

## RESEARCH ARTICLE

# The effect of the belief in free market ideology on redressing corporate injustice

Peter Kardos\*, Bernhard Leidner†, Laszlo Zsolnai‡ & Emanuele Castano§

\* Bloomfield College, Bloomfield, New Jersey, USA

† University of Massachusetts Amherst, Amherst, Massachusetts, USA

‡ Corvinus University of Budapest, Budapest, Hungary

§ New School for Social Research, New York, New York, USA

## Correspondence

Peter Kardos, Division of Social and Behavioral Science, Bloomfield College, 59 Fremont Street, Bloomfield, New Jersey 07003, USA.

E-mail [peter\\_kardos@bloomfield.edu](mailto:peter_kardos@bloomfield.edu)

Received: 29 January 2015

Accepted: 9 May 2016

<http://dx.doi.org/10.1002/ejsp.2222>

**Keywords:** free market ideology, corporate transgression, justice demand, ingroup bias

## Abstract

Many people in the major Western economies (e.g., United States, UK, and Germany) subscribe to free market ideology (FMI), which claims that institutional oversight of the market is unnecessary for public reaction can force corporations to regulate their own behavior. The question then becomes how people's belief in FMI affects their reactions to corporate transgressions. Given its ingroup-centered values, we hypothesized that FMI beliefs would bias reactions to corporate transgressions. We report results of a pilot study showing that FMI beliefs are predicted by selfishness, tradition, conformity, and lack of universalism. We then report three experiments, which showed that stronger FMI beliefs predict weaker demands to redress corporate injustices committed by ingroup (but not outgroup) corporations (Studies 1–3), especially when victims of corporate wrongdoings belong to an outgroup (rather than the ingroup; Study 3). The findings inform our conceptual understanding of FMI and give insights about its implications for market justice.

Market freedom has long been a contentious issue in the political and public discourse in the United States, Europe, and beyond, the attention peaking once again during and after the 2008 financial crisis. A key issue in the debate is the optimal degree of market regulation. Some argue that institutional regulation is necessary; the market needs to be assisted by some form and degree of institutional control for the greater good of society (e.g., Galbraith, 1952/1993; Goodpaster & Matthews, 1982; Stiglitz, 2010). Proponents of free market ideology (FMI), on the other hand, argue that a minimal degree of regulation—allowing companies to act freely, without institutional and especially governmental control—is best for the market and also for society (Friedman, 1970; Friedman & Friedman, 1980). The majority of Americans (59%) agrees with this proposition. Only 29% think that too much market freedom does more harm than good, while 12% are undecided (Newsweek, 2011). We see similar patterns in other advanced economies like Germany and the UK (Newsweek, 2011).

The majority view that institutional regulation is largely unnecessary is grounded in the assumption that consumer behavior and public reaction can correct corporate (mis-)behavior, first and foremost by public demands to redress corporate injustice (Friedman, 1970; Rothbard, 1986). Indeed, public discontent, for example, in the 1990s over Shell's plan to dump an oil platform into the Atlantic Ocean forced the Anglo-Dutch oil

company to abandon the environmentally destructive plan. If, however, the public does not make such demands, there should be no corrective for bad corporate behavior. The American oil company Chevron was not forced by public demand in the United States to change its decades-long hazardous behavior that damaged the South-American rain forest.

At the core of the divergent assumptions about market freedom, thus, is the question of how the public reacts to corporate injustice. This question is essentially a psychological one, and the answer lays in people's belief in FMI. The effectiveness of public oversight depends most on those who strongly (rather than weakly) believe in FMI, as these people have the highest psychological stakes in it. High FMI believers should be the most motivated to keep the market free (from institutional regulation) and thus to participate in market regulation through individual action aimed at corporations (e.g., outrage at corporate injustice and consumer boycotts). If they demand to redress corporate injustice when it occurs, then this demand could pose a powerful corrective for the market. Even if those who believe less in FMI demanded justice in such situations, it would be unlikely to influence the market as long as there was simultaneous inertia or even defense of the transgressing corporations among strong FMI believers. Given that strong FMI believers are, at least in the U.S. and Europe, in the majority,

the public's reaction to corporate injustice depends on strong FMI believers. We thus investigated how the belief in FMI guides people's reactions to corporate transgressions.

