate executive weeks later, who tells them, "You've done such a great job in accounting – earnings have never looked better. It's one of the reasons your promotion is such a shoe in!" Once again, participants envisioned feeling conflicted about whether to raise the issue with corporate in light of the potential toll it would take on their professional advancement.

Dependent variables. Participants were first asked, in an open-ended format, what thoughts would be going through their mind as they consider what to do in this situation. Next, participants indicated the degree to which (on a five-point scale from 1 = *Not at all* to 5 = *Very much*) each of four concerns weighed on their minds as they made sense of their situation: *Concerns about the profitability of DenWare*, *Concerns about keeping myself free of legal problems*, *Concerns about protecting my job or advancing my career*, and *Concerns about maintaining a clear conscience or fulfilling my ethical obligation*. These possibilities reflect four distinct starting points for answering the question, "What situation is this and what should I do?" (Weick, 1988), with the final possibility reflecting moral recognition.

Participants were then asked about their likely behavior based on what they knew. First, they were asked how likely it is that if they were faced with this situation in real life they would inform the corporate office about the practices taking place (*internal whistleblowing intentions*).

Second, they were asked how likely it is that if they were faced with this situation in real life they would alert the media or others outside the organization about the practices *(external whistleblowing intentions)*. Responses to these two items were made on an 11-point scale from 1 = 0% (*Certain that I would not*) to 11 = 100% (*Certain that I would*), with a midpoint of 6 = 50% (*I would be completely torn between the two)*.

Results

All moral character measures showed acceptable reliability and were averaged into their respective indices after reverse scoring appropriate items (H: α = .85, *M* = 3.45, *SD* = .79; GP: α = .73, *M* = 3.87, *SD* = .78; MIC: α = .84, *M* = 4.32, *SD* = .68). As in Study 1A, we formed a moral character composite variable by first standardizing each character measure and then averaging them (α = .86), and then for ease of interpretation, we standardized this variable to a z-score. Correlations between all moral character measures, moral recognition, and the two whistleblowing measures (i.e., internal and external) are displayed in Table 3.

INSERT TABLE 3 HERE

To visualize the patterns revealed by the data, in Figure 1 we plotted moral recognition at each round in the simulation for individuals high, low, and midrange in moral character based on a tertiary split of participants' moral character scores. We conducted latent growth modeling (LGM) analyses of moral recognition, as well as internal and external whistleblowing intentions to investigate ethical fading and its relationship to moral character formally. LGM is a statistical technique used in structural equation modeling that estimates within-person trajectories of the focal variable. At least three time points are required to model linear change and with four time points, a quadratic change model can be estimated. For each dependent variable, we compared three models. The first model (i.e., *no change*) assumes that individuals' moral recognition does not significantly change across time. The second model (i.e., *linear change*) assumes that there is a linear change (e.g., linear decrease) over time. The third model (i.e., *quadratic change*) allows nonlinear changes over time. In all the models we estimated, residual variances across the four rounds in the simulation were constrained to have the same value to simplify the estimation of the model. We conducted model comparisons by evaluating three model data fit indices recommended in the literature (Fan & Sivo 2007; Hu & Bentler 1999): the root mean square error approximation (RMSEA), the Tucker-Lewis index (TLI), and the comparative fit index (CFI).

INSERT FIGURE 1 HERE

For each of the three dependent variables (i.e., moral recognition, internal whistleblowing intentions, and external whistleblowing intentions), the LGM analyses supported the quadratic change model (LGM model fit statistics are provided in the online supplemental materials). Specifically, the quadratic change models had the lowest RMSEA, and the highest TLI and CFI values of the models we tested. A summary of the parameter estimates from the quadratic change models for each of the dependent variables is presented in Table 4. The means estimates signify the average change patterns across individuals, whereas the presence of individual differences in those changes is signified by the variance estimates.

INSERT TABLE 4 HERE

We examined the significance of the means estimates of the linear and quadratic change parameters for the moral recognition measure. The results indicated that, first, on average, participants' moral recognition decreased across rounds (i.e., the mean linear change was negative: $b = -.25$, $SE = .06$, $p < .001$), and second, on average, decreases in moral recognition were less pronounced in later rounds than in earlier rounds (i.e., the mean quadratic change was positive, $b = .05$, $SE = .02$, $p < .01$). Turning to whistleblowing intentions, we observed a similar pattern for internal whistleblowing, but not external whistleblowing. On average, participants were less likely to internally blow the whistle by contacting the corporate office about the fraud they observed as the simulation progressed across rounds, but this decrease plateaued in later rounds. Neither the linear change nor the quadratic change was significant for external whistleblowing intentions.

