The Institutionalization of Sanctions for Wrongdoing inside Organizations: Public Judgments in Japan, Russia, and the United States

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Recent years have seen a rapprochement between research on organizations and research on law. One goal of such research is a better understanding of how the structures of complex organizations and the normative and cognitive structures of law interact within different cultures. This article is part of that enterprise. We report results from surveys conducted in Moscow, Tokyo, and Washington in 1993 that asked respondents to judge acts of wrongdoing within corporate hierarchies and then asked them to propose sanctions for the wrongdoers. Most important, respondents' views of sanctioning reflect cultural differences in conceptions of the individual, the organization, and the rule of law. The discussion locates this research within the larger context of normative-cultural approaches to the study of organizations and indicates how this research tradition can be enriched by studying the attribution of responsibility.

In a recent essay on the legal environments of organizations, Edelman and Suchman (1997) note that the last few years have witnessed a rapprochement between research on organizations and research on law. This is a welcome development from which both areas benefit. Organizational theories are less likely to omit law from their analysis (Coleman 1990; Fisse & Braithwaite 1993). In turn, legal analyses less frequently make untested and often naive assumptions about how organizations respond to legal rules (Coffee 1981; Williamson 1985; Arlen 1994; Metzger & Dalton 1996; Suchman & Edelman 1996). One of the goals of the new rapprochement between organizational and legal research is a better understanding of how the structures of complex organi-

zations and the normative and cognitive structures of law interact within different cultures. This report is part of that enterprise.

Our research on how people attribute responsibility and assign sanctions for corporate wrongdoing offers an opportunity to better understand how a practice or pattern of behavior is institutionalized inside organizational forms and also offers an opportunity to deepen our understanding of the relationship between organizations and the cultures within which they reside. The data reported here are based on responses to three surveys conducted in Moscow, Tokyo, and Washington, DC, that present people with short experimental vignettes describing wrongdoing inside organizations and then ask them to attribute responsibility and assess sanctions. Before we turn to the research findings, however, we must place them in context.

The first section sets forth some basic tenets of a normative cultural approach to the study of organizations and locates research on law within that tradition. Section II outlines parallels between the attributional approach to the study of responsibility judgments and this tradition of organizational research. Section III presents some of our research findings, focusing on the sanctions people propose for wrongdoing in corporate hierarchies. The concluding section reviews these findings and discusses ways in which attributional research and the normative cultural approach to organizations can be combined to improve our understanding of both law and corporate structures.

I. Normative Cultural Approach to the Study of Organizations

Edelman and Suchman (1997) delineate two broad approaches to the study of law and organizations: a *rational materialist* approach and a *normative cultural* alternative. The former perceives organizations as relatively rational wealth maximizers and the law as a system of incentives and sanctions designed to steer corporate behavior in desired directions.[1] The latter, as its name suggests, adopts a less instrumental perspective. It is particularly

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[1] It would be a mistake to think of this approach as a simple-minded utility-maximizing model that assumes organizations are unitary, undifferentiated, perfectly rational actors or that they are easily influenced by legal requirements. Investigators in this tradition can be quite sophisticated in their appreciation of the complexities introduced by the fact that organizations consist of a hierarchical array of actors, each of whom exhibits a combination of corporate and individual interests and possesses limited rationality (Stone 1975; Staw 1980; Coffee 1981; Bardach & Kagan 1982; Sanders 1989; Braithwaite & Makkai 1991; Cooter & Ulen 1997; Paternoster & Simpson 1996; Arlen & Kraakman 1997). Work in the rational materialist tradition usually shares a set of common features. The organization itself is the primary unit of analysis. The research tends to focus on the facilitative and regulatory environment created by law and to downplay the constitutive environment. Law is usually the independent variable, while some type of organizational behavior—generally compliance with or avoidance of a legal prescription—is the dependent variable. However, some researchers do reverse the causal arrow, examining how organizations in turn try to shape their legal environment (Galanter 1974; Priest & Klein 1984).

skeptical of rational actor models, it emphasizes the relationship between organizations and their environment, and it attends to the importance of culture in shaping organizations. Both perspectives are useful windows into the ways in which law and organizations interact. Here we adopt a normative cultural approach, specifically that branch of the approach called the "new institutionalism."

A. "New" versus "Old"

The normative cultural perspective finds its roots in Weber (1967) and more recently in the work of Selznick (1949) and Berger and Luckman (1967). Today, many distinguish between the "old" and the "new" institutionalism when discussing this approach to organizational studies. As compared to the "older" perspective of Philip Selznick and his associates (Selznick 1949), new institutionalism focuses less on the informal structure inside organizations and more on the symbolic role of formal structure as a legitimating force for the organization (DiMaggio & Powell 1991).

Both the old and the new institutionalism are interested in the relationship between organizations and their environments. However, new institutionalism focuses less on the effects of local environments on organizations and more on the effect of non-local environments such as whole industries, professions, or national societies. "Environments, in this view, are more subtle in their influence; rather than being co-opted by organizations, they penetrate the organization creating the lenses through which actors view the world and the very categories of structure, action, and thought" (ibid., p. 13).

Older institutional perspectives envision the organization itself as the entity that is institutionalized through its interactions with local constituencies. For the new institutionalism, it is organizational forms, structural components, and rules that are institutionalized. Organizations are not organic wholes. Rather, they are a collection of standardized elements that may be more tightly or loosely coupled (ibid., p. 14).

At the individual level, the new institutionalism offers a more cognitive and less normative view of actors within organizations. The older institutionalism conceives of organizations as becoming institutionalized when bureaucratic practices and structures become "infused with value beyond the technical requirements of the task at hand" (Selznick 1957:17) and when their members internalize organizational values. The new institutionalism focuses on taken-for-granted scripts, rules, and classifications members bring to their tasks. These scripts simultaneously help actors to organize information and constrain the options available to them (Suchman 1997). The actions and motives of others are

constructed from menus of accounts that explain and legitimate behaviors. Likewise, sanctions for wrongdoing are selected from a standard repertoire of responses. Borrowing from the work of Berger and Luckmann (1967), among others, the new institutionalism emphasizes the idea that shared cognitive systems come to be perceived as objective, external structures defining social reality (Scott 1991:165). DiMaggio and Powell (1991:27) summarize the differences between old and new institutionalism as follows:

> When institutions were seen as based on values and commitment, and formal organization identified with the relatively rational pursuit of goals, it made sense to ask how the "shadow land" of informal social relations provided a counterpoint to the formal structure. By contrast, if legitimacy is derived from *post hoc* accounts or symbolic signals, it is more sensible to focus on the institutionalized quality of formal structures themselves. Indeed, it is an emphasis on such standardized cultural forms as accounts, typifications, and cognitive models that leads neoinstitutionalists to find the environment at the level of industries, professions, and nation-states rather than the local communities that the old institutionalists studied, and to view institutionalization as the diffusion of standard rules and structures rather than the adaptive custom-fitting of particular organizations to specific settings.

Despite their differences, the cultural perspectives share a view of the relationship between organizations and law that is different from the materialist view. Law and other rule systems are not primarily a set of incentive structures designed to manipulate organizational cost-benefit equations. Rather, they are a central part of the belief systems that shape the meaning of organizational life. "Law constructs and legitimates organizational forms, inspires and shapes organizational norms and ideals, and even helps to constitute the identities and capacities of organizational 'actors'" (Edelman & Suchman 1997:493). Law's impact is less a matter of coercion and more a matter of normative and cognitive influence. Rules are institutionalized inside organizations because they enunciate social values and role expectations which are internalized (Edelman et al. 1992) and because they make certain forms of action more natural and appropriate.

From this perspective, law is more than a facilitative environment providing a set of procedural tools that can be used to accomplish organizational goals or a regulatory environment designed to influence organizational behavior. It is also a central part of the constitutive environment of organizations. "The legal system constructs and empowers various classes of organizational actors and delineates the relationship between them" (Edelman & Suchman 1997:483). The laws of partnership and incorporation that give many organizations their legal existence are a fundamental part of this constitutive environment. Less visibly, the

responsibility and sanctioning rules existing within law provide taken-for-granted labels, categories, and default rules of behavior by which the actions of individuals inside organizations will be judged.

Categories and rules are not necessarily constant across societies, however. Cultures may differ in the categories they routinely provide individuals who are asked to make legal judgments. Moreover, the relationship between law and organizations is not oneway. Organizational forms themselves may affect the default rules of behavior and responsibility that apply when judgments are made about acts committed in different organizational contexts. It is to the questions of culture and organizational form that we turn next.

B. The Role of Culture

Culture plays a central role in institutional perspectives on organizations (DiMaggio & Powell 1991:8). Although culture is a fuzzy concept, we agree with Dukerich, Golden, and Jackobson (1996:41) that most definitions of culture include (1) individuals' taken-for-granted beliefs, norms, and values[2] which are used to deal with day-to-day problems (Trice & Beyer 1993), (2) shared ways of thinking and shared perceptions (Schweder & Levine 1984), and (3) rules and norms specifying acceptable and unacceptable modes of conduct (Erez & Earley 1993). As Hofstede (1980:48) notes, culture is an attribute of a group, "the collective mental programming that these people have in common."[3]

Culture may be thought of as an attribute of organizations themselves (Erez & Earley 1993:67; Pheysey 1993). However, we believe it is more useful to locate cultural effects at the level of the society or nation-state. Therefore, it is important to define dimensions along which societies may differ. For our purposes, a central question is how cultures differ in their understanding of the person and the relationship between individuals. Such shared understandings shape the scripts and schemata that form the building blocks of the institutionalized structures inside organizations.

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[2] Beliefs involve statements thought to be true or false, values involve statements that denote good or evil, and norms concern standards of behavior (Erez & Earley 1993:85).

[3] This does not mean that culture is a unitary and internally coherent entity. Rather, it is more usefully thought of as a complex toolkit of normative and cognitive structures (Swidler 1986). Because not everyone possesses exactly the same set of tools and because we have more cultural tools at our disposal than we routinely use, the cultural beliefs and values individuals bring to a given situation are not a constant across all members of a society (DiMaggio 1997).

Although researchers have described a number of cultural dimensions,[4] almost all models include a vertical and a horizontal dimension. For example, among Hofstede's dimensions are *power distance* and *individualism.* Power distance refers to cultural acceptance of inequality between those with more power (superordinates) and those with less (subordinates). Individualism refers to the degree to which actors emphasize their goals over those of the group. Similarly, Triandis's (1995:44) conception of individualism versus collectivism has both a vertical (same or different) and a horizontal (independent or interdependent) dimension.[5]

Different conceptions of the self are distributed primarily along the horizontal dimension. In individualistic cultures, self-concept is defined in terms of individual traits, whereas in collectivist cultures the self is defined with reference to the social context within which the actor resides. According to Triandis (p. 2), individualism is typified by loosely linked individuals who view themselves as independent of collectivities (family, workplace) and who are motivated by their own preferences, needs, and rights; collectivism, however, is typified by closely linked individuals who perceive themselves as part of collectivities and who are motivated by norms and duties imposed by these collectivities over personal goals.[6]

Cultural orientations are related to various organizational characteristics. Within collectivistic cultures, the workplace often occupies a more central position in the lives of its members, decisionmaking is more participative, and the leader plays a more paternalistic role (Erez & Earley 1993; Hofstede 1980; Lincoln & Kalleberg 1990). Organizations within collectivist cultures are more likely to have "clanlike" features that emphasize group values such as teamwork (Ouchi 1980).[7] Bell and Tetlock

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[4] For example, Hofstede (1980) defines four dimensions: power distance, individualism-collectivism, uncertainty avoidance, and masculinity versus femininity. Jepperson and Meyer (1991:215) distinguish four forms of the modern polity: liberal/individualist, statist, segmented, and corporatist. See Erez & Earley (1993:70) for a summary of approaches to culture in anthropology, organizational behavior, psychology, and sociology.

[5] Empirically, the horizontal and vertical dimensions are not completely orthogonal. In Hofstede's (1980) research, collectivism is correlated with power distance, suggesting that vertical collectivism and horizontal individualism are "typical" combinations. Triandis (1995:46) argues that even vertical individualistic cultures are relatively horizontal when compared with collectivist cultures.

[6] Triandis notes that not all people in individualistic cultures are themselves individualistic in their orientations; rather they may be *allocentric.* Likewise, some people in collectivist cultures are *idiocentric.*

[7] The existence of clanlike features within organizations is a separate issue from whether there are clanlike features between companies. Large Japanese industries and banks have typically banded together in conglomerates called *keiretsu* (Okimoto 1989; Gilson & Roe 1993). More recently, Russian firms have tended to form financial industrial groups that are a cross between Western conglomerates and Soviet-era ministries (Hendley 1997). As Hendley observes, this type of integration is a way of reducing transaction costs, especially in an environment where the legal system is relatively unavailable to enforce contracts (Coase 1988).

(1989:112) argue that one's position within an organization (one's role) should be relatively more important than what one did (one's deed) in such cultures.[8]

Relatively less attention has been given to the vertical dimension in organizational research. Perhaps this is because almost all organizations of interest are hierarchical in important ways. Hofstede's (1980) work, however, indicates that preference for hierarchical structure as a method to achieve group objectives and minimize conflict varies across societies. In societies low on power distance, authority based on such hierarchical structures enjoys less legitimacy. As we discuss below, conceptions of the self and what actions mean vary along this dimension as well.

C. The Organization of Industries

The environment within which an organization resides also affects its institutional arrangements. Here we are thinking of environment from a neoinstitutional perspective: not as a local community, influencing the structure of a particular organization, but rather as wider horizontal and vertical influences in the environment that affect whole industries (DiMaggio & Powell 1991:13; Scott & Meyer 1991:108). Organizational difference between industrial sectors[9] has been an ongoing topic of investigation (DiMaggio & Powell 1983; Scott 1983, 1987; Scott & Meyer 1983, 1991; Tolbert & Zucker 1983).

Considerable attention has been given to the distinction between technical and institutional environments. Technical environments are ones in which a product or service is manufactured and exchanged in a market where the organizations are rewarded for effective and efficient control of production systems. Institutional environments are ones in which organizations must conform to a wide array of rules and requirements if they are to receive support and legitimacy (Scott & Meyer 1991:123). These two environments may coexist to a greater or lesser extent in different sectors. Some organizations may confront both a strong technical and a strong institutional environment, while others may confront weak environments in both regards. Scott and Meyer argue, however, that there is a weak negative correlation between the presence of the two environments. In general, insti-

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[8] Sometimes the implicit values embedded in a cultural perspective can influence the theories we develop to understand organizations. For example, Bird and Wiersema (1996) argue that the underlying assumptions of agency theory are those of an individualistic culture, e.g., the contractual nature of relationships, heightened pursuit of self-interest, and the importance of extrinsic rewards. In collectivist societies we observe a different set of organizational structures to deal with the problem of conflicting goals among parties in an organization. They conclude that "there are indeed multiple strains of agency models beyond the shores of the United States" (p. 176).

[9] Sectors include all organizations within a society supplying a given type of product or services, along with related organizations such as suppliers, competitors, and customers that influence the performance of these organizations (Scott & Meyer 1991:117).

tutions that confront a strong technical environment confront a somewhat weaker institutional environment (e.g., general manufacturing corporations), while institutions that confront a strong institutional environment confront a somewhat weaker technical environment (e.g., schools) (ibid., p. 123).