### Free Market Ideology

Free market ideology is a worldview that defines values, grounds attitudes, and influences decisions about what is right and what is wrong (Jost, Blount, Pfeffer, & Hunyady, 2003a; Jost, Glaser, Kruglanski, & Sulloway, 2003b). It prescribes how to relate to others, how to develop institutions, and how to build the ideal society. In other words, it guides everyday behavior in a variety of contexts (e.g., Kasser, Vansteenkiste, & Deckop, 2006; Salanick & Brindle, 1997) and particularly so in the context of the economy, the market, and government attempts to regulate it. We submit that FMI may influence perception and thus reactions to corporate transgressions in two different ways. First, those who subscribe to FMI could react to corporate transgressions in ways that stem directly from the ideology's value system. Second, those who subscribe to FMI could react to corporate transgressions defensively because corporate transgressions threaten the tenets of their beliefs. In other words, FMI believers' reactions to corporate transgressions could reflect a natural outgrowth of FMI's underlying values, and/or they could reflect an attempt to protect the ideology from threat.

### Free Market Ideology Under Threat

Corporate transgressions challenge the idea that corporations and the free market serve the greater good. Corporate transgressions thus pose an ideological threat to FMI believers and might elicit reactions to this threat. Because ideologies help people to comprehend, make sense of, and derive meaning from the world around them, too much hinges on ideologies to simply abandon or alter the ideology when facing challenges to its validity (e.g., corporate transgressions). Instead, when facing challenges to their worldview, people are motivated to affirm their beliefs (Grieve & Hogg, 1999; Jost, Banaji, & Nosek, 2004; Van den Bos, 2001) and use the threatening information to verify their worldview (Major, Kaiser, O'Brien, & McCoy, 2007). As a consequence, people often engage in biased processing and interpretations of the threatening information (Jost *et al.*, 2003b), allowing them to make self-serving and ingroup-serving moral judgments (Bandura, 1999; Castano & Giner-Sorolla, 2006; Leidner, Castano, Zaiser, & Giner-Sorolla, 2010). The stronger the commitment to an idea, the stronger is this bias and attitudinal rigidity when the idea is threatened (Skitka, 2002, 2010, 2014).

People's general tendency to engage in psychological defense mechanisms raises doubts as to whether FMI believers would be the ones most motivated to condemn corporate transgressions. Ideally, upon learning about corporate injustice, they would be motivated to

intervene for the societal good. Such intervention could span from public demands for justice to consumer boycotts that punishes transgressing companies. In line with the free market-based idea of boycott and consumer power (Rothbard, 1998), the public's demand for justice after corporate transgressions could then force companies to align their practices with the public's expectation of ethical corporate behavior (Friedman, 1970). In contrast, the work on ideological threat suggests that the stronger people's belief in FMI, the more they might be motivated to defend their ideology and react defensively, rather than responding critically to corporate transgressions. Indirect evidence for this hypothesis comes from research showing that the belief in *market fairness* resulted in more lenient (rather than harsh) judgments after corporate transgressions (Jost *et al.*, 2003a). We hypothesized that strong believers of FMI would respond to corporate transgressions with weaker, not stronger, "public oversight" (e.g., demands to redress corporate injustice and demands for market regulation). Yet, as mentioned earlier, FMI believers' reactions to corporate transgressions may not only reflect an attempt to protect their ideology from threat. They could also follow more directly from the values that underlie FMI beliefs.