For each of the dependent variables, the variance estimates for the intercept, linear change, and quadratic change were significant, indicating that participants' overall levels and change patterns across the simulation were not uniform. Given the significant variance estimates,

we tested whether these individual differences could be explained by participants' moral character. Using the quadratic change model (i.e., the best-fitting model), we tested whether the overall strength (i.e., intercept), as well as the decline rate and shape (i.e., linear and quadratic changes) of participants' moral recognition could be explained by their moral character.

As indicated in Table 5 Panel A, we found that moral character positively and significantly predicted the intercept of moral recognition, $b = .56$, $SE = .06$, $p < .001$, but not the linear change, $b = .02$, $(SE = .06)$, $p = .79$, nor the quadratic change, $b = .004$, $(SE = .02)$, $p = .82$. These results suggest that moral character is associated with stronger ongoing moral recognition at each measurement point. Although individuals higher in moral character showed decreases in moral recognition, their absolute levels throughout the task remained high (see Figure 1), and higher than that of their peers with lower levels of moral character, owing to their high initial levels of moral recognition.

Using the quadratic change model, we tested whether moral character predicted the intercept of moral recognition, and whether the intercept of moral recognition predicted the intercept of internal whistleblowing intentions. Results are presented in Table 5, Panel B. As shown, (a) moral character was positively and significantly associated with moral recognition; (b) moral recognition was positively and significantly associated with internal whistleblowing intentions; and (c) the mediating effect of moral recognition on the relationship between moral character and internal whistleblowing intentions was significant, as indicated by the 95% bias-corrected confidence interval from 10,000 bootstrapped resamples not including zero. These results are consistent with the possibility that moral recognition mediates the relationship between moral character and intentions to engage in internal whistleblowing in response to organizational wrongdoing.

INSERT TABLE 5 HERE

Assessing moral recognition from participants' spontaneous reactions

As a supplemental test of our perspective, we examined whether participants' moral recognition was detectable from the spontaneous open-ended reactions they offered in Round 1 after being introduced to the situation but before completing the dependent measures analyzed above. In other words, these responses were offered before the study materials could prompt thoughts of ethics or morality vis-à-vis our DVs. Two research assistants served as coders of participants' open-ended responses to the question of "What thoughts would be going through your mind as you consider what to do in this situation?" in Round 1. We provided coders with a synopsis of the vignette read by participants in Study 2 followed by coding instructions (see supplemental materials for exact materials):

> *We would like you to read each statement and determine whether or not it makes*
>
> *reference to ethics or morality. It is not necessary for participants to use the words*
>
> *"ethics" or "morality" in their responses; a response can make reference to these*
>
> *categories indirectly but clearly*."

Coders then read each of the 282 responses and categorized each one into one of three categories: *Clear reference to ethical/moral issues*, *No reference to ethical/moral issues*, *Possible reference to ethical/moral issues (hard to tell)*. We later coded these as 1, 0, and 0.5, respectively. Coders were in agreement 75% of the time. We calculated a weighted Kappa that considered the ordinal structure among categories (Cohen, 1968; Fleiss, Cohen, & Everitt, 1969), which indicated acceptable interrater reliability (Kappa = .70). We used the average of the two coders' ratings as the measure of *observer moral recognition* for each response. Averaging ratings also served as our method for resolving disagreements between raters. For example, in

rare cases (7% of all responses) where one rater indicated "No reference to ethical/moral issues" (0) and the other rater indicated "Clear reference to ethical/moral issues" (1), the average of .5 corresponded with the original designation of "possible reference to ethical/moral issues."

Observer moral recognition was significantly correlated with participants' self-reported moral recognition in Round 1, $r = .28$, $p < .001$, participants' moral character, $r = .17$, $p = .03$, and their intentions to blow the whistle internally, $r = .23$, $p < .001$, but not externally, $r = .05$, $p > .42$. In other words, although observer ratings of moral recognition were based only on participants' initial, spontaneous reactions to the vignette, they nonetheless tracked with participants' self-reported patterns of sensemaking and behavioral intentions.