The nature of the environment helps to shape the internal structure of organizations. Organizations in technical sectors will attempt to exert tighter control and coordination over their production activities. As a corollary, we might expect them to assert tighter control over personnel in terms of both programmatic and instrumental decisions these individuals may make.[10] On the other hand, organizations confronting a strong institutional environment and a weaker technical environment may exhibit a less centralized structure wherein individuals and professional groups enjoy relatively more autonomy from hierarchical decisionmaking structures (Meyer & Rowan 1977; Scott & Meyer 1991:125–35).

D. The Reinstutionalization of Rules

As must be clear by now, organizational researchers, regardless of their approach, believe that the legal system has a fundamental effect on organizational life by shaping its *facilitative, regulatory*, and *constitutive* environment (Edelman & Suchman 1997:482–83). What is not always clear, however, is exactly how formal legal enactments and organizational actions relate to each other. As Edelman and Suchman note, organizations often "mimic legal models of justice" (p. 506). How should we understand the process that leads to legal-organizational isomorphism observed by organizational researchers (e.g., Edelman 1990; Sutton et al. 1994)? Here, we believe, Bohannan's (1965) concept of "reinstitutionalization" can be helpful.

The term "institution" is used in a number of ways inside and outside sociology.[11] In the present context, the most useful perspective is that shared by many neoinstitutionalists. Institutions are "recognized practices consisting of easily identifiable roles, coupled with collections of rules or conventions governing relations among the occupants of these roles" (Young 1986:107). This definition describes an organized, established, self-activated, frequently repeated procedure, the violation of which occasions some set of sanctions (Jepperson 1991:143–45). At the core of this definition is the idea that, unlike the violation of norms, the violation of institutionalized rules potentially results in some typi-

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[10]   Programmatic decisions are those that determine the purposes and goals toward which activities are to be directed. Instrumental decisions are those that determine means or procedures to be used to achieve programmatic ends.

[11]   See DiMaggio and Powell (1991:7–8) for definitions of "institution" in political science, economics, and international relations. Many of these definitions are quite similar to those used in sociology.

cal and organized response (Parsons 1951:20). Institutions, by definition, involve lawlike procedures organized to respond to rule violations.[12]

The institutional arrangements within organizations are mostly self-enforcing; the organization does not reach out beyond itself to impose sanctions for violations. Occasionally, however, institutional arrangements fail in that they are unable to enforce rules or they find themselves in conflicts they cannot resolve. The body of organizations and rules designed to deal with the trouble cases that other organizations cannot handle Bohannan (1965) calls the distinctively legal:

> Law is a body of obligations, procedures, and responsibilities, which has been reinstitutionalized within the legal institution so that society can continue to function in an orderly manner on the basis of rules so maintained. . . . [S]ome of the customs of some of the institutions of society are restated in such a way that they can be applied by an institution designed (or, at the very least, utilized) specifically for that purpose. (P. 36)

It is a feature of American society in general and American formal organizations in particular that institutional arrangements are more densely reinstitutionalized in the legal form than is true for other societies.

Law and lawlike phenomena are involved in institutional formation and maintenance in several ways. At a macro level, law influences institutionalization of norms both because it is part of the culture of society and because it is a central part of the environment within which organizations operate and to which they respond (see Tolbert & Zucker 1983). Organizations "borrow" the categories of legal rationality in constructing their own institutionalized rules and practices (Edelman & Suchman 1997:504). Law does not penetrate organizations solely through the agency of outside enforcers coming in to inspect, compel, and cajole. In addition, it does so through the agency of internal institutionalized forms. As Geertz (1983:218) notes, law is "part of what order means, [a] vision of community, not [an] echo of it."

At a more micro level, law patterns everyday responses to violations of institutional practices. To put the issue another way, law's reinstitutionalization of responsibility rules in turn helps individuals define situations when they are asked to judge alleged acts of wrongdoing. The scripts people employ to respond to violations of institutionalized norms are shaped by the categories of legal response. Legal categories provide scripts for and therefore

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12 By "lawlike" we do not mean to imply that the procedures are directly modeled on formal legal procedures, rather that there is a routinized response that may involve sanctions. In this context, it is useful to adopt Lon Fuller's (1969:106) definition of law as "the enterprise of subjecting human conduct to the governance of rules." As we discuss below, the degree to which these responses parallel formal legal procedures may vary from society to society.

define what happened. This function of law is reflected in research on the "story model" of jury decisionmaking. Jurors, when determining what someone did, use legal categories such as "manslaughter," "first degree murder," and "self-defense" to determine what the accused "did" in a given situation (Pennington & Hastie 1986, 1991). Legal categories also provide a list of appropriate responses after we determine responsibility. In sum, the law and its models of responsibility attribution and sanction choices help define and institutionalize the nature of relationships among actors inside organizations and other social groups. The next section presents what we know about the scripts people ordinarily use when assessing blame for wrongdoing.

II. The Attribution of Responsibility

Over the past several years we have been studying the attribution of responsibility and the assessment of sanctions for wrongdoing (e.g., Hamilton & Sanders 1992a). The research uses a vignette methodology in which we give respondents short fact patterns involving an untoward event and ask them to judge responsibility and assess a sanction. As part of this research, we have been interested in wrongdoing within the context of corporate hierarchies (Kelman & Hamilton 1989; Hamilton & Sanders 1992b). This research shares several features with a normative cultural approach to the study of organizations, including (1) a focus on the scripts, rules, and classifications people bring to the task of attributing responsibility and assigning sanctions for acts of wrongdoing, (2) an interest in the effects of culture on scripts and classifications, and (3) an emphasis on the effect of organizational environment on how people understand situations.

A. Scripts for Attributing Responsibility

The attribution of responsibility is a complex ascriptive process involving both a theory of causation and a theory of human action (Shaver 1985).[13] By "theory of action" we mean a set of assumptions about human behavior and a set of classifications of action that people refer to when ascribing responsibility. Collectively, we might think of these assumptions and classifications as describing a *responsible actor.* Accounts advanced to explain and sometimes to justify or excuse untoward behavior are constructed around these shared assumptions and classifications (Scott & Lyman 1968; Blum & McHugh 1971; Lempert & Sanders 1986). When people are making such judgments, it is useful to think of them as intuitive lawyers, involved in the task of cali-

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[13] Our research has devoted relatively little attention to causal questions, focusing instead on questions of action. The classic discussion of causation in legal analysis is found in Hart & Honoré 1959.

brating culpability in a given situation (Hamilton 1980; Fincham & Jaspers 1980; Robinson & Darley 1995).

Our research has focused on three general types of information people use to construct a responsibility decision: an actor's deed, the context within which an act occurred, and the role relationships among actor, victim, and others. A substantial body of research indicates that judgments of responsibility rely heavily on perceptions of what the actor "did." The most important deed information for both assessing responsibility and recommending sanctions is the inferred mental state of the actor (Heider 1958; Shaver 1985). Acts thought to have been committed intentionally are more blameworthy than those done negligently, which are in turn more blameworthy than pure accidents.[14]

Responsibility ascriptions are affected not only by the actor's deed but also by the context within which action occurs. Context information provides clues as to the purposes and meaning of behavior. For example, an actor's past pattern of similar behavior provides consistency information (Kelly 1971). The information facilitates attribution to the actor's internal disposition or trait and therefore elucidates the meaning of the actor's deed (Nisbett & Ross 1980). Another type of context information is influence from another person. Extreme forms of influence involve coercion or duress. "He made me do it" constitutes an account that removes agency from the actor and locates it in another (Shaver 1985). Coercion in the form of overbearing duress is less interesting to us than more subtle and situationally legitimized influence from others. When such influences are hierarchical, they are often called orders. When they occur among equals, they are a type of social pressure. The relative impact of other's influence on responsibility attributions is contingent on the relationship between the actor and the other. Influence from equals or inferiors provides individuals with less excuse than influence from superiors (Hamilton & Sanders 1995). In contrast to variations in the actor's past pattern of behavior, other's influence is a contextual factor that is linked to the role relationships of actor, victim, and other.

Finally, responsibility attributions are affected by the roles people occupy. Specific roles incur obligations that modify and magnify the general obligations of personhood (Hamilton 1978, 1986). Although there are many specific obligations that attach to particular roles (e.g., staying sober on the job), as with cultural

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[14] It is possible to think of all responsibility regimes in terms of whether they honor intentionality excuses ("I didn't intend to do it") and negligence excuses ("I could not have done otherwise"). Criminal sanctions typically honor both. That is, either excuse, if believed, will be sufficient to avoid criminal liability. The tort law typically honors negligence excuses but not intentionality excuses. "I did not intend to run into your car" is an irrelevant plea in a suit by the other driver to recover money for her injury. A responsibility regime that ignores both types of excuses is said to impose "strict" liability (Lempert & Sanders 1986).

differences discussed above, the general ways in which obliga-
tions attach to roles vary along vertical and horizontal dimen-
sions. Vertically, a hierarchical dimension describes the degree to
which people are equal or stratified. Horizontally, a solidarity di-
mension describes the degree to which people are relatively sepa-
rate (e.g., buyer and seller in a market) or connected (e.g., fam-
ily members).

Our own research has confirmed that role information, like
context and deed information, is used by individuals in assessing
responsibility (Hamilton & Sanders 1992a). Higher-status roles
typically involve obligations that are more numerous and more
generalized. Occupants are responsible for a diffuse set of obliga-
tions to act, including supervisory responsibilities over others.[15]
Likewise, solidarity—closeness of ties—also tends to produce a
presumption of obligations toward the other party.

B. The Effect of Culture

Our research has been explicitly cross-cultural, comparing at-
tribution processes in Japan and the United States, and more re-
cently in Japan, Russia, and the United States (Hamilton & Sand-
ers 1992a, 1995; Sanders & Hamilton 1996). The choice of Japan
and the United States was made precisely because they represent
cultures that vary on the horizontal and vertical dimensions dis-
cussed above. The United States is a more individualistic culture,
and Japan, using our terminology, is more contextual.[16] Argua-
bly, Japan is also more hierarchical than the United States.

Our orientation to culture has focused on conceptions of the
self. Our view is similar to Rosenberg's (1979) contrast between
selves that are grounded primarily in a psychological interior or a
social exterior, Cousins's (1989) idea of a context-free versus a

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[15] In the extreme case, the superordinate may be thought to be *vicariously liable* for
the acts of others. Such responsibility is based entirely on a role relationship, not on
anything the actor has done. Military law may impose vicarious liability on superiors for
acts of subordinates (Hamilton 1986). In the civilian context, an employer may be legally
responsible for some of the torts of its employee. Even in everyday life situations, many
people appear to espouse a form of vicarious liability on the part of parents for the unto-
ward acts of their children.

[16] We adopted the term *contextual* rather than *collectivist* to describe the Japanese
alternative to individualism because we agreed with Hamaguchi (1985) that the individu-
alism/collectivism distinction potentially embeds Western assumptions about the unit of
analysis, to the extent that a collectivity is a collection of individual elements. Moreover,
much of the popular and some of the academic writing about individualism in the United
States was a reaction to "collectivism" in socialist and communist societies. We agree with
Dumont (1977) that Marxist economics rests of a conception of the actor as an individual.
It was not (and is not) clear that the societies of the former Soviet Bloc are or were
contextual in the sense that Japan and other Asian countries are, especially in their con-
ception of the person (Dumont 1970, 1977).

In the current context, the choice between *collectivist* and *contextual* is not crucial.
The meaning that scholars such as Triandis and Hofstede give to the term *collectivist* is
quite similar to what we mean by *contextual*. What is crucial is whether Russia is a collectiv-
ist society as the term is defined by these researchers.

context-bound perception of the self, and Markus and Kitayama's (1991) independent versus interdependent selves. The distinction is meant to capture the reactions of other people to a social actor as well as to describe an actor's self-concept. In the arena of the perception of others, people in contextual cultures exhibit "a tendency not to separate out, or distinguish, the individual from the social context" and especially from social roles held in that context (Shweder & Bourne 1982:104). For example, in terms of causal attributions, people in contextual cultures are more likely to focus on the ways in which the person may be embedded in a context, while those in individualistic cultures are more likely to attribute causes to traits carried by the person (Shweder & Bourne 1982).

This finding is consistent with our own research. We find that people make attribution judgments and sanctioning decisions based on the three elements of an actor's deeds (especially the actor's mental state), the context of action (especially the existence of other's influence), and the role relationships between the actor, the victim, and others who may influence the actor. However, the relative importance of these factors is not the same across the societies we have studied. Compared with American respondents, Japanese respondents place greater emphasis on role information and less on deed information in attributing responsibility for wrongdoing in a variety of everyday life settings in the family, the workplace, and commercial dealings (Hamilton & Sanders 1992a:130). Note, however, that these differences in conceptions of social actors are differences in degree, not in kind. Conceptions of the responsible actor vary within societies as well as between them.

The addition of Russia in our more recent research was driven in large part by a desire to see whether attribution and sanctioning practices more nearly resemble those of the United States and by extension western Europe or the contextual culture of Japan and by extension other Asian societies. As we discuss below, the Russian situation at the end of the Soviet era presented a complex picture in large part because socialist ideology advanced both a collectivist and an egalitarian culture. Nevertheless, a good deal turns on the answer to this question, for if Russian culture does look like that of the Japanese, then it would be wise to develop and design postsocialist organizations along Japanese lines. If, on the other hand, Russian culture is less contextual, then organization along Western lines may be more appropriate.

C. Organizational Environment

Our earlier research in Japan and the United States explored the attribution of responsibility in everyday life situations such as fights among siblings, parental discipline of a child, and the sale of an automobile. These situations were chosen because the actor, victim, and other are connected in different ways. For example, in the parental discipline scenario the parties are in hierarchical–high solidarity relationships, whereas in the automobile situation they are in equal–low solidarity relationships. As we expected, other things being equal, more responsibility was assigned to actors in less solidary relationships and to authorities (Hamilton & Sanders 1992a).

The research reported here focuses specifically on wrongdoing in corporate hierarchies. Here again, we attempted to locate our vignettes in organizations that varied along important dimensions: in this case the overlapping distinctions between *professional versus bureaucratic* authority (Blau 1968) and between *loosely versus tightly coupled* organizations (Perrow 1984). Professional authority tends to be associated with loose coupling, and bureaucratic authority with tight coupling.

From the new institutionalism perspective, organizations confronting a technical environment are likely to exhibit a more bureaucratic, tightly coupled structure. Organizations facing an institutional environment are likely to exhibit a more professional, loosely coupled structure. These structural differences may be reflected in different attributions. In general professionals and actors in loosely coupled organizations are less closely supervised and more "self determined" (Kohn 1977; Kohn & Schooler 1983) in their performance of tasks. Thus, it is plausible that actors in settings seen to be dominated by professional authority and/or organizations that are seen to be loosely coupled should be judged more personally responsible, in general, for their wrongdoing.[17] Note that this distinction is primarily along the vertical rather than the horizontal dimension of social ties.