### The Values Underlying Free Market Ideology Beliefs

Classic and contemporary FMI promotes the pursuit of individual self-interest as the building block of the ideal society (Friedman, 1970; Hayek, 1960; Rand, 1966). Unsurprisingly, self-interest has been shown to be one of the core values underlying FMI (Kasser, Cohn, Kanner, & Ryan, 2007). In societies with relatively little market regulation, people also attribute more importance to the related values of power and hierarchy (Kasser, 2011). Similarly, in countries with more competitive (as opposed to regulated) economies—a ranking in which the U.S. leads (Hall & Gingerich, 2004)—people rank lower on the values of universalism, benevolence, and egalitarianism (Schwartz, 2007). Moreover, people who favor an uncontrolled market are also the ones with the lowest empathic concern for others (Iyer, Koleva, Graham, Ditto, & Haidt, 2012). Corroborating this relationship experimentally, primes of free market symbols (e.g., money and business) reduce people's empathy toward others (Molinsky, Grant, & Margolis, 2012) and increase self-enhancement (Vohs, Mead, & Goode, 2006), a value that conflicts with the values of universalism and benevolence (Burroughs & Rindfleisch, 2002; Grouzet *et al.*, 2005; Kasser *et al.*, 2007; Schwartz, 1992, 1994) and promotes dishonest behavior (Pulfrey & Butera, 2013).

These values of FMI are often learned during the study of market-related ideology (Kasser, Ryan, Zax, & Sameroff, 1995; Sheldon & Krieger, 2004) and imbue the learners with corresponding behaviors. The study of economics, for example, reduces students' cooperative behavior (Frank, Gilovitch, & Regan, 1993),

and people who endorse the view of human nature championed by standard economics (i.e., “homo economicus”) behave more selfishly in economic games (Yamagishi, Li, Takagishi, Matsumoto, & Kiyonari, 2014).

We hypothesized that FMI’s values would also manifest in FMI believers’ reactions to corporate transgressions. In the context of corporate transgressions, self-interest should result in (leniency) bias toward corporations that have ties to the ingroup (i.e., ingroup corporations). Further, because the values of universalism and benevolence focus on caring about others, a lack thereof should result in less empathy for victims, especially when they are dissimilar to the observer (e.g., when they belong to an outgroup rather than the ingroup). Consequently, FMI’s values should reduce FMI believers’ motivation to seek justice for corporate transgressions committed by home (as compared with foreign) companies. Such a bias should present itself particularly in the case of transgressions that hurt outgroup rather than ingroup victims. People who do not support FMI, on the other hand, may be less biased in their reactions to corporate injustice. Their lack of support for, or rejection of, FMI may allow them to react, if anything, more, not less, harshly to transgressions by home as compared with foreign companies, because home companies risk to tarnish the ingroup’s image in the eyes of outgroup members and therefore misbehavior of home companies needs to be addressed (Castano, Paladino, Coull, & Yzerbyt, 2002). Therefore, we predicted that in the context of corporate transgressions, FMI should result in (leniency) bias toward ingroup companies, especially when they mistreat outgroup victims.

Notably, the ingroup leniency bias we predict has been reflected in FMI’s core tenets since its early days, when self-interest and lack of universalism were expressed in the form of ingroup interest. Adam Smith explicitly incorporated ingroup interest in his concept of the free market, arguing that a preference for home over foreign businesses will enable the market to maximize the wealth of the (home) nation (Smith, 1776/1976, p. 456). This focus on preferring and protecting ingroup over outgroup economy, referred to as “home bias” (Chomsky, 2011), is part of present-day FMI as well. Falling in line with a free market biased in favor of the ingroup, politicians who subscribe to FMI often promise deregulation and freedom for national companies but punitive taxation for foreign companies (e.g., Foster, 2011). This discrepancy demonstrates that compared with a universal, unbiased FMI that is possible in theory, FMI in practice, as it is promoted in most free market societies, is less about “disinterested interest” of businesses and society, and more about “ingroup-interested interest”: the interest of “our” businesses over “their” businesses, and even over other interests unrelated to business, such as social issues or environmental concerns (Friedman, 1970; Klein, 2007).