Discussion

The purpose of Study 2 was to test the robustness of the character lens proposal by examining individuals' moral recognition and whistleblowing intentions across several rounds of a decision-making simulation designed to crowd out moral recognition. This study demonstrates the complementarity of our person-centered perspective on ethical decision-making with accounts that focus primarily on contextual forces that cause people to lose focus on the ethical implications of their choices.

First, moral character was associated with individuals' sensemaking at all points in the simulation. Although, on average, moral recognition for all participants diminished throughout the simulation, those higher in moral character nonetheless remained very much aware of the ethical aspects of the situation they faced owing to their high initial levels of moral recognition. These initial levels of moral recognition were evident in participants' open-ended reactions to the vignette, and trained coders were able to differentiate between those with higher and lower levels of moral recognition. Second, heightened moral recognition across all the rounds in the

simulation was associated with stronger intentions to blow the whistle in the face of organizational corruption by contacting the corporate office about the fraud taking place within the organization (i.e., internal whistleblowing). Third, results from our mediation analysis were consistent with the possibility that individuals higher in moral character reported stronger intentions to blow the whistle by contacting the corporate office because they remained very much aware of the ethical implications of their potential choices.

We did not observe a significant relationship between moral character and external whistleblowing intentions in the simulation (i.e., intentions to alert the media or others outside the organization about the fraud), and moral recognition was only weakly correlated with external whistleblowing intentions. The external whistleblowing results may suggest that in this particular decision-making context, contacting outside media firms about the organizational corruption was not regarded as appropriate behavior, especially when given the option to blow the whistle internally instead. Finally, we wish to note the limitation of our dependent measures. Whistleblowing intentions elicited from a hypothetical scenario may be a poor indicator of who will and will not blow the whistle in the face of actual corruption (Mesmer-Magnus & Viswesvaran, 2005). Our results speak to the tendency for individuals higher in moral character to both recognize the ethical implications of the situation they were asked to consider and formulate intentions to address ethical lapses. Additional research will be needed to establish a firm link from whistleblowing intentions to whistleblowing behavior.

General Discussion

The purpose of this paper is to advance the character lens perspective on ethical decision-making, which integrates the study of moral character with the study of moral recognition to provide a person-centered account of ethical choice. Like other accounts of ethical decision-making in the organizational behavior literature, we look to moral recognition as an important component of the ethical decision-making process (Rest, 1986; Reynolds & Miller, 2015; Tenbrunsel & Smith-Crowe, 2008; Treviño, 1986). Where we most fundamentally diverge from those accounts is in focusing on moral recognition as a property of individuals and a component of moral character. The character lens perspective acknowledges the central role of stable individual differences in interpretation and sensemaking, and views these as essential to understanding the choices individuals make.

The character lens neatly integrates person- and situation-centered perspectives on decision-making by carefully detailing the ongoing interplay between these types of forces for shaping ethical choice. While it is true that situations shape individuals' construal of the choices they face, it is also the case that individuals shape situations through their construal of them, as well as their actions. Our data illustrate both these maxims in the realm of ethics. In Study 2, participants' moral recognition tended to diminish as a function of experimentally-induced pressure to stay quiet in the face of organizational misbehavior, demonstrating the effect of situational pressure on individuals' construal processes (see also Bazerman & Tenbrunsel, 2011; Liberman et al., 2004; Moore & Gino, 2013). However, individuals high in moral character, relative to those low in moral character, nonetheless tended to maintain greater moral recognition across rounds of the study, providing evidence of the power of individual differences in shaping

construal. In accounting for these influences in the sensemaking process, the character lens perspective offers a holistic understanding of ethical decision-making by individuals.

For organizations, the character lens perspective suggests several important considerations for fostering ethical conduct. Recruiting, promoting, and retaining individuals with higher moral character may be a corrective against environment-induced lapses in moral recognition that lead to unethical practices. Amid the many forces that can induce an ethical "fog" in organizational life –including pressures of time, targets, clients, and other demands— individuals higher in moral character are better able to maintain recognition of the moral aspects of their choices and behaviors than those lower in moral character. This ability to "see through the fog" may allow individuals higher in moral character to engage with moral considerations even in circumstances that typically promote moral disengagement and ethical fading (Bazerman & Tenbrunsel, 2011; Moore & Gino, 2013; Tenbrunsel & Messick 2004). For instance, in their steadfastness, these individuals can have positive effects on team processes and peers. As one example, a recent study found that teams participating in an entrepreneurial decision-making exercise were more likely to apply an ethical lens to their decision-making and arrive at an ethical choice when there was one ethical champion (an individual who raised and stood for an ethical position) on the team (Chen, Treviño, & Humphrey, 2020). This suggests that individuals higher in moral character not only view their world through a more moral lens, but can encourage colleagues and teammates to do so, as well.