In sum, there are parallels between the normative cultural study of organizations and our own research at several different levels. We believe that the study of how people wish to sanction wrongdoing that occurs within the context of corporate hierarchies can inform organizational research about how substantive rules get translated into actual sanctions against individuals. In turn, it will increase our understanding of cross-cultural differ-

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[17] Interestingly, drawing on self-reports of obedience, Tyler (1997) reports that people tend to obey authorities based on relational criteria as well as instrumental criteria. This would suggest that normative pressures in organizations dominated by professional authority might offset any lessening of instrumental effects so that people in both types of organizations feel equally compelled to obey. Regardless of whether this is true, it seems unlikely that third-party judges will be as sympathetic to relational excuses for obeying an authority as they will to instrumental excuses (Nisbett & Ross 1980).

ences, the impact of organizational structure on attributions, and the way individuals mix institutionalized and reinstituionalized sanctions when proposing punishments for wrongdoing.

III. Assessing Sanctions for Corporate Wrongdoing

Responsibility attribution is always a complex judgmental task, but the task can become even more complicated when we are asked to make judgments concerning wrongdoing that occurs inside corporations. In this context, several individuals may be implicated in the untoward act and, therefore, no single person is the sole author of the outcome. In two earlier articles we have discussed the impact of hierarchy on attributions of responsibility by a random sample of respondents in the Moscow, Tokyo, and Washington, DC, metropolitan areas who heard short experimental vignettes describing wrongdoing in corporate hierarchies (Hamilton & Sanders 1995; Sanders & Hamilton 1996). The present report focuses on the sanctions proposed by these respondents.[18]

At the micro level, the particulars of an individual case affect how individuals allocate responsibility and punishment. At the middle or meso level, the internal structure of organizations also influences judgments of wrongdoing. And at the macro level, the cultural, economic, and social organization of society shape how citizens conceptualize responsibility for organizational wrongdoing (or any other form of wrongdoing). We are interested in all three levels as indicated by the hypotheses discussed below.[19]

A. Hypotheses

1. Micro Level: The Effect of Mental State, Hierarchy, and Influence

Mental state. Actors are held more responsible for their intentional and negligent acts than for their nonnegligent acts (Hamilton & Sanders 1992a; Shaver 1985). Because those committing intentional acts of wrongdoing are usually thought to be more deserving of punishment and because sanctions are often thought to be wasted on individuals who could not have helped doing what they did, we hypothesize that people will be less likely to propose a sanction for actors who accidently commit an untoward act than for actors who do so negligently or intentionally.

[18] Ideally, our research would have involved national surveys of these three societies. Cost considerations, however, prohibited this approach. We chose the capital cities as an alternative in part because we thought their citizens were likely to be relatively well informed about and sensitive to issues involving wrongdoing in organizational hierarchies. See the methods discussion below for a fuller description of the studies.

[19] With respect to all three levels, judgments may also be affected by the specific life situation of the judge, i.e., the person assessing responsibility, as measured by socioeconomic factors and other variables. We discuss this effect in Hamilton and Sanders (1996). The present report does not address this important topic.

Hierarchy and influence. The existence of a hierarchy potentially alters what constitutes an individual action and what it means to be an individual actor. The shared social understanding of what the individual is and does often changes when an actor is placed within a hierarchy. In Mead's (1934) social psychology, the actor is comprised of both an "I" and a "me." The "me" is the object of the "I's" actions, an idea that is captured by the phrase, "I did [something] for myself." James Coleman (1990) invites us to make a similar distinction between an "object self" which experiences gains and losses, satisfaction and dissatisfaction from outcomes, and an "acting self" which serves the object self. Both aspects of the self exist within natural persons who both act and are the object of actions. Thus, when individuals act alone we usually disregard these internal complexities.

Within hierarchies, however, we may perceive a split between these two aspects or "roles" of the self. Hierarchy exists when individuals enter into the relationship of principal and agent (Mitnick 1992; Pratt & Zeckhauser 1985). When giving orders, the principal may be seen to take the role of the "me"—the object self—because it is the principal who experiences gains and losses and who becomes satisfied or dissatisfied. The agent may be seen to take on the role of the "I," an acting self who carries out the orders of the principal. Institutionalized bureaucratic rules often support this division. These rules are reinstitutionalized in the law of agency, which views principals as the actors who experience and thus are responsible for the gains and losses of particular lines of conduct, while it views agents as the tool of the principal, able to bind the principal as long as they are doing the principal's will (Hamilton & Sanders 1992b).

The lower one is in an organizational hierarchy, the more likely one will be perceived as a pure agent of authority. The value premises of action reside in the authority, leaving, at most, factual determinations to the subordinate's discretion (Simon 1976:223). Subordinates often claim they are following orders of a superior (Kelman & Hamilton 1989). This is a basic account for wrongdoing (Scott & Lyman 1968). Insofar as the subordinate is perceived as less than a full moral agent, people may believe that the utility and the normative appropriateness of sanctions are lessened.

Our analysis of responsibility judgments in this survey demonstrates that responsibility is influenced by the position of an actor in a hierarchy and by the degree to which the individual was acting autonomously (Hamilton & Sanders 1995). We expect a similar result with respect to sanctions. Specifically, we hypothesize that (1) people will be more willing to sanction actors when they occupy a higher position in a hierarchy and (2) they will be more willing to sanction actors who are perceived to be acting on their own rather than under the influence of others in the organ-

ization. As a corollary to these two hypotheses, we also expect actors who occupy higher positions in a hierarchy to resist the influence of others; therefore, there will be an interaction between influence and hierarchical position. For actors occupying higher positions, the effect of outside influence will be less than for actors occupying lower positions.

2. *Middle (Meso)-Level Effects: Organizational Types*

When an organization is more professional and more loosely coupled, the individuals inside the organization may enjoy more autonomy. The effects of hierarchy and influence are lessened. As we noted above, to the degree that people perceive organizations as more loosely coupled, they would be expected to hold actors more responsible for similar acts of wrongdoing. Likewise, we hypothesize that they will be more willing to sanction individuals when the wrongdoing occurs in these types of organizations.

3. *Macro-Level Effects: The Influence of Culture*

We chose to conduct this research in Tokyo and Washington, DC, because these cities represented societies that are commonly thought to be on opposite sides of the individualism-collectivism divide. These differences are reflected in the countries' economic and organizational life as well. American *market capitalism* is part of the larger cultural orientation toward individualism in which organizations as well as individuals are perceived to be relatively autonomous. Japanese *corporate capitalism*,[20] on the other hand, is part of a larger communal orientation in which individuals and organizations are less autonomous and in which both are expected to conform to social expectations (Jacob et al. 1996; Smith 1983; Upham 1987).

If the individual is seen as an isolated entity, when judges do choose to punish, a consistent mode of punishment is to isolate rather than reintegrate the offender; a consistent goal is to seek retribution for the wrong rather than restitution or restoration of a relationship. On the other hand, if the individual is seen as operating in networks, it is appropriate to restore the network and attempt reintegration. Indeed, in our earlier study dealing with wrongdoing in everyday life situations, we found the Japanese respondents were more likely to propose restorative sanctions, while American respondents were more likely to propose isolative sanctions (Hamilton & Sanders 1988). These types of sanctions are scripts and taken-for-granted rules about what sanctions are appropriate for acts of wrongdoing that systematically

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[20]   Other writers have used different terminology to indicate the nature of Japanese capitalism, such as "welfare corporatism" (Dore 1973; Lincoln & Kalleberg 1990) and "alliance capitalism" (Gerlach 1992).

vary between cultures. We expected the same pattern to emerge in this study.

We expanded this research project to include Moscow because Russia, especially at the time when we were in the field, presented a complex picture that offered to clarify and sharpen the nature of cultural differences and how they may affect institutional arrangements inside organizations. On the one hand, along a vertical dimension, socialist ideology defined people as equals and was ideologically less accepting of inequalities of power: Hofstede's *power distance* dimension (Sypnowich 1990).[21] In this regard, Russian culture is closer to that of the United States than to that of Japan. Because of this, we might expect Russians to be less willing than Japanese to view the subordinate merely as an acting self, not responsible for acts of wrongdoing.[22]

On the other hand, along the horizontal dimension, Russian socialism, like Japanese corporate capitalism, was part of and embedded in a less individualistic culture than that found in the United States (Thompson, Ellis, & Wildavsky 1990:88). Some aspects of Russian life appear to be compatible with and are commonly thought to help produce a collectivist culture. For example, some studies of Russian child-rearing practices have described them in ways that seem similar to practices in places such as China (Triandis 1995:64). Moreover, Russian society, also like Japan's, is less legalistic in the sense that it is less likely to define relationships between people and between people and the state in terms of individual legal rights and entitlements (Hendley 1996, 1997; Markovits 1989:440; Solomon 1995). These considerations suggest that Russian respondents should more nearly resemble Japanese respondents in the types of sanctions they propose in response to wrongdoing.

However, from the results of an earlier survey, we have some reason to believe that the collectivism of the societies of the former Soviet Union is not identical to the contextual culture found in Japan and other Asian societies. In a survey conducted in Moscow in 1990 we were able to replicate some of the vignettes we had presented to Japanese and American respondents approximately a decade earlier. The central issue in which we were interested was whether the informalist and nonindividualistic strains

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[21] Of course, the reality of inequality may differ from the ideology. Marshall (1996) compared intergenerational mobility in East and West Germany. From a 1991 survey of nearly 3,000 respondents, he concludes that state socialism in East Germany promoted a marginal increase in equality of opportunity, but individual mobility chances for individuals were basically the same as those found in West Germany (p. 411). On the other hand, the economic distance between classes, i.e., the overall level of income and wealth inequality, what Marshall calls "collective inequality," was less.

[22] In earlier work we reported that the Moscow respondents tend to be similar to Washington respondents in the amount of responsibility they assign to the actors in our vignettes, and for some vignettes they assign even more responsibility. In contrast, the Japanese assign significantly less responsibility in two vignettes (Sanders & Hamilton 1996:848).

in socialist legal cultures created a Japan-like contextual actor culture and a set of values that seeks to restore the wrongdoer to ongoing relationships (see Markovits 1989). The answer was no. Russian respondents did not propose similar restorative sanctions. For example, in the vignette most like those in this study, 31% of the respondents in Detroit recommended restorative sanctions, in contrast to results for two Japanese cities, Yokohama and Kanazawa, where 62% and 80% of the respondents, respectively, had recommended restorative sanctions. However, only 24% of the 1990 Moscow respondents recommended such sanctions (Sanders & Hamilton 1992:128). These results indicate that not all "collectivist" societies are the same on the key question of how to respond to institutional violations. We sought to confirm these results when we were planning this study. If, as we anticipated, Russian society is not a contextual culture in the Japanese sense, we must rethink exactly what it is that makes a society contextual and what effect this may have on the institutional arrangements found within organizations.

Predicting Russian responses in this study was complicated by the rapid pace of change in Russia during the period of our research. Although the winds of change were blowing when we began to plan for this survey in 1990, the Soviet Union still existed and the communists were still in power. By 1993 when we conducted our survey, the winds had reached gale force. The coup against Gorbachev had failed, the Soviet Union had collapsed, and privatization had begun (Earle, Frydman, & Rapaczynski 1993). Russian legal culture and perhaps the way Russian citizens thought about wrongdoing in corporate settings were also changing (Hendley 1995). Because of these changes toward a more individualistic, market economy, we expected that the proposed punishments of Moscow respondents would, if anything, move further away from restorative sanctions.

B. Methods

1. Surveys and Sampling

The surveys were conducted in the spring, summer, and fall of 1993. The Washington, DC, survey (N=602) was done over the telephone in the spring and summer.[23] A standard random-digit-dialing method was used to ensure that we reached a random sample of residential phones in the Washington Metropolitan Statistical Area (which includes both Maryland and Virginia suburbs); the response rate was 65%. The Moscow survey (N=597) was administered face to face in the summer, and the Tokyo survey (N=600), also face to face, was administered in the summer

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[23] The Washington survey was conducted by the Survey Research Center at the University of Maryland.

and fall; their response rates were 70% and 64%, respectively.[24] Both face-to-face surveys, which were carried out in respondents' homes, were probability samples of the respective metropolitan areas. For Moscow, the unit is the Oblast, an administrative unit in which the city of Moscow predominates. While results cannot be generalized to Japan, Russia, and the United States as a whole, they probably tap basic similarities and differences in responsibility judgments in each country.

Appendix A provides a brief overview of the demographic characteristics of each sample.

2. Creating the Instrument

The survey centered on a set of experimental vignettes describing wrongdoing inside organizations. Each respondent heard one randomly assigned version of each vignette. This tactic combines the experiment's advantage of clearer causal inference with the survey's advantage of wider generalization.[25] The survey instrument was constructed over a period of months in consultation with our Japanese and Russian colleagues.[26] The process involved writing and sharing experimental vignettes (described below) and other questions. The three groups then met for a week in Tokyo to discuss tentative drafts of a number of possible vignettes. Some potential vignettes and other questions were rejected because they did not describe plausible situations of wrongdoing in each society or because they did not translate well into all three languages. We also used the meeting to finalize the experimental manipulations to be introduced into the vignettes. Other important decisions included the wording of the dependent variables and the choice of scales that would be most easily understood and interpreted in a similar way by respondents in each country. After the Tokyo meeting we constructed a final English-language version of the instrument. The instrument was translated into Japanese and Russian by our colleagues and then back-translated into English by individuals not involved in the

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[24] Both the Moscow and Tokyo samples were drawn using governmental lists of residents, obviating the need for procedures like block listing (necessary for American face-to-face interviewing) or Kish-method respondent-selection procedures (typical in American telephone interviews).

[25] The advantage of vignette experiments is the relative clarity of causal inferences. A disadvantage is that judgments with respect to any specific vignette may be partly the result of idiosyncratic factors embedded in the story rather than general underlying decision rules. One way to address this problem is to present multiple vignettes on basically similar issues. We have adopted that strategy in this study. For a general discussion of using vignettes inside surveys, see Rossi & Nock 1982.

[26] The Japanese group was led by Professor Kazuhiko Tokoro from Rikkyo University and included Naotaka Kato, Mikio Kawai, Takashi Kubo, and Haruo Nishimura. We had worked with Professors Nishimura and Tokoro on earlier collaborations. The Russian colleagues included Gennady Denisovsky, Polina Kozyreva, and Michael Matskovsky, all from the Institute of Sociology of the Russian Academy of Sciences, whom we had also worked with on an earlier collaboration.

original translation. Discrepancies between translations were discussed and resolved (Breslin 1970). Brief pilot surveys preceded the administration of the main instrument in each city. After data collection, the group had a second meeting in the United States where we reviewed the findings and once again discussed whether translation could explain observed cross-cultural differences.

3. Vignettes

The short vignettes at the heart of the survey described acts of wrongdoing by individuals inside corporate hierarchies.[27] Respondent heard four core vignettes. Each of these stories manipulated three variables: the *mental state* of the principal actor in the vignette (intentional action vs. negligence *or* negligence vs. accidental harm); the actor's position within the *hierarchy* (subordinate vs. mid-level authority); and the *influence* placed on the actor to take a certain course of action (acting alone, acting under orders, or acting collectively with others in the organization). Thus each vignette involved a 2×2×3 factorial design. The vignettes are briefly described below.[28]

(1) AUTO (company creates faulty auto design): A design engineer (or the head of the design team) for a new car accidently (or negligently) fails to carry out (or order) adequate testing because of time pressures. The car has a defect which causes several accidents in which people are injured.