## Overview of the Studies

A pilot study aimed to validate our measure of FMI and examined the relationship between FMI beliefs, political attitudes, and conservatism, as well as the relationship of these constructs with selfishness and basic human values. Study 1 provided a test of the *threat hypothesis* that FMI predicts leniency toward corporate transgressions, as well as a first test of the *ingroup bias hypothesis* that FMI predicts leniency toward corporate transgressions only for home but not for foreign companies. Study 2 conceptually replicated the findings of Study 1 with respect to demands for future market reforms (rather than demands to redress past corporate injustices). Study 3 tested the *expanded ingroup bias hypothesis* that this bias will be most pronounced when the transgressing company is a home rather than foreign company, and its victims belong to an outgroup rather than the ingroup. Throughout these studies, we tested the hypothesis that the predicted effects would be specific to FMI beliefs in particular, rather than generally related to broader concepts linked to FMI, such as political attitudes, national identification, or system justification.

## Political Attitudes

Free market ideology is neither simply a synonym for political conservatism nor can it readily be translated into party sympathy in U.S. politics. Self-identification as being conservative is based more on one’s endorsement of social conservatism than on one’s endorsement of fiscal conservatism (Allen, Castano, & Allen, 2007)—two kinds of conservatism that often weakly correlate with each other (Conover & Feldman, 1981). In a similar vein, the idea of the free market is endorsed not only by conservatives but also by liberals, if in different ways and to different degrees. Thus, the often-used self-report measure of political attitudes should not provide precise assessments of belief in FMI. Further, conservatism predicts harsher moral judgments in general (Haidt, 2012; Helzer & Pizarro, 2011). This generality, however, means that conservatism or general political attitudes may not reliably predict reactions to corporate injustice. In sum, political attitudes should neither reflect the values that underlie FMI nor should they reliably predict reactions to corporate injustice. To be able to establish the expected *specificity* of the hypothesized effects of FMI, we thus have to account for political attitudes too. We expected that FMI beliefs but not political attitudes (even regarding economic issues in particular) would moderate people’s reactions to corporate injustice.

## National Identification

Whereas national identification influences reactions to injustice in the context of intergroup violence (e.g., Doosje, Branscombe, Spears, & Manstead,

1998; Leidner et al., 2010), we did not expect it to do so in the context of corporate behavior. In the context of intergroup violence, the injustice leads high identifiers to respond with biased justice demands and moral judgments because it threatens their social identity (Bandura, 1999; Biernat & Feugen, 2001; Leidner & Castano, 2012; Miron & Branscombe, 2008). In the context of corporate behavior, however, the injustice may not threaten so much people's social identity but their ideological worldview that the free market and its free economic agents benefit society. People who subscribe to this view should be motivated to protect it and therefore may respond with biased justice demands. Consequently, transgressions in the context of corporate behavior (rather than intergroup violence) may critically depend on FMI, not national identification. If identification influenced reactions to corporate injustice, it should result in high identifiers making harsher judgments when the victims of corporate injustice belong to the ingroup rather than the outgroup. The moderating role of FMI, on the other hand, should result in no such effect, as business interest should trump other, non-business related interests, even that of justice.

### System Justification

Similar to the effects we hypothesized for FMI, system-justifying motives reduce justice demands after corporate transgressions, at least in capitalist countries (Jost et al., 2003a). When the free market is dominant, it constitutes the status quo that people may protect when facing corporate injustice that threatens this status quo. Investigating the similar concept of *fair* market ideology, Jost and colleagues found that the belief in the fairness of the free market positively predicts leniency toward corporate transgressions (Jost et al., 2003a). In the case of system justification, however, people should be motivated to protect the system as a whole, regardless of whether corporate injustice was perpetrated by home or foreign companies. They should forego justice either way. FMI, on the other hand, because of its underlying values should predict leniency toward corporate transgressions by home but not foreign companies. In the studies of Jost et al., American participants were asked only about unethical American companies. Building on and extending Jost and colleagues' work, we assessed both system justification and FMI beliefs to reveal the similarities and differences in how they predict people's responses to corporate transgressions to both ingroup and outgroup corporate injustice.

The present studies tested the *specificity hypothesis* that the predicted effects of FMI would indeed be specific to FMI, rather than being reducible, or generalize, to political attitudes, national identification, or system justification.