Installing ethical leaders is another proactive step organizations can take. Ethical leaders are key to shaping the ethical culture of an organization, which includes the degree to which collective moral awareness permeates throughout (Solinger, Jansen, & Cornelissen, 2020; Treviño, Weaver, Gibson, & Toffler, 1999). By promoting ethical organizational culture, ethical

leaders shape the lens through which stakeholders understand their work within organizations. Ethical leaders can also provide a "corrective lens" to individuals who may be more susceptible to moral blindspots. For example, some research suggests that the effect of ethical leadership on the ethical behavior of employees may be strongest for employees in whom moral recognition is lacking (Gok et al., 2017).

For both practical application and future research, the questions of how to conceptualize and assess moral character are central. In this research, we assessed moral character on three dimensions (H, GP, and MIC), which we examined separately and in composite form (see Tables 1 and 3). Conceptually, the composite was reflective of our desire to understand moral character in broad terms – as a system of thoughts, emotions, and behaviors that produces consistency in ethical versus unethical conduct. Empirically, the moral character composite had good psychometric properties; across studies and measures, it was consistently and significantly correlated with moral recognition and our DVs of interest, highlighting the advantage of taking a more inclusive approach to assessing moral character. On the other hand, the five-item GP scale performed similarly to the composite, suggesting that individual differences in broad moral character could be captured more parsimoniously in future studies by assessing guilt proneness or related constructs. Ultimately, the question of which approach is best suited for a given purpose depends greatly on how one conceptualizes moral character and which aspects of the moral personality system one wishes to capture.

The Character Lens and Personal Responsibility

One of the most important advancements of our perspective over past theory is that it brings the individual to the forefront of the decision-making process. One critique of traditional

situationist accounts of ethical behavior is that they offer no clear picture of what role decision-makers themselves play in the decision-making process. Because impersonal forces, rather than persons, are central to the causal structure of decision-making under pure situation-based perspectives, they leave open questions about the degree to which individuals ought to be thought of as morally responsible for the choices they make. In contrast, our perspective begins from an assumption of personal agency, positing that individuals take an active role in both framing the choices they face and resolving ambiguity to arrive at decisions, regardless of whether they are consciously aware they are doing so. By showing that individuals' dispositions shape the earliest stages of the decision-making process, we restore agency to decision-makers in a way that does not, in principle, undermine their moral responsibility.

Just as people can be challenged visually by deficits in the visual system that limit their ability to see the physical world, we acknowledge that people may be challenged morally by deficits of character that limit their ability to see the moral world. And just as the quality of a person's visual lenses is determined by biology, development, society, and life choices, so too is a person's character lens (for developmental perspectives on character, see Nucci, Krettenauer, & Narvaez, 2014). While it may not be appropriate to hold people responsible for shoddy vision, it would be appropriate to hold them responsible for failing to obtain corrective lenses before driving. So, too, with the character lens perspective. Individuals may have limited control over the character that they inherit or the trajectory of character change over the lifespan; however, they can know their dispositional "risks" for unethical behavior in the workplace, and seek out corrective measures if self-regulation of moral behavior is difficult. For example, individuals lower in H are more susceptible to bribery and greed than many of their peers (Lee & Ashton, 2012). To the degree that this is troubling to them, or to those who manage them, "corrective

lenses" might take the form of having them reflect on the harm associated with these behaviors, structuring decisions so that the effect on others is salient, or enacting one or more of the strategies known to counteract ethical fading (Bazerman & Tenbrunsel, 2011; Moore & Gino, 2013; Rees et al., 2019; Zhang, Gino, & Bazerman, 2014). More generally, this analysis speaks to the importance of continuing ethical education for developing and established leaders (Crossan et al., 2016; Jayawickreme et al., 2014). Just as a vision test reveals deficits in eyesight by comparing one's current sight abilities to accepted benchmarks (20/20 vision), ethical education offers the chance for people to recognize gaps between their default mode of thinking about ethical problems and accepted benchmarks, such as legal and professional standards, moral codes, and so forth.