(2) FACTORY (factory dumps waste): A foreman (or manager) of a fertilizer factory is under pressure to cut costs; his intentional (or negligent) actions (or order) lead to a toxic waste spill.

(3) DRUG (company develops dangerous drug): A laboratory technician (or scientist) working on a new drug intentionally (or negligently) fails to carry out adequate tests for side effects in the animals being tested (or order the tests), because of time pressures. A serious side effect (blindness) occurs among a few purchasers of the drug.

(4) PAPER (newspaper fails to publicize pollution): A newspaper reporter (or editor) intentionally (or negligently) suppresses (or orders suppression of) information about a company's toxic waste, because the economy is poor and he is concerned that the company might close down. The waste problem goes unexposed, and a later increase in birth defects is traced to the pollution.

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[27] In the language of the white-collar crime literature, each of these stories focuses on "organizational crimes": crimes against consumers or society that occur as a result of people doing their job within their organization. This type of crime may be distinguished from "occupational crimes" which are crimes against the organization by its members, e.g., bank embezzlement by tellers (J. W. Coleman 1989; Schrager & Short 1978).

[28] The full text of all versions of all vignettes is available from the authors on request.

Our intention in choosing these four settings was to have two vignettes (auto and factory) situated in more tightly coupled, bureaucratic organizations confronting a technical environment and two vignettes (drug and paper) situated in more loosely coupled organizations confronting a stronger institutional environment. Unfortunately, we had a relatively difficult time constructing two loosely coupled organization vignettes.[29] The Drug vignette is on its face more professional given that the organization is called a "Research Institute" and the fact that the actors are lab technicians and scientists. However, in hindsight, it is not clear the Institute confronts a less technical environment. The newspaper setting involves a different problem: secondary rather than primary harm. The newspaper organization is not the creator of the toxic waste. Although this is a realistic vignette in the sense that wrongdoing by the media (information transmission organizations) would characteristically involve this sort of secondary injury (failure to publicize and prevent harm), we anticipated that the average responsibility of all the actors in this vignette might be lower for this reason. However, we expected that all three independent variables (type of influence, hierarchy, and mental state) would exert some effect across all vignettes.[30]

4. Independent Variables

Mental state (intention/ negligence/accident). At the high end, this manipulation involved an act or omission that was likely to cause harm (e.g., engineers cease testing an engine that was not running smoothly; a newspaper fails to report the storage of industrial waste, even though there is a small chance of leakage). Low mental state typically involved outcomes that were accidents or at most the result of slight negligence (e.g., testing is terminated, but there has been no trouble with the new engine; the newspaper does not report the story but has been assured there is no chance of leakage). In the most extreme "high mental state" conditions, the actor's behavior is an intentional wrongful act (see the factory waste example below), whereas in the most extreme "low mental state" conditions, the consequence appears to be accidental in that the actor was not negligent in any way.

Hierarchy (subordinate/authority). This manipulation basically involved mentioning the actor's role. In the preceding descriptions of the vignettes, the actor's role when he is a subor-

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[29] Our original effort was to construct a vignette located in a hospital. However, fundamental differences in the relationship between doctors and nurses in the three societies persuaded us that comparable stories in all three countries were impossible. The newspaper vignette was a second choice.

[30] We did ask our respondents to rate the seriousness of the consequences in each vignette. By and large, all the vignettes were rated as equally serious, and there was little variation across cities (Sanders & Hamilton 1996:847).

dinate is listed first, followed in parentheses by its alternative when he is a mid-level authority.

Type of social influence (autonomy, conformity, obedience). In the autonomy condition, the primary actor in the story acted on his own. In the conformity condition, he followed the decision of co-workers. In the obedience condition, he followed the directions of a superior in the organization. This manipulation was more complex to introduce. For example, the Subordinate/Autonomy/High Mental State version of the factory waste story read as follows:

> Nick is the foreman in charge of waste disposal at a fertilizer plant. For several months, the plant's expenses have been running over budget. *One time, in order to save money Nick decides to dump some of the waste into the river next to the plant instead of having it shipped away.* The pollution causes some people who live down river to get sick.

For the Obedience version, the following was substituted for the italicized sentence above: *"One time, in order to save money, the plant manager tells Nick to dump chemical waste into the river next to the plant instead of having it shipped away."* Conformity versions of each story necessitated expanding the introduction in order to set up the conditions for conformity. For example, the Authority/Conformity/High Mental State version read:

> Nick is the manager of a fertilizer plant and head of the committee that makes production decisions. For several months, the plant's expenses have been running over budget. One time, in order to save money the committee decides to order that some of the waste be dumped into the river next to the plant instead of having it shipped away. The pollution causes a few people who live down river to get sick.

There is an additional important complication concerning the influence manipulation. In the Obedience conditions the orders given by the boss vary depending on whether the actor was a subordinate or a midlevel authority (the Hierarchy manipulation). When the actor is a subordinate, the boss directly orders the actor to do something. When the actor is himself a midlevel authority, the boss gives much more indirect instructions which are translated into the same action. For example, in the Authority/Obedience condition of the factory waste story, instead of a plant manager telling Nick to dump the waste, *"The company Vice President has told Nick to do whatever he can to save money, so one time Nick orders some of the waste to be dumped."* We purposely chose to introduce this complexity, because it more nearly reflects the type of orders given at higher levels of authority and reflects the ambiguity of instructions as the chain of command lengthens. A person's position in the hierarchy and freedom of action on the

job are in fact confounded in real organizations (Kelman & Hamilton 1989).[31]

5. Dependent Variables

Following each vignette, the respondents were asked a number of questions. The first question asked the respondents to rate the actor's responsibility on a 101-point scale, where 0 means that the actor is not at all responsible, 50 that the actor is somewhat responsible, and 100 that the actor is fully responsible. The same question was asked about the actor's co-workers, the actor's boss, and the company itself.[32] We also assessed whether and how the actor should be punished. The punishment question was in two parts. First, we asked the respondents, "Should anything be done to [the actor] for what happened?" If the respondents answered "yes" to this question, we asked an open-ended question, "What should happen to him?"

Time constraints prevented us from asking about sanctions for all the other people and entities in the vignettes. As a compromise, we determined to ask the punishment questions with respect to the entity other than the actor to whom the respondent assigned the most responsibility. Most frequently, this was the company itself.

The responses to the open-ended questions were coded into empirically derived categories that were informed by our earlier research on punishments for wrongdoing in everyday life situations (Hamilton & Sanders 1988; Sanders & Hamilton 1992). Beginning with the coding categories developed in the earlier work, categories were added for responses that fit none of the existing categories. The coding for the Russian sample was done by our Russian colleagues and reviewed by us. The coding for both the American and Japanese samples was done by us.[33] With respect to all three data sets, we discussed difficult or ambiguous responses before final coding. The result was a 19-category code which we subsequently collapsed in two ways by combining similar categories, especially those with relatively few responses. The first collapsed code contains 8 categories: Restoration, Reprimand, Administrative accountability, Demotion, Firing, General moral or legal sanction, Specific legal sanction, and Company legal sanction. The second contains 3 categories which group sanctions into ones that are most restorative of relationships at one end to those that are most isolative of the offender at the other end. Appendix C provides a fuller description of each of the codes.

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[31] A version of each of the other three vignettes is given in appendix B.

[32] For an analysis of the responses to these questions see Sanders & Hamilton 1996.

[33] The Japanese data were coded by the third author, who was born and raised in Japan.

C. Results

Table 1 indicates the percentage of respondents who thought something should be done to the actor in each vignette in each city. In all but the Paper vignette, a majority of respondents thought something should be done to the actor. However, there was always a substantial minority of individuals who thought no sanction was appropriate.

Table 1. Percentage of Individuals Saying Something Should Be Done to the Actor, by Story by City

	Moscow		Tokyo		Washington, DC	
Auto	74.8	(567)	54.7	(430)	60.4	(579)
Factory	89.4	(583)	75.1	(465)	83.9	(590)
Drug	85.6	(569)	70.0	(443)	72.4	(586)
Paper	73.1	(566)	40.5	(432)	41.7	(585)

1. Responsibility and Sanctions

Not surprisingly, whether respondents think something should be done to the actor is closely tied to how responsible they believe the actor is for what happened. If respondents feel the actor is relatively less responsible, they are less likely to say the actor should be sanctioned. Figure 1 graphs the relationship between responsibility judgments and whether the actor should be sanctioned. For each vignette, the higher the responsibility score, the greater the percentage of respondents who say something should be done to the actor.[34] The pattern is remarkably similar across vignettes, although as can be seen in the figure, people are slightly less willing to sanction the actor in the Paper story than in the other vignettes. We believe this is because the Paper vignette involves a secondary rather than a primary harm. The newspaper is not the organization that initiates the toxic waste spill.

2. The Effect of the Independent Variables

Table 2, panels A, B, and C report the results of a series of logistic regressions. Table 2, panel A, presents the effect of each of the experimental variables on the question of whether the actor should be sanctioned in each vignette for the Moscow respon-

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[34] For the sake of brevity, Figure 1 aggregates the data for all three cities. However, the relationship is similar for each city separately. The correlation between responsibility and whether something should be done to the actor by city is as follows:

Moscow: Factory, .52; Auto, .59; Drug, .58; Paper, .59.

Tokyo: Factory, .57; Auto, .61; Drug, .61; Paper, .57.

Washington: Factory, .46; Auto, .49; Drug, .53; Paper, .50.
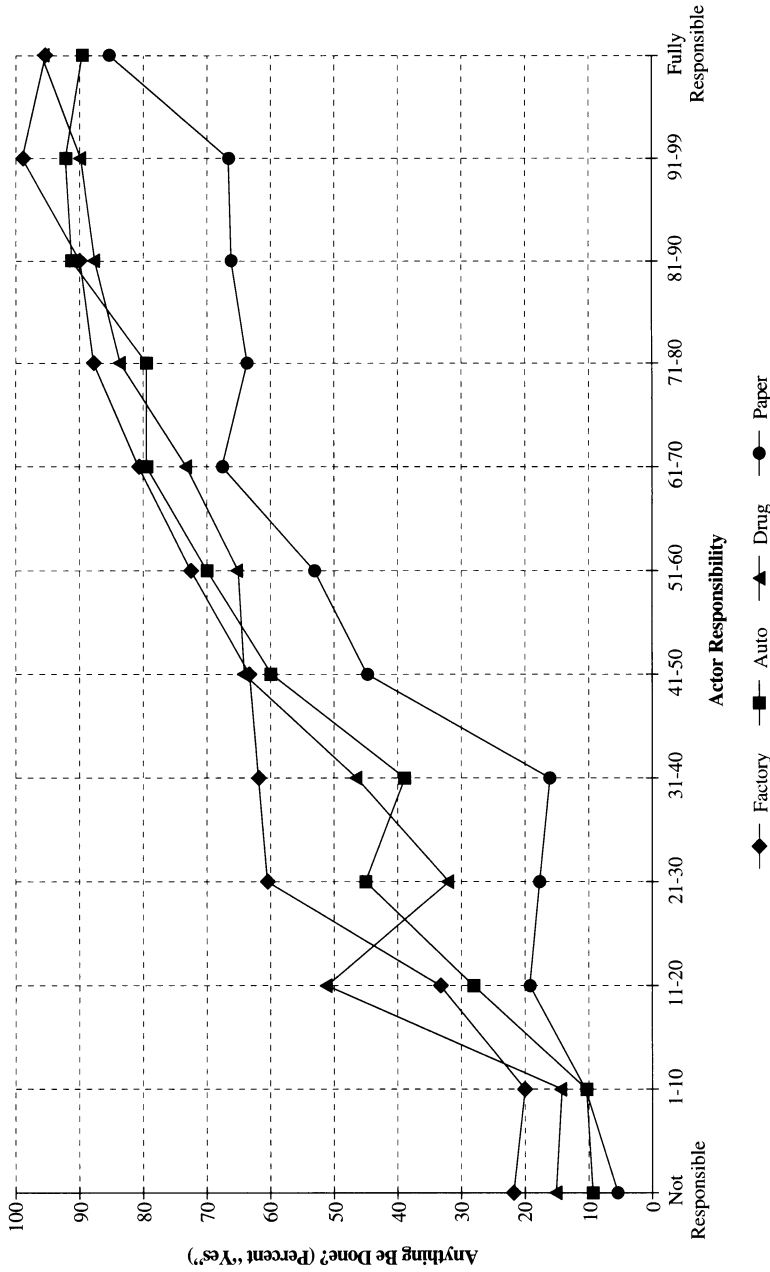
All correlations are significant at $p<.001$.

Fig. 1. Responses to "Should anything be done to the actor?" by responsibility (see also note 34).

dents. Panels B and C do the same for the Tokyo and Washington, DC, respondents, respectively.

Our hypothesis that respondents would be more likely to impose sanctions on actors exhibiting higher mental state levels is supported only about half the time. The mental state effect was never significant in the Auto vignette. The mental state manipulation was not significant in the Paper vignette in two countries (Japan and the United States). On the other hand, there was a significant mental state effect in all three countries in the Drug story and in Japan and the United States in the Factory vignette.

A post hoc examination of the manipulations in these vignettes suggests that this pattern of results may have occurred because of the different ways we manipulated mental state. In both the Auto and the Paper vignettes, the high mental state condition is not an intentional act of wrongdoing, and indeed in both vignettes the mental state manipulation is relatively subtle. For example, in the high mental state condition of the Auto vignette, an engine being tested sometimes does not run smoothly but additional tests are not run because of the cost. In the low mental state condition, there is simply no mention of the fact that the engine sometimes does not run smoothly. Likewise, in the Paper story, in the high mental state condition, the people at the factory storing industrial waste tell the reporter that there is a small chance of the waste leaking, whereas in the low mental state condition, they report that there is no danger of a leak.

On the other hand, the high mental state condition in the other two vignettes is more nearly an act of intentional wrongdoing. In the high mental state version of the Factory story, to save money the actor intentionally orders that waste be dumped into the river. In the low mental state condition the actor delays a safety inspection and some waste is accidently dumped into the river when a valve fails. In the high mental state condition of the Drug vignette, a test animal seems to be having vision problems, but the actor decides not to report this result. In the low mental state condition, the actor observes the vision problems and reruns the tests, but when these do not replicate the earlier results he decides no further tests are necessary.