The data and materials for all studies in this paper are available at the Inter-university Consortium for Political and Social Research ([www.openicpsr.org](http://www.openicpsr.org)).

### Pilot Study

The pilot study explored the relationship between FMI, the 10 basic human values (Schwartz, 1992), selfishness, as well as political attitudes assessed both with a one-item measure of political attitude regarding economic issues and with six items from Duckitt and colleagues' right-wing authoritarianism scale (RWA; Duckitt, Bizumic, Krauss, & Heled, 2010).

### Method

**Participants.** Two hundred and sixty-seven American participants, recruited via Amazon Mechanical Turk (MTurk), completed an online survey for \$0.75 (mean age of 36.79,  $SD=13.31$ ; 154 women). Samples collected via MTurk have been found to be more representative of the U.S. population than convenient samples and more diverse than college samples (Berinsky, Huber, & Lenz, 2012; Buhrmester, Kwang, & Gosling, 2011).

**Materials.** Participants completed the following measures.

**Belief in free market ideology.** Eleven statements tapped people's opinions on regulated versus unregulated/free economy (e.g., *The United States would benefit from deregulating the economy; Minimum wage laws cause unemployment; People are better off with free trade than with tariffs*—see 1). Participants expressed their agreement with the statements on scales ranging from *Strongly disagree* (1) to *Strongly agree* (7). Factor analysis showed that all items loaded on a single factor; one item loaded below .40 and was thus dropped ( $\alpha=.85$ ,  $M=3.88$ ,  $SD=1.06$ ).

**Political attitudes.** One item assessed participants' political attitude regarding economic issues ("Regarding economic issues (e.g., taxation, public spending), I am...") with the verbal anchors *Liberal/left* (1) to *Conservative/right* (7) ( $M=3.87$ ,  $SD=1.71$ ). To also acquire a more general of political attitudes beyond economic issues, we further administered six items from the RWA scale of Duckitt et al. (2010; e.g., The "old-fashioned ways" and "old-fashioned values" still show the best way to live), rated from *Strongly disagree* (1) to *Strongly agree* (7). All items loaded onto one factor ( $\alpha=.87$ ,  $M=3.10$ ,  $SD=1.39$ ).

**Values.** We used the Short Schwartz's Value Survey (Lindeman & Verkasalo, 2005) as a valid and reliable measure of basic human values (power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, tradition, conformity, and security; Schwartz, 1992, 1996). Following Lindeman

and Verkasalo (2005), participants were presented with the 10 values, each value described with its related value items. For example, benevolence was presented the following way: *Benevolence, that is, helpfulness, honesty, forgiveness, loyalty, true friendship, mature love, meaning in life, and responsibility.* Participants rated how important each value was in their life on scales from *Against my principles* (1) to *Of supreme importance* (7).

**Selfishness.** Six items assessed participants' approval of selfish attitudes. The items reflected the tenets of FMI and the view of *homo economicus* about how individual selfishness results in societal good (e.g., *If everybody would follow their self-interest, altogether it would benefit the society. People should always consider how their decisions influence others* [reversed]). Participants expressed their agreement with the statements on scales from *Strongly disagree* (1) to *Strongly agree* (7). Factor analysis suggested one factor on which two items loaded below .40 and were thus dropped. We averaged the remaining four items into a composite score ( $\alpha = .75, M = 4.13, SD = 1.13$ ).

**Results**

Free market ideology strongly correlated with political attitudes toward economic issues and moderately with conservatism (Table 1). To reveal the differences and similarities of the value systems of FMI and the one-item and the six-item measures of political attitudes, we examined their correlations with selfishness and the 10 basic human values (Table 2). FMI correlated positively with selfishness as well as the values of power, tradition, and conformity. It correlated negatively with the values of universalism and, marginally significantly, benevolence. Testing the predictors' strength against each other, we entered selfishness and the 10 values as predictors and FMI as the dependent variable into a multiple regression model. Only selfishness,  $\beta = .29, t(1, 255) = 4.77, p < .001$ , universalism,  $\beta = -.28, t(1, 255) = -4.69, p < .001$ , and conformity,  $\beta = .21, t(1, 255) = 2.96, p = .003$ , predicted FMI significantly, and achievement did so marginally significantly,  $\beta = -.11, t(1, 255) = -1.68, p = .09$ .