Conclusion

In recent years, interest in moral character has grown, and its role in promoting ethical behavior within organizations is gaining steady appreciation (Cohen & Morse, 2014; Cohen et al., 2016; Cohen, Panter, et al., 2013, 2014; Crossan et al., 2016; Fleeson et al., 2014; Kim & Cohen, 2015; Lee & Ashton, 2012; Morse & Cohen, 2019). Despite this increased attention, there is relatively little understanding of the proximal cognitive mechanisms through which moral character manifests in observable ethical behavior. In this paper, we sought to develop a perspective that captures the actual lifecycle of ethical decision-making as it unfolds within individuals. We brought to bear multiple perspectives from the organizational and psychological literatures on our theorizing, and by doing so, revealed that moral character promotes ethical decision-making by shining a cognitive spotlight on the moral implications of the choices faced by decision-makers.

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Table 1

Study 1: Bivariate correlations among all measured variables.

	GP	MIC	MC	S-MR	O-MR	Trustworthiness	Trust	U	F/M
Honesty-Humility (H)	.48	.30	.77	.15	.19	.21	.18	-.18	.08
Guilt Proneness (GP)	--	.40	.81	.18	.18	.20	.21	-.11	.14
Moral Identity Centrality (MIC)	--	--	.73	.17	.15	.19	.13	-.03	.15
Moral Character (MC)	--	--	--	.22	.22	.25	.22	-.14	.16
Self-reported moral recognition (S-MR)	--	--	--	--	.37	.38	.31	-.04	.09
Observer-rated moral recognition (O-MR)	--	--	--	--	--	.51	.51	-.13	.11
Trust	--	--	--	--	--	.61	--	-.19	-.05
Trustworthiness	--	--	--	--	--	--	--	-.21	.03
University affiliation (U)	--	--	--	--	--	--	--	--	.15
Female (1) or Male (0) (F/M)									

Note. $N = 555$. Moral character (MC) was a standardized composite of honesty-humility (H), guilt proneness (GP), and moral identity centrality (MIC). Trustworthiness was the percentage of times individuals returned money ($15 out of $30) to a peer who had entrusted the money to the participant. Willingness to trust others. Trust was the percentage of times individuals decided to send money ($10) to a peer in hopes of having money ($15) returned to them. Also shown are correlations with university affiliation (U) and participant sex (F/M)

$|r| > .14$ are significant at $p < .001$, $|r| > .11$ are significant at $p < .01$, $|r| > .09$ are significant at $p < .05$.

Table 2

Study 1A: Regressions predicting trustworthiness willingness to trust from moral character and moral recognition.

	Trustworthiness	Willingness to Trust Others
Step 1:		
Intercept	97.87 (4.43)***	85.69 (4.62)***
University affiliation	-16.74 (3.38)***	-16.23 (3.53)***
Step 2:		
Intercept	94.65 (4.35)***	82.76 (4.57)***
University affiliation	-14.16 (3.32)***	-13.87 (3.49)***
Moral character	7.97 (1.42)***	7.28 (1.49)***
Step 3:		
Intercept	55.90 (6.01)***	50.88 (6.48)***
University affiliation	-13.93 (3.11)***	-13.68 (3.36)***
Moral character	5.43 (1.38)***	5.19 (1.47)***
Moral recognition	7.57 (.86)***	6.23 (.93)***
Step 4:		
Intercept	55.91 (6.01)***	50.78 (6.47)***
University affiliation	-14.00 (3.16)***	-12.52 (3.41)***
Moral character	5.40 (1.38)***	5.66 (1.49)***
Moral recognition	7.56 (.84)***	6.34 (.93)***
Female	0.39 (2.93)	-6.07 (3.15)+

Note. $N = 555$. Values in the table represent unstandardized regression coefficients (with standard errors). Moral character was a standardized composite of honesty-humility, guilt proneness, and moral identity centrality. Trustworthiness was the percentage of times individuals returned money ($15 out of $30) to a peer who had entrusted the money to the participant. Willingness to trust others was the percentage of times individuals decided to send money ($10) to a peer in hopes of having money ($15) returned to them.
$+p < .10$, $*p < .05$, $**p < .01$, $***p < .001$

Table 3

Study 2: Correlations between moral character, moral recognition, internal whistleblowing intentions, and external whistleblowing intentions in the decision-making simulation.