In comparison with the mental state results, the data lend greater support to the hypotheses that one's position in a corporate hierarchy and whether one acts autonomously affect the sanctioning decision. There is a significant hierarchy effect at $p=.01$ or better in every story in every city except the Factory vignette in Washington, which is not significant, and the Auto vignette in Washington, which is barely significant at .05. In all cases, respondents are less willing to sanction the subordinate than they are the mid-level authority.[35] Clearly, the respondents

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[35] It is sometimes difficult to appreciate the size of effects in logistic regression analysis. Some readers may find it helpful to know the differences in the percentage of "yes"

Table 2. Logistic Regression of Mental State, Hierarchy, and Influence on Whether the Actor Should Be Sanctioned, by Story and City

	B	Significance		B	Significance
			A. Moscow		
Auto:			**Factory:**		
Mental state	.0534	.6234	Mental state	.1052	.5282
Influence	.6548	.0000	Influence	.4305	.0912
Hierarchy	.4522	.0001	Hierarchy	.7793	.0002
Influence by hierarchy	−.1918	.1700	Influence by hierarchy	−.3448	.1726
Constant	1.2906	.0000	Constant	2.7579	.0000
Model chi-square=47.628, df=4, p=.0000			Model chi-square=33.628, df=4, p=.0000		
Drug:			**Paper:**		
Mental state	.3347	.0154	Mental state	.2268	.0286
Influence	.6413	.0005	Influence	.2938	.0252
Hierarchy	.3450	.0194	Hierarchy	.4555	.0000
Influence by hierarchy	−.4825	.0089	Influence by hierarchy	.1829	.1634
Constant	2.1008	.0000	Constant	1.0901	.0003
Model chi-square=47.632, df=4, p=.0000			Model chi-square=29.1014, df=4, p=.0000		
			B. Tokyo		
Auto:			**Factory:**		
Mental state	.1434	.1808	Mental state	.3489	.0052
Influence	.7668	.0000	Influence	.5377	.0009
Hierarchy	.3789	.0004	Hierarchy	.4780	.0003
Influence by hierarchy	−.1610	.2294	Influence by hierarchy	−.1637	.3129
Constant	.2189	.0415	Constant	1.4278	.0000
Model chi-square=52.571, df=4, p=.0000			Model chi-square=40.84, df=4, p=.0000		
Drug:			**Paper:**		
Mental state	.4435	.0002	Mental state	.1720	.1005
Influence	.5660	.0001	Influence	.2869	.0238
Hierarchy	.4871	.0000	Hierarchy	.2834	.0063
Influence by hierarchy	−.1076	.4548	Influence by hierarchy	−.1605	.2061
Constant	.9947	.0000	Constant	−.3749	.0003
Model chi-square=50.836, df=4, p=.0000			Model chi-square=16.726, df=4, p=.0022		
			C. Washington		
Auto:			**Factory:**		
Mental state	−.0024	.9792	Mental state	.2632	.0352
Influence	.4276	.0001	Influence	.6777	.0000
Hierarchy	.1796	.0482	Hierarchy	.0163	.9047
Influence by hierarchy	−.1154	.3026	Influence by hierarchy	−.4816	.0035
Constant	.4305	.0000	Constant	1.8900	.0000
Model chi-square=18.779, df=4, p=.0009			Model chi-square=32.781, df=4, p=.0000		
Drug:			**Paper:**		
Mental state	.4557	.0000	Mental state	.0583	.5131
Influence	.5009	.0001	Influence	.0314	.7742
Hierarchy	.3879	.0002	Hierarchy	.3696	.0000
Influence by hierarchy	−.0344	.7927	Influence by hierarchy	.1607	.1436
Constant	1.1664	.0000	Constant	−.2829	.0015
Model chi-square=53.957, df=4, p=.0000			Model chi-square=20.4888, df = 4, p=.0000		

NOTE: The dependent variable ("Should anything be done to [the actor] for what happened?") is coded No = 1 Yes = 2. Other codes are: Mental state, low = −1, high = 1; Hierarchy, subordinate = −1, authority = 1; Influence, obedience = −1, conformity = 0, autonomy = 1.

in all countries see the actor as less deserving of some sanction when the actor is lower in the organizational hierarchy.

The results for the influence variable are nearly as strong. There is a significant influence effect at p=.05 or better on whether the actor should be sanctioned in every story in every city except the Factory vignette in Moscow and the Paper vignette in Washington. In all cases where the effect is significant, a larger percentage of respondents wish to sanction the actor when he acts alone than when he is following orders. The percentage wanting to sanction the actor in the conformity condition falls somewhere in between the other two conditions.

There is, however, a slight difference between countries in this regard. In Japan and Russia, averaging across stories, the percentage of respondents wanting to sanction the actor in the Conformity condition falls about halfway between the percentage wanting to sanction the actor in the Autonomy and Obedience conditions. In the United States, however, the effect of the influence manipulation is due primarily to the difference between Obedience and the other two conditions. As can be seen in Figure 2, Washington respondents tend to treat the actors in the Autonomy and Conformity conditions similarly. This result is consistent with a view of the United States as an individualistic culture where going along with a group is less of an excuse than in more collectivistic societies.

Our hypothesis concerning an influence-hierarchy interaction was not supported by these results.[36] Although the interaction effect generally ran in the predicted direction, in only two vignettes—the Drug vignette in Moscow and the Factory vignette in Washington—was the interaction term significant.[37]

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answers on whether something should happen to the actor represented by these coefficients. For the Auto vignette, if a midlevel authority was involved, "yes" answers were 84% (Moscow), 64% (Tokyo), and 64% (Washington); if a subordinate was involved, yes answers were 69% (Moscow), 46% (Tokyo), and 57% (Washington).

[36] Given the distribution of responses on the influence variable, we tested only for the linear interaction of hierarchy and influence.

[37] We did attempt to tease out any overall interaction effect by aggregating data across cities and rerunning the logistic regression analysis. With all data combined, there is a weak but significant interaction effect in the Auto and Factory stories. Respondents are less willing to sanction subordinates who obey orders than to sanction midlevel managers who obey orders. This is the result we had expected to find within countries. Recall that the midlevel actor receives general instructions, e.g., "save money any way you can." The subordinate actor, on the other hand, is told to do a specific act. Fewer people thought that sanctions were appropriate where someone was simply doing what they were told to do. On the other hand, being a subordinate offers less protection from a positive sanctioning decision when the actor commits the wrongful act on his own.

In earlier analyses we found a linear hierarchy-influence interaction with respect to responsibility judgments in three of the four vignettes (see Sanders & Hamilton 1996:839). There, however, we were not working within the limitations imposed by the relative insensitivity of a dichotomous dependent variable.
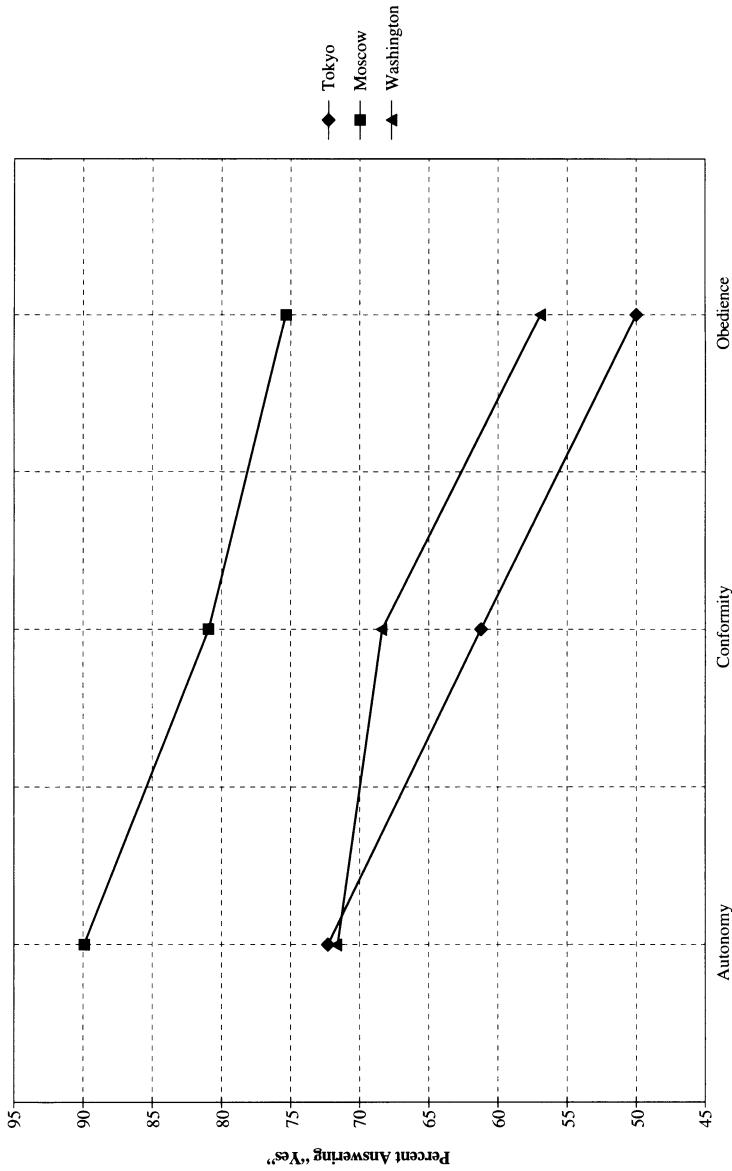
Fig. 2. Responses, averaged across vignettes, to "Should anything be done to the actor?" in Moscow, Tokyo, and Washington, by autonomy, conformity, and obedience.

3. Organizational Effects

The hypothesis concerning organizational effects received very weak confirmation in our data. We believed the drug company and the newspaper were in a sense less technical and more institutional environments than the firms in the Auto and Factory vignettes; that they would be perceived as more professional and more loosely coupled; and, therefore, that the actor's position in the hierarchy and whether the actor was influenced by others would have less impact on sanctioning judgments. We did not observe such a pattern in the Drug vignette. The hierarchy and influence variables had as strong an impact in that vignette as they did in the Auto and Factory vignettes. There was some weak support for the influence hypothesis in the newspaper story. There, the effect of other's influence was weaker. Because this vignette involved secondary liability, however, we cannot be certain the effect was due to a perception that the actor was in a looser structure and therefore more responsible for his acts.

4. Nation Effects (Cultural Differences)

An examination of Table 1 indicates that the Moscow respondents are more likely to say something should be done to the actor than are the respondents in Tokyo and Washington. In a series of logistic regression analyses comparing pairs of cities, we examined whether these differences were significant. Only in the Factory vignette was there a significant difference between the Washington and Tokyo respondents. On the other hand, in every vignette the Moscow respondents were significantly more likely to say something should be done to the actor than the respondents in either Washington or Tokyo. This is consistent with the fact that the Moscow respondents rated the actor as slightly more responsible than respondents in the other two cities (Sanders & Hamilton 1996:848). However, as we saw above, the Moscow respondents were attentive to both the hierarchy and influence manipulations. It would be unwise, therefore, to draw any strong conclusion from these mean differences in willingness to sanction until they are reproduced in other studies.

The greater willingness of Moscow respondents to say something should be done to the actor is also consistent with a view of Russian culture as lower in power distance insofar as the Moscow respondents are not willing to perceive these individuals merely as an acting self. However, the data in Table 1 are aggregated over all influence conditions and may simply reflect a greater willingness of Moscow respondents to impose sanctions in all situations. Indeed, this is the case. Moscow respondents are more willing to sanction the actor in all three influence conditions: obedience, cooperation, and autonomy.

A better test of power distance is to compare the percentage of respondents who say something should be done to the actor in the autonomy condition of each vignette (the actor acted on his own) with the percentage of respondents who say something should be done to the actor in the obedience condition (the actor was following orders). For each vignette in each city we subtracted the percentage saying "yes" in the obedience condition from the percentage saying "yes" in the autonomy condition. (In each city in every story fewer respondents said "yes" in the obedience condition than in the autonomy condition). The difference between these scores is one measure of this sense of power distance. The greater the difference, the more the respondents perceive the actor as one who does not deserve to be sanctioned in the obedience condition because he is merely an acting self who is following orders. In all the vignettes the difference between conditions is greatest among Tokyo respondents, suggesting that Japanese society is higher on power distance than the United States or Russia. As between the Washington and Moscow respondents, in two of the four vignettes (the Factory and Drug vignettes) the difference is smaller in Russia. The average differences in percent "yes" across all four vignettes is 23.1% among Tokyo respondents, 14.7% among Washington, DC, respondents, and 14.2% among Moscow respondents. By this measure the Moscow and Washington respondents are indistinguishable, lending support to the argument that Russians are relatively low on power distance at least in the workplace.

Table 3 presents the open-ended responses for what should happen to the actor among respondents who said "something should happen to the actor for what he did." Each panel presents the results for one vignette in all three cities. Table 3, A, presents the Auto vignette data. The hypothesis that the Japanese respondents are more restorative in their sanctions than the Americans receives strong support. Over a third of all Japanese responses were coded in the "restoration" category. The restoration code was used when the respondent proposed the actor should (a) apologize or should do community service, (b) should be retrained and helped to improve his performance, or (c) should offer some type of restitution. Note that an answer was coded as restitution when the focus was on fixing the wrong (e.g., pay for a cleanup, repair a car, pay the hospital bill) rather than on punishment.

When Japanese respondents do propose job-related sanctions, they are substantially more likely to recommend the less isolative sanction of a demotion than they are to recommend that the actor be fired. A similar pattern of responses can be observed in the other three vignettes (see Table 3, B, C, and D).

American respondents are much less likely to propose restorative sanctions and more willing to impose sanctions that isolate

Table 3. Percentages Choosing Proposed Sanctions for Actors in Four Vignettes

	Japan (Tokyo)		Russia (Moscow)		United States (Washington, DC)	
A. Sanctions for Design Engineer/Head of Design Team, Auto Vignette						
Restoration	35.0	(62)	4.2	(16)	9.8	(31)
Reprimand	4.0	(7)	7.1	(27)	14.9	(47)
Public accountability	1.7	(3)	13.1	(50)	1.9	(6)
Demotion	23.2	(41)	20.2	(77)	9.2	(29)
Fire	4.0	(7)	18.1	(69)	25.4	(80)
General moral/legal	16.2	(29)	20.7	(79)	23.5	(74)
Specific legal sanction	2.3	(4)	16.0	(61)	8.9	(28)
Company specific sanction	0.0	(0)	0.3	(1)	1.6	(5)
Other	13.6	(24)	0.3	(1)	4.8	(15)
B. Sanctions for Foreman/Manager, Factory Vignette						
Restoration	33.6	(93)	1.4	(6)	7.0	(32)
Reprimand	1.8	(5)	7.5	(33)	10.2	(47)
Public accountability	0.7	(2)	6.6	(29)	0.7	(3)
Demotion	15.9	(44)	18.1	(80)	6.1	(28)
Fire	6.1	(17)	28.3	(125)	25.3	(116)
General moral/legal	19.1	(53)	30.8	(136)	29.8	(137)
Specific legal sanction	4.7	(13)	7.0	(31)	15.9	(73)
Company specific sanction	1.1	(3)	0.0	(0)	1.5	(7)
Other	17.0	(47)	0.5	(2)	3.5	(16)
C. Sanctions for Laboratory Technician/Scientist, Drug Vignette						
Restoration	33.5	(81)	1.3	(5)	5.9	(23)
Reprimand	4.5	(11)	12.1	(45)	10.3	(40)
Public accountability	0.4	(1)	17.2	(64)	2.8	(11)
Demotion	14.9	(36)	12.1	(45)	7.7	(30)
Fire	7.9	(19)	28.4	(106)	32.4	(126)
General moral/legal	17.4	(42)	20.6	(77)	26.0	(101)
Specific legal sanction	6.2	(15)	7.5	(28)	9.3	(36)
Company specific sanction	0.0	(0)	0.0	(0)	1.0	(4)
Other	15.3	(37)	0.8	(3)	4.6	(18)
D. Sanctions for Newspaper Reporter/Editor, Paper Vignette						
Restoration	35.7	(51)	3.7	(18)	7.3	(16)
Reprimand	19.6	(28)	5.4	(26)	17.4	(38)
Public accountability	0.7	(1)	6.2	(30)	1.4	(3)
Demotion	9.8	(14)	12.2	(59)	6.9	(15)
Fire	2.1	(3)	26.0	(126)	26.1	(57)
General moral/legal	18.9	(27)	27.6	(134)	25.7	(56)
Specific legal sanction	2.8	(4)	17.1	(83)	8.7	(19)
Company specific sanction	0.0	(0)	0.6	(3)	0.5	(1)
Other	10.5	(15)	1.2	(6)	6.0	(13)

the individual, also consistent with expectations. When they propose a job-related sanction, American respondents are much more likely to recommend that the individual be fired than demoted, and they are more likely than the Japanese to recommend a specific legal sanction involving a fine or a jail term. Again, this pattern is observable in all four vignettes.