**Table 1.** Correlations between FMI and political attitudes in the pilot study. Upper numbers in each cell are *r* values and lower numbers are *p* values

	FMI	Political attitudes (1 item)	Political attitudes (6 items)
FMI	1		
Political attitudes (1 item)	.56	1	
	< .001		
Political attitudes (6 items)	.26	.32	1
	< .001	< .001	

Note: FMI, free market ideology.

**Table 2.** Correlation between ideological constructs and values in the pilot study. Upper numbers in each cell are *r* values and lower numbers are *p* values

	Selfishness	Power	Achievement	Hedonism	Stimulation	Self-direction	Universalism	Benevolence	Tradition	Conformity	Security
Free market ideology	.30	.17	.07	.09	.05	-.01	-.27	-.12	.21	.21	.08
	< .001	.005	.267	.162	.377	.921	< .001	.058	< .001	.001	.171
Political attitudes	.08	.12	.10	-.07	-.07	-.13	-.39	-.16	.25	.20	.17
	.184	.045	.113	.247	.272	.038	< .001	.007	< .001	.001	.007
Conservatism	-.09	.19	.13	-.26	-.28	-.26	-.21	.01	.60	.46	.25
	.146	.002	.038	< .001	< .001	< .001	< .001	.921	< .001	< .001	< .001

Parallel analyses for political attitudes revealed that political attitudes toward economic issues correlated positively with power, tradition, conformity, and security and negatively with self-direction, universalism, and benevolence. In the multiple regression, only tradition,  $\beta = .17$ ,  $t(1, 255) = 2.43$ ,  $p = .016$ , and universalism,  $\beta = -.36$ ,  $t(1, 255) = -6.01$ ,  $p < .001$ , predicted political attitudes (positively and negatively, respectively), whereas selfishness did not. The six-item measure of political attitudes correlated positively with power, achievement, tradition, conformity, and security and negatively with hedonism, stimulation, self-direction, and universalism. In the multiple regression, tradition,  $\beta = .45$ ,  $t(1, 255) = 8.01$ ,  $p < .001$ , and conformity,  $\beta = .19$ ,  $t(1, 255) = 3.36$ ,  $p < .001$ , predicted political attitudes positively, whereas self-direction,  $\beta = -.10$ ,  $t(1, 255) = -1.96$ ,  $p = .051$ , universalism,  $\beta = -.16$ ,  $t(1, 255) = -3.39$ ,  $p < .001$ , and hedonism,  $\beta = -.20$ ,  $t(1, 255) = -3.84$ ,  $p < .001$ , predicted political attitudes negatively.

## Discussion

In this pilot study, we tested the internal coherence of the FMI scale, providing initial evidence of its relations with important values as well as political attitudes. The factor analytical solution for FMI revealed the presence of a single factor accounting for 91.34% of the variance with good internal reliability. As expected, this measure was associated with the endorsement of selfish values and lack of universalism. In terms of discriminant validity, while FMI shared some predictors with political attitudes, *selfishness* uniquely predicted FMI. Thus, selfishness appeared to be FMI's most distinctive quality, which is in line with the basic assumption of free market economics. Finally, we found that tradition and conformity also correlated with FMI. Because those values are associated with ingroup favoritism (Roccas, Schwartz, & Amit, 2010), this finding lends indirect support to our conjecture that FMI may positively bias people's reactions to the transgression of domestic corporations.

### Study 1

Study 1 tested how FMI predicted justice demands after corporate transgression depending on whether the transgressing corporation belongs to people's ingroup or to an outgroup. To provide a further test of the specificity hypothesis, Study 1 included the same one-item measure of political attitude regarding economic issues as the pilot study, as well as a measure of national identification.