	Moral Character			Moral Recognition				Likelihood of Internal Whistleblowing				Likelihood of External Whistleblowing			
	H	*GP*	*MIC*	*R1*	*R2*	*R3*	*R4*	*R1*	*R2*	*R3*	*R4*	*R1*	*R2*	*R3*	*R4*
Honesty-Humility (H)	--	.44	.26	.33	.35	.34	.36	.20	.23	.19	.26	-.00	.03	.08	.05
Guilt Proneness (GP)	--	--	.40	.51	.46	.45	.43	.33	.31	.27	.30	.01	.06	.12	.09
Moral Identity Centrality (MIC)	--	--	--	.32	.25	.27	.27	.15	.12	.07	.06	-.16	-.14	-.07	-.09
Moral Character (MC)				.51	.46	.46	.47	.30	.29	.23	.27	-.07	-.02	.06	.02
Moral Recognition R1								.49				.09			
Moral Recognition R2									.53				.17		
Moral Recognition R3										.56				.23	
Moral Recognition R4											.50				.26

Note. N = 281. *R1, R2, R3,* and *R4* indicate the round in the decision-making simulation. Moral character is a standardized composite of honesty-humility, guilt proneness, and moral identity centrality.

$|r| > .19$ are significant at $p < .001$, $|r| > .16$ are significant at $p < .01$, $|r| > .11$ are significant at $p < .05$.

Table 4

Study 2: Parameter estimates from quadratic change latent growth models for moral recognition, internal whistleblowing intentions,

and external whistleblowing intentions in the decision-making simulation.

		Means Estimates (with SEs)	Variance Estimates (with SEs)
Moral Recognition	Intercept	3.98 (.07)***	1.06 (.10)***
	Linear change	-.25 (.06)***	.51 (.09)***
	Quadratic change	.05 (.02)**	.04 (.01)***
Likelihood of Internal Whistleblowing	Intercept	7.03 (.18)***	7.49 (.80)***
	Linear change	-1.00 (.17)***	3.86 (.82)***
	Quadratic change	.15 (.05)**	.22 (.07)**
Likelihood of External Whistleblowing	Intercept	3.00 (.16)***	5.68 (.57)***
	Linear change	-.09 (.14)	2.65 (.50)***
	Quadratic change	.02 (.04)	.12 (.04)**

Note. $N = 281$. LGM parameter estimates (with standard errors) are presented. In all models, residual variances across the four rounds in the simulation were constrained to have the same value to simplify the estimation of the model.
$+p < .10$, $*p < .05$, $**p < .01$, $***p < .001$

Table 5

Study 2: Latent growth modeling (LGM) results

Panel A: **Conditional latent growth models testing whether the overall strength (i.e., intercept), as well as the linear and quadratic changes of participants' moral recognition and whistleblowing intentions can be explained by their moral character.**

	Moral Recognition Estimates (with SEs)	Likelihood of Internal Whistleblowing Estimates (with SEs)	Likelihood of External Whistleblowing Estimates (with SEs)
Moral character → Intercept	.56 (.06)***	.92 (.17)***	-.19 (.15)
Moral character → Linear Change	.02 (.06)	-.02 (.18)	.27 (.14)+
Moral character → Quadratic Change	.004 (.02)	.01 (.05)	-.06 (.04)

Panel B: **Mediation analysis of moral character on internal whistleblowing intentions via moral recognition using the quadratic change latent growth model.**

	Estimates (with SEs)
Moral character → Moral recognition (intercept)	.57(.05)***
Moral recognition (intercept) → Internal whistleblowing intentions (intercept)	1.54(.18)***
Moral character → Internal whistleblowing intentions (intercept)	.02(.18)
Indirect effect of moral character on internal whistleblowing intentions via moral recognition (95% confidence interval)	.89 (.65, 1.15)***

Note. $N = 281$. Moral character is a standardized composite of honesty-humility, guilt proneness, and moral identity centrality. In all models, residual variances across the four rounds in the simulation were constrained to have the same value to simplify the estimation of the model. $+p < .10$, $*p < .05$, $**p < .01$, $***p < .001$

Figure 1

Study 2: Ethical fading (i.e., diminishing moral recognition) over four rounds of the decision-making simulation for individuals low, midrange, and high in moral character based on a tertiary split of the sample ($N = 281$). Error bars represent +/-1 SE.