The Russian respondents present the most interesting picture. As was true in our 1990 survey, the Muscovites look more like the American respondents than they look like the Japanese. Indeed, they are even less likely than the Americans to recommend restorative sanctions. In the Auto vignette, only 11% of the Moscow subjects who said something should be done to the engineer offered a restoration or reprimand response.

Also as in the 1990 survey, quite a few Moscow respondents replied to the open-ended question by saying the actor should be "brought to responsibility." The phrase is a shorthand for a sanction involving an administrative proceeding conducted inside the workplace—a form of workplace discipline. In Tables 3 and 4 this and similar responses are coded as "public accountability." Historically, Comrades' Courts provided a forum for quasi-legal adjudication of wrongdoing within the workplace and residence (see Berman & Spindler 1963; Feifer 1964; Gorlinzki 1998; Sypnowich 1990).[38] The power of Comrades' Courts varied during different periods, and it is difficult to define "brought to responsibility" as an isolative or an integrative sanction. According to Sypnowich (1990:51), "As persuasive rather than coercive agencies, the courts are said not to punish; but they do have the power to extract public apologies and small fines, and order evictions from placed of residence or demotions at work, which in the Soviet Union are considered very severe punishment."

Even were we to include "public accountability" as a restorative response, restorative sanctions would constitute 24% of the Russian responses, slightly less than in the United States. At the other end of the continuum, the Moscow respondents often propose to fire the worker or to legally sanction him with a fine or jail time.[39] As in the 1990 study, in 1993 it is difficult to distinguish the Russians and the Americans. Both opt for sanctions that isolate the individual. The pattern of the Auto story is repeated in the other three vignettes as well.

The difference between the Japanese and the respondents from the other two cities is brought into sharper focus in Figure

[38] In Japan and the United States this code was used only in those instances when it was obvious that the respondent was referring to procedures inside the organization, such as "appear before a company board."

[39] The willingness of Russian respondents to call for the discharge of the actor is noteworthy. Traditionally, discharge from a job because of unsatisfactory performance was very difficult during the Soviet era (Berliner 1976:162–63). During parts of this period, individuals without a job could be charged with "social parasitism," with conviction resulting in a term in a labor camp. Even during periods when unemployment was not a criminal offense, substantial stigma attached to this condition (Braithwaite 1997:31; Standing 1996:20). Based on these considerations, calling for the discharge of an individual would appear to be a very harsh sanction. On the other hand, in 1993 when our survey was done, the unemployment rate was relatively low (about 5% to 6% based on survey data). In addition, the length of unemployment for those who quit or lost their job was short and the probability of finding a new job was quite high (Commander & Yemtsov 1997a, 1997b). These factors suggest that calling for the discharge of an actor was not as harsh a sanction in 1993 as it might have been a few years earlier.

3, which compares the open-ended responses using the three-category code, Most Restorative, Middle, and Most Isolative, averaged across all four stories.[40]

5. *Sanctioning the Organization: Another View of Cultural Differences*

As noted above, time constraints prohibited us from asking every respondent whether the actor's co-workers, the actor's boss, and the company itself should be sanctioned. We adopted the strategy of asking this question and the follow-up question of what should happen only for the entity (other than the actor himself) to which the respondent assigned the most responsibility. Because this was almost always the organization (the company) in the United States and Japan, we limit our discussion to this punishment decision. Figure 4 indicates the percentage of respondents asked whether the company should be punished who answered "yes."[41] In every vignette, a smaller percentage of Tokyo respondents give this answer than respondents from the other two cities. The tendency of the Japanese respondents to be less willing to sanction the company is consistent with the observation that Japanese law rarely holds the organization itself responsible for corporate crime (Fisse & Braithwaite 1993:123). On the other hand, the Washington respondents are the most willing to sanction the organization in three of the four vignettes, again perhaps because sanctions against corporations are a routine part of the American legal landscape (French 1984; Stone 1975; Khanna 1996).

To understand the Russian responses, one must keep in mind that one was asked this question only if the organization was assigned more responsibility than the boss or the co-workers. Many Moscow respondents assigned the most responsibility to the actor's boss, and therefore fewer answered the question of whether something should happen to the organization and the follow-up question of what should be done if in fact they thought some sanction was in order.[42] Overall, Moscow respondents attri-

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[40] We explored the possibility that the experimental variables might affect the choice between restorative and isolative sanctions. For each story in each city we ran a set of regressions in which the three-category open-ended response variable was the dependent variable and the experimental manipulations were the independent variables. Very few effects were significant. The few that were, were consistent with a hypothesis that being higher in a hierarchy leads to more isolative sanctions. It is clear, however, that between-city effects overwhelm any experimental effects in the choice of sanctions.

[41] We also replicated the logistic regression analysis reported in Table 2 using corporate punishment as the dependent variable. With relatively few exceptions, the independent variables do not have a significant impact on whether people wish to sanction the company. The effects that do occur are in the anticipated direction, i.e., people are more willing to sanction the company when the wrongdoer is higher in the hierarchy and when the actor is not following orders. Insofar as our vignettes were manipulated to vary the *actor's* responsibility, it is not surprising that the variables have a limited effect on organizational sanction judgments.

[42] This fact is reflected in Table 4 below where the *N* for the Moscow respondents is much smaller than for the other two cities.
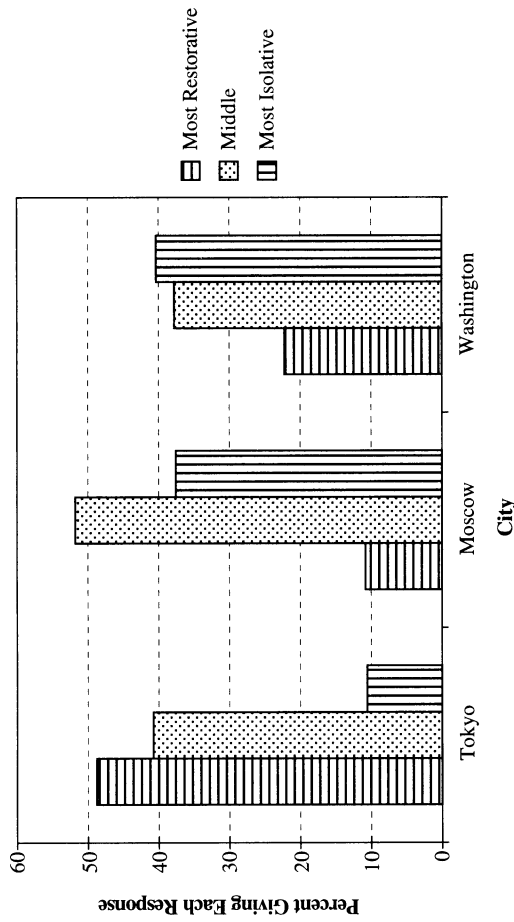
Fig. 3. Responses, averaged across vignettes, to "What should be done to the actor?" in Moscow, Tokyo, and Washington, by degree of restoration of the actor to the community.

bute less responsibility to the organization than the respondents in the other two cities, and many assign more responsibility to the boss than to the organization.[43] Across all of our respondents in the three cities, the Moscow respondents are probably least willing to sanction the organization. However, among Moscow respondents who did assign the most responsibility to the enterprise, the frequency with which they wish to see something happen to the enterprise more nearly resembles the Washington respondents than the Tokyo respondents.

Unlike the other three vignettes, many respondents were unwilling to recommend a sanction for the newspaper. Arguably, this is because the newspaper is only secondarily responsible for what happened. Note that in this vignette the Moscow respondents are the most punitive. Perhaps the Tokyo and Washington respondents' enthusiasm for sanctions was tempered by concerns for press freedom.

Table 4 reports the sanctions proposed by respondents in each city for each vignette in turn. Table 4, A, reports the results for the Auto vignette. The difference between the Tokyo respondents and those from the other two cities is quite striking. The great majority of the Japanese respondents proposed some type of restorative sanction. Given that the issue was organizational responsibility, this often involved some type of apology but also included responses that the company should pay all of the individual's expenses for what happened. The only other category receiving more than 3% of the responses was "general moral or legal" sanction. This category includes responses such as a general statement that the company should be held accountable without being clear as to whether this is a legal or a moral statement, proposing some unspecified legal action (e.g., the company should be brought to court), and a general statement that the company should be "punished" or subjected to some unspecified type of penalty.[44]

Washington respondents were less likely to recommend restoration on the part of the company, although a full 27% did so. For many of the American respondents this code represents a sanction that involved some type of company effort to set things right by paying the victim restitution and also proposals that the

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[43] The mean responsibility scores for the organization are 60% in Moscow, 89% in Tokyo, and 91% in Washington (Sanders & Hamilton 1996:848). It is important to keep in mind, however, that Fig. 4 only reports responses among those who believed the organization was more responsible than the actor's co-workers or his boss. In fact, compared with those in other cities, Muscovites assigned less responsibility to the organization (ibid.). Many Moscow respondents assigned the most responsibility to the actor's boss, and therefore fewer answered the question whether something should happen to the organization and the follow-up question of what should be done if in fact they thought some sanction was in order. Across all our respondents in the three cities, the Moscow respondents are probably least willing to sanction the organization.

[44] If the respondent recommended a specific punishment, such as a fine or money damages, this was coded as "specific legal sanction."
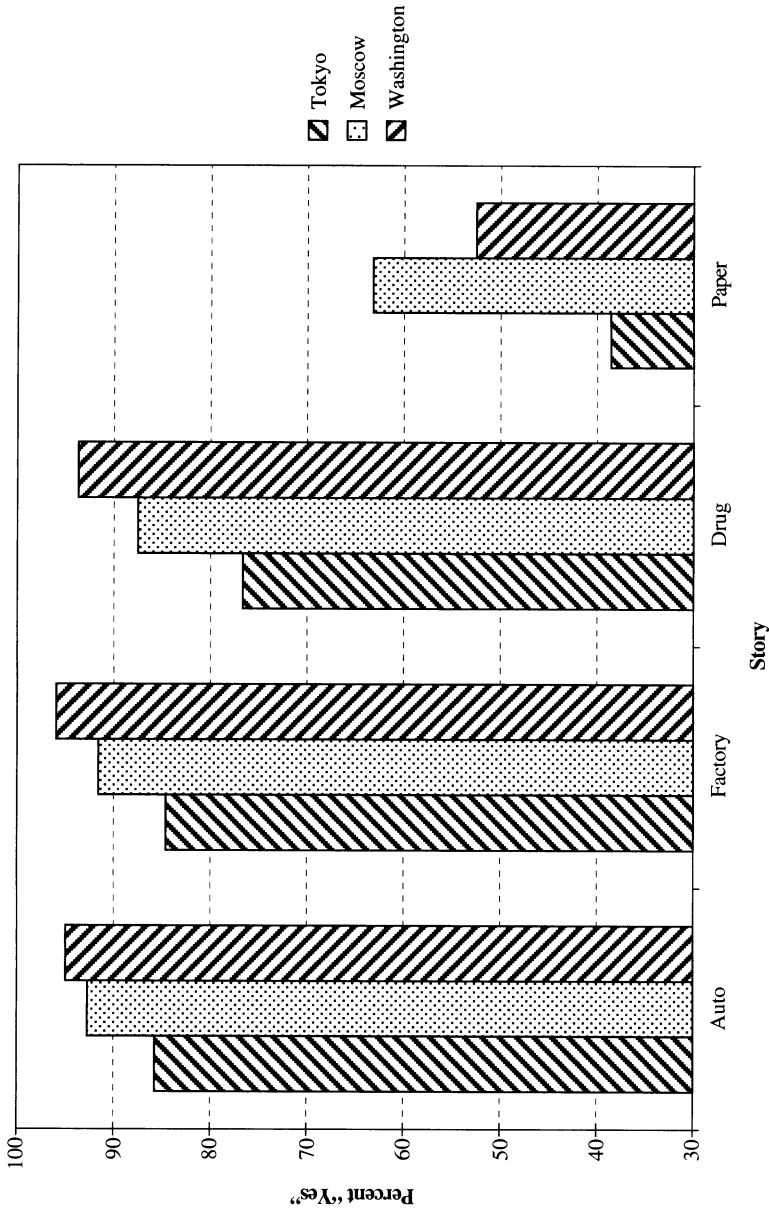
Fig. 4. Responses to "Should anything be done to the company?" in Moscow, Tokyo, and Washington, by vignette.

Table 4. Percentages Choosing Proposed Sanctions for the Company in Four Vignettes

	Japan (Tokyo)		Russia (Moscow)		United States (Washington, DC)	
A. Sanctions for the Company, Auto Vignette						
Restoration	83.7	(308)	19.2	(39)	26.6	(117)
Reprimand	2.4	(9)	5.4	(11)	3.9	(17)
Public accountability	0.3	(1)	4.4	(9)	0.2	(1)
Demotion	1.1	(4)	1.5	(3)	0.5	(2)
Fire	1.4	(5)	8.9	(18)	7.0	(31)
General moral/legal	10.3	(38)	17.2	(35)	33.6	(148)
Specific legal sanction	0.8	(3)	40.9	(83)	22.3	(98)
Company specific sanction	0.0	(0)	2.5	(5)	5.9	(26)
B. Sanctions for the Company, Factory Vignette						
Restoration	82.4	(313)	13.2	(20)	18.8	(84)
Reprimand	0.8	(3)	7.9	(12)	4.3	(19)
Public accountability	0.0	(0)	6.6	(10)	0.2	(1)
Demotion	0.3	(1)	0.0	(0)	0.2	(1)
Fire	2.6	(10)	17.1	(26)	10.3	(46)
General moral/legal	8.4	(32)	19.7	(30)	29.1	(130)
Specific legal sanction	1.8	(7)	30.3	(46)	32.2	(144)
Company-specific sanction	3.7	(14)	5.3	(8)	4.9	(22)
C. Sanctions for the Institute, Drug Vignette						
Restoration	78.9	(266)	3.3	(3)	17.3	(61)
Reprimand	1.8	(6)	8.9	(8)	8.2	(29)
Public accountability	0.0	(0)	8.9	(8)	0.0	(0)
Demotion	1.2	(4)	0.0	(0)	0.9	(3)
Fire	5.3	(18)	23.3	(21)	15.1	(53)
General moral/legal	10.1	(34)	24.4	(22)	30.4	(107)
Specific legal sanction	2.4	(8)	30.0	(27)	18.2	(64)
Company-specific sanction	0.3	(1)	1.1	(1)	9.9	(35)
D. Sanctions for the Newspaper, Paper Vignette						
Restoration	46.2	(67)	20.0	(38)	9.9	(14)
Reprimand	33.1	(48)	1.6	(3)	25.5	(36)
Public accountability	0.0	(0)	1.6	(3)	0.0	(0)
Demotion	1.4	(2)	1.1	(2)	0.0	(0)
Fire	2.1	(3)	7.4	(14)	10.6	(15)
General moral/legal	14.5	(21)	7.9	(15)	30.5	(43)
Specific legal sanction	1.4	(2)	58.4	(111)	22.0	(31)
Company specific sanction	1.4	(2)	2.1	(4)	1.4	(2)

company should take steps to avoid such incidents in the future. Much more frequent responses among Washington respondents were some form of general moral/legal sanction or a specific legal sanction. This latter category includes a call for criminal fine or civil damages or some other criminal sanction.[45] Missing

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[45] We should note that Washington responses presented a difficult coding problem when the respondent proposed a money damage sanction. We coded this responses as a "specific legal sanction" when the emphasis was on punishment rather than repayment or compensation to the victim. When in doubt, we tried to err on the side of coding these responses as "restitution," which was later combined with other categories to form the restoration category appearing in Table 4. This ambiguity reflects the ambiguous status of tort damages in our society. While they are designed in part to compensate victims, they are also intended to deter defendants.

from both sets of responses are many proposed sanctions that are directed at natural persons, for example, demotion. Again, the differences between the responses in these two societies is consistent with the idea that Japan is more contextual while the United States is more individual. An emphasis on relationships, even when they are disadvantageous, is part of a collectivist (contextual) culture (Triandis 1995:44). The use of sanctions to restore and mend relations is part of such a society's legal culture.