## Method

**Participants.** Two hundred and eighty-nine American participants were recruited via Amazon MTurk (for \$0.50). Of these, nine were excluded from analyses either for reporting suspicion about the study's goal on

an open-ended manipulation check question at the end of the study ( $n = 6$ ) or because the time they spent reading the manipulation material was over two standard deviations above the average ( $n = 3$ ), indicating that they had likely been interrupted. Analyses were thus conducted on 280 participants (mean age of 31.34,  $SD = 11.21$ ; 152 women). Degrees of freedom varied slightly between analyses because of different numbers of missing values for different variables.

**Procedure.** The study allegedly investigated how people process information from online media. Participants were randomly assigned to one of two conditions and read a short fictitious newspaper article describing a big textile company being accused of harmful business practices. The average reading time was 27.49 s ( $SD = 15.38$ ). Depending on condition, the company's home country was either described as the United States or China (*...one of the largest American [Chinese] textile companies has been harming local suppliers...*). The company's factory where the harmful business practices happened was said to be located in a third country, so as to avoid perceptions among participants that the company "harmed its own countrymen and women." Orthogonally to the company's nationality, we varied the type of harmful business practices in order to have greater generalizability of the results, by randomly assigning participants to one of five conditions (using child labor, running sweatshops, causing environmental damage, harming local suppliers, and injuring employees by disregarding safety standards). After reading the article, participants completed measures in the order in which they are described in the succeeding sections, followed by biographical questions and the debriefing.

**Materials.** All items within each measure were presented in random order, on scales with the verbal anchors *Strongly disagree* (1) and *Strongly agree* (7) unless noted otherwise.

**Justice demands.** was measured with six statements addressing material compensation (e.g., *The company should bear the financial responsibility of repairing the damages*), symbolic compensation (e.g., *The company should apologize for its actions*), and punishment (e.g., *The managers of the company should face punishment*). All items loaded on one factor ( $\alpha = .90$ ,  $M = 5.97$ ,  $SD = 1.03$ ).

**Belief in free market ideology.** We used the 11 statements from the pilot study. Like others (e.g., Feygina, Jost, & Goldsmith, 2009; Hirschberger & Ein-Dor, 2006; Leidner et al., 2010), we administered the measure of our main moderator at the end of the study in order to avoid making participants suspicious of the study goal. All items loaded on one factor, but one item loaded below .40 and was thus dropped ( $\alpha = .84$ ,  $M = 3.97$ ,  $SD = 1.02$ ).

**National identification.** Four items measured participants' identification with the United States (e.g., *I see*

*myself as an American, I feel strong ties with the United States*; adapted from Castano, Yzerbyt, Bourguignon, & Seron, 2002). All four items loaded on one factor ( $\alpha = .89$ ,  $M = 5.73$ ,  $SD = 1.14$ ).

**Political attitudes.** We used the same item as in the pilot study to assess participants' political attitudes regarding economic issues ( $M = 3.93$ ,  $SD = 1.74$ ).

## Results

Political attitudes, national identification, and FMI beliefs were not affected by condition,  $F_s < 1.72$ ,  $p_s > .19$ . The three variables correlated moderately positively with each other (Table 3).

Justice demand was entered as the dependent variable into a general linear model with the company's nationality (*US/ingroup* versus *China/outgroup*) as categorical independent variable and FMI beliefs and political attitude as continuous factors, after being standardized. Type of transgression was entered as a categorical within-participants covariate and identification with the United States as covariate.

The only significant effects were the main effects of type of transgression, political attitudes, national identification, and, most importantly, the predicted interaction between the company's group membership and FMI beliefs. All other effects were not significant.<sup>1</sup> Disentangling the predicted interaction between the company's group membership and FMI beliefs,  $F(1, 267) = 8.38$ ,  $p = .004$ ,  $\eta^2 = .030$ , revealed that strong believers of FMI (1 SD above the mean) demanded significantly less justice for ingroup company transgressions than for outgroup company transgressions,  $t(267) = 2.38$ ,  $p = .018$ ,  $d = .29$ , whereas those who believed less in FMI (1 SD below the mean) demand marginally significantly more justice for ingroup rather than outgroup company transgressions,  $t(267) = -1.94$ ,  $p = .053$ ,  $d = .23$  (Figure 1).

