Differing Expectations for Corporate Moral Responsibility: A Product Category Analysis

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Differing Expectations for Corporate Moral Responsibility: A Product Category Analysis

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The collapse of the Rana Plaza building in Bangladesh resulted in a tremendous amount of damage. It was constructed against building codes, and factory owners forced their employees to work even after the building was deemed unsafe (Manik & Yardley, 2013). Incidents such as this have raised questions as to the fundamental role of corporations within society. The moral responsibility theory of corporate sustainability (MRCS) argues that according to the concept of corporate personhood, a corporation has moral responsibilities toward society and the environment, and can determine its level of commitment to meet those responsibilities (Ha-Brookshire, 2015). The Kantian concept of perfect (i.e., absolute) and imperfect (i.e., discretionary) duties (Kant, 1991) determines the level of commitment according to MRCS. That is, based on corporations’ moral perspectives, some may believe that their social and environmental responsibilities should be strictly implemented even if it means compromising their maximum profitability (i.e., perfect duty), whereas others may not (i.e., imperfect duty).

Using the MRCS theory, Jung and Ha-Brookshire (2017) attempted to empirically demonstrate U.S. consumers’ perceptions on a variety of corporate moral responsibility activities performed by consumer product companies, to determine whether each activity is a perfect or imperfect duty. The results showed that working conditions support was found to be the most important duty for corporations to fulfill (i.e., perfect duty), while transparency support was viewed as a meritorious duty in U.S. consumers’ minds. Environmental and community supports fell somewhere in the middle. Although this is an interesting finding, these consumers’ perceptions could differ depending on the type of product. For example, given that apparel products require more labor-intensive processes than other consumer products, there are high expectations for good working conditions support for apparel firms to be considered responsible. In contrast, transparency would be more heavily emphasized for food products because of the implications for consumers’ health and safety (Moreau, 2016). Therefore, this exploratory study raised the following research question: What are the differences in consumers’ expectations toward corporate moral responsibility, from perfect, imperfect, or no duty, for various sustainability activities carried out by different consumer product companies?

After receiving Institutional Review Board approval, an online survey company recruited and collected responses in February 2018 from established consumer panels of individuals who were over the age of 18 in the United States. Through a quota sampling method, the responses were collected to be consistent with U.S. consumer profiles in terms of age, gender, and annual household income. Following Jung & Ha-Brookshire (2017), four sets of surveys were created representing four of the most common consumer product categories: clothing, food/beverage,
household products (e.g., home appliances), and personal care products (e.g., shampoo), and subjects were randomly assigned to one category only. In each product category, we asked respondents’ overall perceptions of 20 corporate sustainability-related activities (e.g., promoting fair treatment for all) on a 7-point Likert scale (1 = absolutely no need to do at all [i.e., no duty] to 7 = absolutely must to do at all costs [i.e., perfect duty], with 4 being neither [i.e., imperfect duty]) (Jung & Ha-Brookshire, 2017). With 4,000 invitations, 1,046 complete responses were returned and analyzed (26.15% of response rate). Each product category had a fairly balanced number of samples (n = 260-262 each).

Data were first analyzed by Multigroup Confirmatory Factor Analysis (MCFA) in Amos 23.0 to confirm invariance across product categories. For this, we employed the four-factor model, following Jung and Ha-Brookshire (2017). For configural invariance, the model fit of an unconstrained model was assessed, and it was found to be acceptable ($\chi^2 = 2056.10$, $df = 644$, $p < .001$, CFI = .91, RMSEA = .04). Metric invariance ($\Delta \chi^2 = 56.60$, $\Delta df = 48$, $p > .05$) and scalar invariance ($\Delta \chi^2 = 19.52$, $\Delta df = 15$, $p > .05$) were also confirmed; the results suggested that the measurement models across the four product categories had equivalent representation. Therefore, we were able to compare responses across the product categories. Using SPSS 23.0, Multivariate Analysis of Variance (MANOVA) analysis compared consumer responses to the study questions across product categories. Overall, there was no statistically significant difference across the product categories (Wilk’s $\lambda = .99$, $F = 1.09$, $p > .05$). However, mean values showed the prevalent tendency (Figure 1). In general, the closest to a perceived perfect duty was working conditions support (M = 5.80-5.98), while transparency was the closest to being seen as an imperfect duty (M = 4.81-4.99). This means that U.S. consumers believe working conditions support to be a firm’s most important responsibility to fulfill. At the same time, transparency had the lowest mean, suggesting it is viewed as something good to do but not a necessary duty to fulfill all the time. These findings were consistent with those of Jung and Ha-Brookshire (2017). However, what is interesting here was that, across all activities, consumers rated personal care product companies as those with the highest responsibility to fulfill all of the categories of sustainability activities. This may be because consumers perceive the use of personal care products as physically and psychologically intimate, so they are more likely to be concerned about all the company’s sustainability-related activities. Consumer responses to clothing and food product companies were fairly similar to each other, potentially rejecting our assumption that there are different expectations for these products. Further research is recommended to investigate consumer expectations for sustainability in diverse product categories in relation to their intimacy to consumers and/or perceived health risks.

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Figure 1. Moral Responsibility by Product

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