Most interestingly, these judgments about corporate sanctions parallel the judgments about natural actors presented in Table 3. One might have thought that a contextual orientation would apply only to "real" people with whom one could have human relationships. The fact that the two types of "persons"—natural and corporate—are treated similarly indicates the depth of cultural orientations and their ability to create shared scripts as to the appropriate way to respond to wrongdoing.

A similar pattern of American-Japanese differences appears in each of the other three vignettes. It is worth noting that respondents in both countries recommended a reprimand most often in the Paper vignette. Presumably, they did not feel that restoration remedies were appropriate for the newspaper. They might have had a different view had we asked them about the polluting company in the vignette.

The Moscow respondents again are striking because of their close parallels to Washington respondents. They rarely recommend restoration, and they often recommend some type of legal sanction. Of course, the sanctions the Washington and Moscow respondents have in mind are not precisely parallel. The Russian legal system did not include the idea of a tort suit to recover money damages. Nevertheless, the "specific legal sanction" response often appears in the Moscow data because the respondents recommended a fine or other financial penalty against the company. These responses reflect a more isolative sanctioning pattern than is to be found in Japan.[46]

Not only are Japanese sanctions less isolative, they are less likely to involve reinstitutionalized punishments—punishments imposed by the law rather than by the organization itself. American corporations are routinely held legally responsible for wrongdoing, which is part of what we mean when we say that the United States is a more legalistic culture. Japanese corporations are far less likely to be held legally responsible. American respon-

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46   Indeed, there is a sense in which the Muscovites are more individualistic than the Americans. Relatively few Washington and Tokyo respondents found the actor's boss to be more responsible than the company. On the other hand, over 200 Muscovites did so in each of the four vignettes. The pattern of proposed sanctions for the boss looks similar to the sanctions proposed for the actor and the company. For example, in the Auto vignette, only 11% of the Moscow respondents recommended a reprimand for the boss. On the other hand, 15% recommended a demotion, 19% suggested that he be fired, and another 30% offered some type of legal response (general/moral or specific legal sanction).

dents should therefore have a repertoire of sanctions more heavily weighted to punishments imposed by the state. From these data, we would expect Russian respondents to be somewhere in between. To test whether this is so, we recoded open-ended codes about what should happen to the actor and the company. Responses that involved unspecified legal sanctions, other criminal sanctions, regulatory action, and, in Russia, "bring to responsibility" were combined to create a reinstitutionalized sanctions category. Figure 5 shows the percentage of respondents in each society that gave this type of response for each story. The Washington respondents were much more likely to recommend these reinstitutionalized sanctions than the Tokyo respondents. In three of the four vignettes, the Moscow respondents fell in the middle and in the fourth (Factory) their answers equaled those of the Americans.

IV. Discussion

The normative cultural approach to organizations strongly invites the type of research reported here. It does so in at least two important ways: first by focusing on the use of scripts, rules, and taken-for-granted classifications people use to impose order on their various tasks; and second, by locating environmental effects on organizations at the level of industries, professions, and cultures. Our research, especially as it pertains to the sanctioning judgments people make in the face of wrongdoing inside organizations, shares this orientation. We are interested in the scripts people use when assessing sanctions, and we have looked for the source of those scripts in the organization's structure as well as the cultural and industrial environment within which the organization exists.

However, our research is isomorphic with, rather than identical to, the normative cultural approach. Some of the differences are as instructive as the similarities. Most important, perhaps, our research grows out of a social-psychological tradition that is more interested in psychological and micro-sociological effects than is much of the institutional approach. This interest translates into a concern for a theory of human action and a search for universals in the attribution of responsibility (Hamilton & Sanders 1983, 1992a).[47] In the following comments, we will summarize our findings and indicate how both the differences and similarities may offer some insights and hypotheses for institutional research.

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[47] As DiMaggio and Powell (1991:16) note, there has been only a limited effort to make neoinstitutionalism's micro foundations explicit.
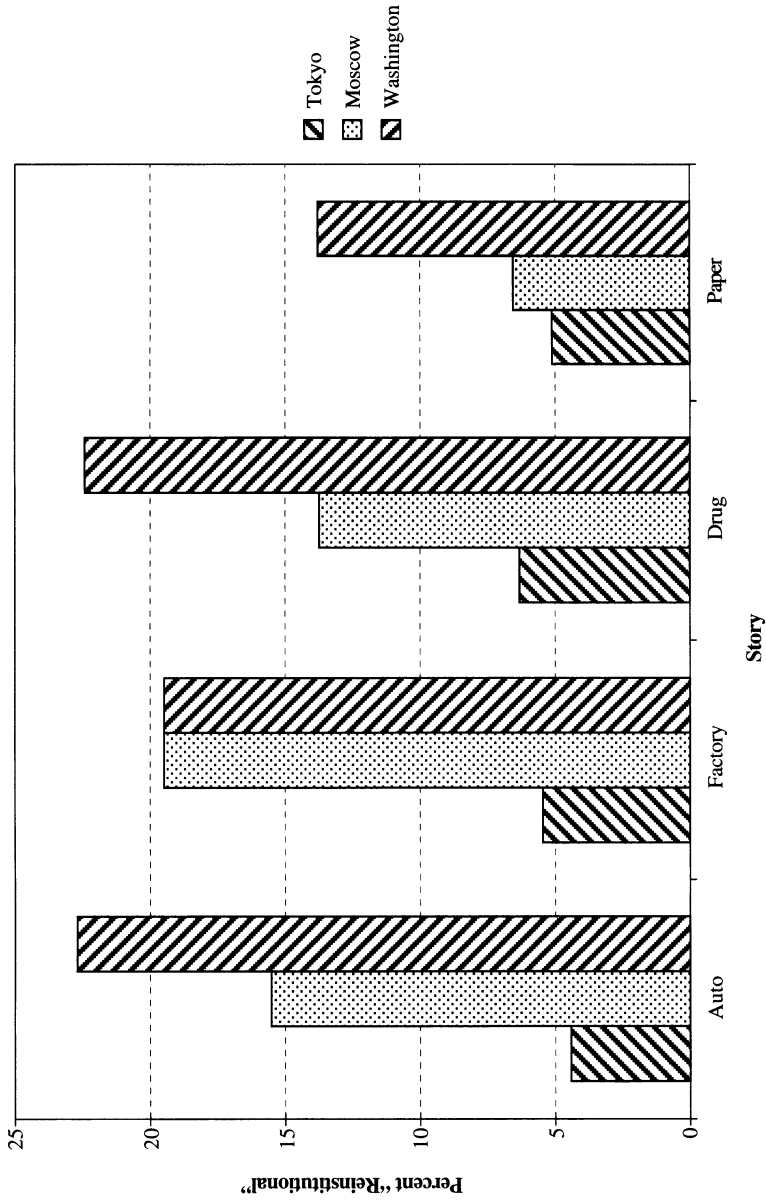
Fig. 5. Responses regarding whether legal sanctions should be imposed for corporate wrongdoing, by vignette and by city.

A. Micro Level: The Effect of the Independent Variables

The results of this study build on and replicate earlier research findings that the attribution of responsibility and the determination of whether a sanction is appropriate are influenced by both what an actor does and the position the actor occupies. These findings offer further support for a general attribution model arguing that there are universals in the attribution process. People from all cultures of which we are aware use deed, context, and role information in assessing responsibility (Hamilton & Sanders 1992a).

The results also confirm earlier findings that across societies individuals are particularly attentive to the relative power of the actor and others when judging wrongdoing and assessing sanctions inside organizations (Kelman & Hamilton 1989). Our results confirm that people are less willing to sanction actors who are lower in organizational hierarchies. Likewise, they are less willing to sanction actors who are following the orders of a superior. More fundamentally, the findings lend support to the idea that hierarchies split the perception of individuals into an "I" and a "me" component, or in Coleman's (1990) terms into an *acting self* and an *object self*. The directed subordinate is less deserving of sanctions. His implicit defense, "I was not acting for *myself*," resonates with our respondents in Moscow, Tokyo, and Washington.

These common features of the attribution process are an important reminder that the basic human experiences of observing each other act and misbehave are so widely shared that, to a substantial degree, they override cultural differences. As Justice Oliver Wendell Holmes said in a different context, "even a dog knows the difference between being stumbled over and being kicked." Like intentionality, experiences of various types of coercion are part of everyday life. People in all three cities in this study knew and reacted to the difference between acting on one's own, conforming to group pressure, and following orders.[48] Our results suggest that insofar as institutional arrangements involve rules about what acts deserve to be sanctioned, there is substantial similarity across these three cities and presumably across other societal boundaries as well. The potential variation in institutional arrangements is constrained by widely, if not universally, shared judgment criteria for assessing wrongdoing (see Sanders & Hamilton 1987).

This result also helps us to understand how external, widely held rules are brought into the organization. Organizational

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[48] We also ran a set of logistic regressions on pairs of cities that included an interaction term for city by hierarchy and city by influence, with the yes-no punishment question as the dependent variable. Only two interaction effects were significant: a hierarchy-city effect between Washington and Moscow for both the Auto and the Factory vignettes. One can observe the nature of this effect in Table 2. In both cases the hierarchy effect was bigger in Moscow, and was insignificant in Washington.

models of justice often parallel legal models in large part because members of the society, including the employees of the organization, carry with them these general models and employ them when they are forced to judge wrongdoing in the organization or in court.

These results also act as a caution against too great a commitment to cognitive institutionalism and its psychologically cool emphasis on scripts and accounts rather than commitments and evaluations (Suchman & Edelman 1996:911). The attribution of responsibility is inevitably a central part of social control inside organizations, and attribution is a normative task. Through the process of assessing blame and pronouncing sanctions, organizational life is penetrated by values and beliefs as well as schemata. Holding people to account is a key process through which law-like principles enter into the day-to-day life of organizations.

B. Meso Level: Types of Organizations

The neoinstitutionalist literature has devoted considerable attention to the ways in which organizational structures are shaped by the industrial and professional environment within which they find themselves. One important dimension is that of technical versus institutional environments. The nature of the environment is thought to influence the internal structure of the organization which might, in turn, influence attributions of responsibility for wrongdoing. We attempted to test this hypothesis by constructing vignettes that involved organizations we thought would be perceived as varying on their degree of centralized control of decisions. Unfortunately, this is the weakest part of our research design. The drug institute in the Drug vignette apparently was not perceived as being loosely coupled. In part, this may be a consequence of our use of random population surveys. If our respondents were in fact embedded in the organizations they were being asked to judge, they might have a better feel for the degree of central control involved at the time a decision is made.

The results of the Paper vignette do lend some weak support for the idea that people distribute responsibility differently for wrongdoing within organizations generally perceived to be more loosely coupled. The newspaper arguably is the organization that faces the least technical and most institutional environment and is also the most loosely coupled organization in any of our vignettes. The impact of influence from another was less in this vignette. These results are consistent with conceptualizations of the more loosely coupled organization and help explain what in fact it means to be loosely coupled and professional. People in such organizations have more freedom of action, but it comes at

a cost. The cost is the reduced effectiveness of excuses based on following orders or conforming to group pressure.

One implication of this result is that it helps to explain why parts of loosely coupled organizations find it easier to develop more independent institutional arrangements. If responsibility for wrongdoing in a section of the organization is to be judged more by the acts of people in that section, and not by the actions (including the orders) of individuals in other sections, institutional differentiation is easier to achieve.

However, other potential sources of difference between the Paper vignette and the other vignettes, including the secondary nature of the newspaper's responsibility, prevent us from drawing strong conclusions concerning the relationship between organizational environment and institutional arrangements. Future research is necessary to clarify this relationship. In addition, it would be helpful to know more about related issues such as the effect of organizational size on attributions. For example, size may increase the level of institutionalization by increasing the grip of bureaucratic rules, but at the same time it may permit separate parts of the organization to escape direct supervision.

C. Macro Level: Cultural Effects

Erez and Early (1993) argue that cultural values are translated into organizational behavior through a set of shared cognitive models that ascribe meaning and values to motivational variables and guide choices, commitments, and standards of behavior (p. 13). Our results help to fill in the ways in which this transmission occurs. Cultural orientations provide the scripts through which individuals assess wrongdoing and propose sanctions. In the following discussion we first compare Japan and the United States and then turn our attention to the complex situation in Russia.

The contextual culture of the Japanese and the individualistic culture of the United States produce different scripts for what to do to wrongdoers in organizations. It is important to understand, however, that the scripts are not at all mutually exclusive. Some Tokyo respondents are willing to impose very isolative sanctions on actors, and some Washington respondents are prepared to recommend restorative sanctions. Using Triandis's language, there are allocentrics in individualistic societies and idiocentrics in collectivist societies (Triandis et al. 1985).[49] Perhaps because of this, there is a substantial overlap in recommended sanctions, even between Tokyo and Washington. All of the possi-

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[49] A question not touched on here is why some people are "counter-cultural" in this way. Some, but not much, of the variation in judgments of our vignettes can be explained by standard demographic characteristics and by attitudes toward corporations (see Hamilton & Sanders 1996).

ble sanctions are in the repertoire of each society, but these pieces of the repertoire are played with varying frequencies. This fact reflects Swidler's (1986) observation that we know more culture than we use.

The sanctions do not simply reflect the culture. Insofar as culture is a set of shared meanings, they *are* the culture. And they reproduce the culture by shaping its institutions. Japanese institutions are shaped by the fact that apology is the expected and appropriate response for wrongdoing. On the other hand, organizations in the United States are shaped by the individualistic, isolative punishment scripts typically advanced as the appropriate response to wrongdoing.

The responses of our Washington sample are consistent with the fact that the United States is a relatively legalistic society. The sanctions recommended by our respondents are, in many cases, the types of sanctions not easily administered by a group on its own members, especially when harm reaches beyond the boundaries of the organization itself. Corporate wrongdoing is, at least in our society, the type of wrongdoing that seems to call for reinstitutionalization in law. The sanctions proposed by Washington respondents are lawlike responses. Even sanctions that have a restitutive component, such as money damages in a tort suit, are reinstitutionalized in law, and indeed the legal intervention may destroy much of the restorative impact of the payment. These sanctions reinforce the idea that organizations cannot or will not institutionally enforce sanctions for the internal violation of norms and rules. The reinstitutionalized sanctions of the law are the most appropriate sanctions in these circumstances.

The responses of our Tokyo sample are consistent with the fact that Japan is not so legalistic (Upham 1987). Indeed, they give some insight into the very interesting fact that Japanese law appears to be less prone to use criminal sanctions against the corporation itself for wrongdoing inside the organization (Braithwaite & Fisse 1985). Some have expressed perplexity as to why Japan, a collectivist (contextual) culture, is less likely to punish companies (i.e., the collectivity) for the wrongdoing of one of its members, while the United States, an individualist culture, is more willing to engage in collective punishment through corporate criminal sanctions.[50] Don't the Japanese think that the company is responsible?

At least a partial answer may be found in our data. Our Tokyo respondents did indeed think the firm was responsible. They assigned levels of responsibility similar to their Washington counterparts and a good deal higher than Moscow respondents (Sanders & Hamilton 1996:848). Japanese respondents do be-

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[50] For example, Fisse and Braithwaite (1993:113) comment, "For a collectivist culture, it is perverse that Japanese law does not direct more of the fire and brimstone of public shame at corporate entities rather than at individuals."

lieve the firm should take actions to restore relationships. As this report demonstrates, however, they do not support punitive, quasi-criminal legalistic sanctions, whether these sanctions are directed at the individual or the organization. Such sanctions are, from a certain point of view, as destructive of relationships when applied against corporate actors as they are when applied to individuals. They are, however, the stock in trade of legal sanctions. The Japanese reluctance to use criminal law to punish corporate actors is, from this point of view, consistent with and helps to reproduce a collectivist (contextual) culture (see Foote 1992).

In Japan, occasions of serious organizational wrongdoing—the type of wrongdoing that might lead to a corporate criminal sanction in the United States—frequently result in the ritual resignation of one or more top officials coupled with apologies and an admission of a failure in oversight (Clark 1979:125). Statements accompanying these resignations usually are drafted with care to disavow any institutional wrongdoing. However, they are generally thought to reflect an admission that there was something amiss with the institution as a whole.[51] Note that this way of proceeding does not require the application of formal legal sanctions and has the trappings of a restitutive sanction. It is an interesting question whether sanctions directed at the corporate entity are more legalistic and isolative by their nature and, therefore, whether all contextual societies are less likely to formally sanction organizations than are individualistic societies.

The Russian Alternative. Then there are the Russians. The results of this study build on and replicate earlier research findings concerning sanctioning scripts in Russia. Why do the Moscow respondents look more like the Washington respondents than their counterparts in Tokyo? In reporting the results of our 1990 Moscow survey, we argued that Russian socialism had not produced a legal culture similar to Japan in part because

> [U]nderlying the informalist and non-individualist tendencies in the Soviet legal culture was a fundamental vision of the law as an institution for defining and maintaining ties between the individual and the state. This view of legal sanctions is congruent with a larger cultural perspective that places importance on the relationship between the individual and the state as the representative of the collectivity. Maintaining this relationship does not entail the maintenance and restoration of each individual relationship. . . . Collectivism does not necessarily create a contextual view of actors. (Sanders & Hamilton 1992:134)

In this survey, conducted three years later with a different sample, little has changed. If anything, Moscow respondents even more nearly resemble the Americans along the restorative-isolative dimension. They also continue to propose "public accountability" for wrongdoers with some degree of frequency. As can be

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[51] Personal correspondence, Daniel Foote to Joseph Sanders, 30 Aug. 1998.

seen in Table 3, between 7% and 17% of the Russian sanctions were in this category, depending on the vignette. This compares with 17% in a workplace vignette in the 1990 survey (Sanders & Hamilton 1992:128). If the communist regime did not leave a legacy of restorative sanctions, it did leave quasi-public sanctions for wrongdoing in organizations as a script that many Russians still found appealing in 1993. Other legalistic sanctions are relatively muted. Perhaps this is because the recent Russian experience does not include a strong commitment to the rule of law, nor do Russians perceive law to be particularly effective and legitimate.[52]

These results invite us to rethink what it is to be a contextual culture. Judging by our data, Russia's 70-year "collectivist" experience with communism did not produce a community of allocentrics.[53] For those who are thinking about the most appropriate organizational structures for emerging Russian capitalist organizations, the results suggest Russian workers may be relatively comfortable with Western, individualistic models. If one does design organizations so that they incorporate the contextual relationships typical of Japanese firms, one may create organizational forms that are not compatible with important Russian cultural values and traditions.

The results also invite further consideration of the vertical dimension of power distance. Two of the reviewers of this article expressed reservations with respect to our statement that the judgments of Moscow respondents were consistent with the hypothesis that Russian culture is low on power distance. That is, the culture is less accepting of inequality between those with more power and those with less and is less willing to view subordinates merely as acting selves not responsible for their acts of wrongdoing. They made basically the same point, that the egalitarian ideology of the Soviet Union was often in conflict with a totalitarian reality. Implicit in their comments is the suggestion that this reality should trump ideology and produce a society that is high, not low, in power distance. With the limited data we have here, we cannot fully resolve this fundamental question. Perhaps other studies better designed to address the issue will find Russians higher on power distance in many respects. However, we might note that while Soviet society was far more authoritarian than either Japan or the United States and workers as a group had fewer enforceable rights, the position of the individual worker in an enterprise was not necessarily more tenuous. Discharge for unsatisfactory performance was very difficult, and la-

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[52]   The nature and status of law in the Soviet Union and now in Russia is the topic of a rapidly growing literature. Valuable discussions are found in Barry 1992; Busse 1998; Hendley 1996; Sachs & Pistor 1997; Smith 1996; Solomon 1995.

[53]   In this context, it is worth noting the finding that people who support collectivist political regimes are not necessarily allocentric (Triandis 1995:36).

bor discipline was not high. In this sense, individual actors inside organizations did enjoy a greater level of autonomy than the authoritarian nature of the society might suggest.[54]

Finally, we might speculate on the relationship between the horizontal dimension of relationships (individual-contextual) and the vertical dimension (power distance). Part of the socialist agenda was to create a collectivist-low power distance society. The effort involved destroying or weakening many institutions with a power base independent of the state and weakening hierarchy within other institutions (Massell 1969; Pearson 1990:52–58). As noted earlier, Hofstede (1980) found that across societies collectivism is correlated with high power distance. Our Russian responses raise the question whether the combination of collectivism (contextualism) and low power distance is a stable cultural arrangement inside or outside organizations or whether, on the other hand, low power distance facilitates cultural movement toward individualism.

D. Future Research

The primary contribution of our work to institutional analysis is that by focusing on corporate wrongdoing it offers a window into a key component of any institutional arrangement: how the institution is organized to respond to deviance. Sanctions are grounded in exactly what individuals and organizations are perceived to have done. These perceptions in turn are influenced by the nature of the organization and the culturally based scripts people commonly use to respond to wrongdoing. Overall, this perspective should help us to understand both similarities and differences among institutional arrangements inside organizations.

The most significant limitation of our research is that it fails to compare generalized public attribution processes with attributions of those actually inside organizations. Access to firms to conduct this type of research is not easy. It would be very helpful, however, if our research could be complemented with attributions from those directly affected by these untoward events. To what extent are the general scripts discussed here descriptive of the judgments of insiders? Such research could be expanded to explore both serious acts of wrongdoing such as those contained in this research and more minor violations of institutionalized norms that lead to day-to-day sanctions. Such research could clar-

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54 Inga Markovits reports a joke from East Germany that reflects this state of affairs. "The difference between East Germany before and after socialism is that under socialism you could say anything on the job but you had to be careful what you said in a bar, whereas after socialism you could say anything in a bar but you have to be careful what you say on the job." Personal correspondence, Inga Markovits to Joseph Sanders, 15 Sept. 1998.

ify the effect of organizational structure on attributions inside organizations.

It is worth noting, however, that there are losses as well as benefits from using interviews of individuals inside organizations. It is not always easy to measure how an individual respondent perceives the organizational structure of a concrete organization. It would be a mistake to assume that all members of organizations believed by the researcher to be loosely coupled themselves believe so as well. In addition, there may be unknown self-selection processes that attract certain types of individuals to certain types of organizations, threatening a structural explanation for differences in attributions across organizations. Here, as in most areas of research, knowledge is best advanced through the use of multiple methods, each of which in its own way informs and enriches the normative cultural approach to the study of organizations.

A combination of insider and outsider views would move us toward a better general understanding of corporate actors. Christopher Stone's (1975) book on corporate responsibility, along with John Coffee's seminal papers on this topic (Coffee 1977, 1981), began a new round of discussion among legal scholars about the nature of the corporation and about what mix of sanctions among the organization itself and its agents will achieve the greatest level of compliance with state-imposed commandments.[55] Much of this work focuses its primary attention on law as a regulatory environment. At its best, it attempts to deal with the complex interaction between responsibility regimes reinstitutionalized in law and the regimes that actually exist inside the organization.

However, this work also recognizes that the choice of responsibility regimes inevitably involves the thorny question of the nature of the corporation. Is the corporation, for example, merely an aggregation of its human participants (Hessen 1979), an autonomous entity (Philips 1994; Mark 1987), a nexus of contracts (Coase 1988; Williamson 1985), or some combination of these things? To ask such questions is to appreciate the fact that reinstitutionalized rule systems are constitutive. Responsibility rules for wrongdoing inside organizations are complex and legally sophisticated conceptions of the nature of organizations. Such conceptions are not, however, the sole province of legal experts. They are also the stuff of everyday judgments by everyday people. It is these judgments that help define the nature of corporate action and the relationship between corporate actors and natural persons. This latter question is, as James Coleman (1990) observed, the most complex sociological question of our time.

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[55] See reviews of much of this literature in Arlen & Kraakman 1997, Metzger & Dalton 1996, Laufer 1994, and Arlen 1994.

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Appendix A
Demographic and Occupational Profiles of the Washington, Tokyo, and Moscow Samples

Demographic Information	United States (Washington, DC)	Japan (Tokyo)	Russia (Moscow)
Age (in years)	39.8	41.5	41.4
Gender (% female)	50.5%	48.2%	52.6%
Education:			
Less than high school	4.0%	12.3%	14.2%
High school graduate	20.9%	40.5%	26.8%
Some college	24.9%	22.8%	25.3%
College graduate/postgraduate	50.2%	24.3%	33.7%
Social class:			
Owner	10.0%	15.5%	5.5%
Upper management	12.1%	4.5%	7.4%
Lower management	18.4%	11.8%	14.1%
Worker	38.4%	37.7%	44.7%
Other	22.1%	30.5%	28.3%
Job characteristics			
Employed full time?	68.4%	57.8%	68.2%
Years worked for current employer	8.1	11.2	10.0
Type of employer:			
Private	55.9%	90.9%	13.2%
Government	37.6%	6.8%	80.1%
Other	7.5%	2.3%	6.7%

Appendix B

Vignettes for the Auto Company, the Newspaper, and the Drug Company

This appendix presents one version each for three vignettes.

Auto Vignette

Condition: Subordinate actor; Low mental state; Other's influence present

> Dave is one of the design engineers choosing a new car engine. One engine offers better mileage than the others. Dave asks his boss, the head engineer, about whether additional tests should be made, but his boss tells him not to do any because of the cost. Later the engines stall in a number of the new cars, causing several accidents where people were injured.

Newspaper Vignette

Condition: Authority actor; Low mental state; Collective decision

> Jim is an editor of a small town newspaper. One of Jim's reporters finds out that a factory in town will be storing industrial waste. Engineers from the factory assure the reporter that there is no danger to the town's residents because of strict safety precautions. Jim talks the problem over with his staff. They agree that he should tell the reporter not to write a story about the waste because it might cause the factory to close and hurt the town's economy. Later, doctors find an increase in birth defects that they say was caused by the waste seeping into the town's drinking water.

Drug Vignette

Condition: Subordinate actor, High mental state, Other's influence absent

> The Marion Research Institute is rushing to develop a new drug for arthritis. Tom is one of the lab technicians testing the drug on animals. One of the rats receiving high doses of the drug seems to be having vision problems. Tom decides not to report this result. Later doctors discover that the drug causes blindness in some people.

Appendix C

Eight-Category Open-Ended Punishment Codes

Restoration: The restoration code was used when the respondent proposed the actor should (a) apologize or should do community service, (b) be re-trained and helped to improve his performance, or (c) offer some type of restitution. With respect to restitution, an answer was coded here when the focus was on fixing the wrong (e.g., pay for a cleanup, repair a car, pay the hospital bill) rather than on punishment.

Reprimand: This code was used when (a) respondents specifically said the actor should be reprimanded or (b) when they said he should be denounced, shamed, or receive some type of negative publicity.

Public accountability: This code is primarily a Russian response. It was used when the respondent said the actor should be "brought to responsibility." The phrase is shorthand for a sanction involving an administrative pro-ceeding conducted inside the workplace—a form of workplace discipline. Historically, Comrade's Courts provided a forum for quasi-legal adjudica-tion of wrongdoing within the workplace and residence (see Berman & Spindler 1963; Feifer 1964; Sypnowich 1990). In other countries, this code was used only in those instances when it was obvious that the respondent was referring to internal procedures inside the organization such as "ap-pear before a company board" or similar responses.

Demote: This includes any sanctions that involve a reduction in pay or some other reduction in responsibilities.

Fire: The great majority of these responses were to let the individual go. How-ever, a few involved other similar things such as losing a license or being barred from a profession.

General moral/legal sanction: A large number of responses were of a general nature, such as "he should be held accountable" or he should be "brought to trial." The code includes (a) responses saying the individual should be held accountable, (b) responses proposing an unspecified legal action, (c) "eye-for-an-eye" retribution such as "he should be forced to take the drug" or "he should have to drive the car," and (d) general comments that the individual should be punished.

Specific legal sanctions: This code includes people who say the actor should be (a) fined or (b) sent to jail.

Company-specific sanctions: Recall we asked some respondent what should hap-pen to the company. A number of responses were company-specific. They include such options as greater regulation of the firm or forcing the firm to disgorge any profit from the transaction. On rare occasions these re-sponses were given when we asked what should happen to the individual.

Other: Used when the response seemed to fit into none of the other categories.

Three-Category Open-Ended Punishment Codes

Most restorative: This code includes the responses that were coded "restora-tion" or "reprimand" in the eight-category scale.

Middle: This code includes the responses that were coded neither most isolative nor most restorative.

Most isolative: This code includes responses that were coded "fire" and "spe-cific legal sanctions," i.e., "fine" and "send to jail."