As for the main effects, the more conservative participants' positions on economic issues, the less justice they demanded ( $\beta = -.16$ ;  $F(1, 267) = 4.76$ ,  $p = .030$ ,  $\eta^2 = .017$ ), and the stronger the identification with the United States, the more justice they demanded ( $\beta = .14$ ;  $F(1, 267) = 4.94$ ,  $p = .025$ ,  $\eta^2 = .019$ ). The type of transgression also had a main effect on justice demands,  $F(4, 267) = 2.89$ ,  $p = .023$ ,  $\eta^2 = .042$ , with participants demanding significantly less justice after transgressions involving child labor ( $M = 5.79$ ) or harm of local suppliers ( $M = 5.69$ ) than after transgressions involving environmental damage ( $M = 6.24$ ) or safety violations ( $M = 6.18$ ),  $F_s(1, 267) > 4.00$ ,  $p_s < .05$ .

<sup>1</sup>The critical two-way interaction effect between FMI beliefs and the company's group membership reported in the succeeding texts, as well as its simple effects, remained significant when dropping the covariates from the analysis, or introducing them as full factors rather than covariates. Neither of them interacted significantly with the company's group membership on justice demands,  $F_s < 0.94$ ,  $p_s > .05$ .

**Table 3.** Correlations between free market ideology, national identification, and political attitudes in Study 1. Upper numbers in each cell are  $r$  values and lower numbers are  $p$  values

	National identification	Free market ideology	Political attitudes
National identification	1		
Free market ideology	.24 < .001	1	
Political attitudes	.21 < .001	.55 < .001	1

## Discussion

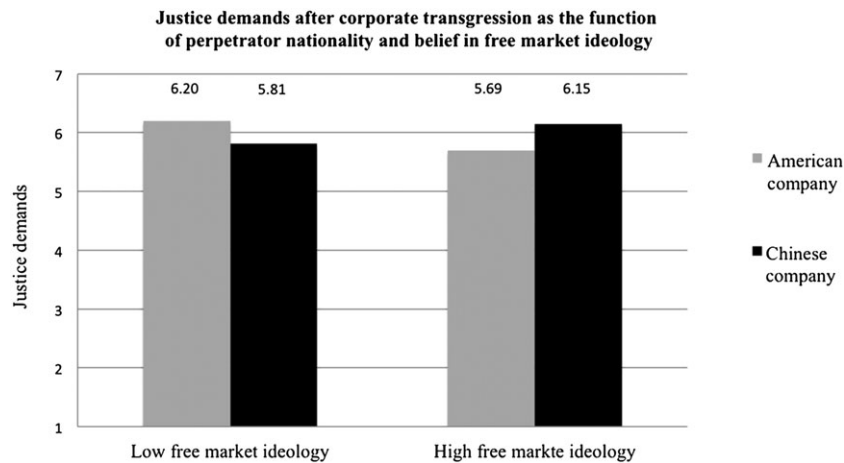
Free market ideology beliefs but not political attitudes or national identification moderated the effect of company's nationality in shaping demands to redress corporate injustice. FMI believers demanded less justice when the company belonged to the ingroup rather than the outgroup. While FMI predicted justice demands negatively, its main effect in the general linear model was not significant. Thus, Study 1 found only weak evidence for our threat hypothesis while finding strong evidence for our ingroup bias and specificity hypotheses.

## Study 2

Study 1 provided initial insights about the moderating role of FMI beliefs in reacting to corporate wrongdoings and how this is moderated by the nationality of the corporation. Study 2 aimed to extend these findings and address a limitation of Study 1. To avoid raising suspicions about the study's goal, Study 1 measured the FMI beliefs after the manipulation and the main outcome variables. In Study 2, this moderator was assessed prior to the manipulation and the dependent variables. Study 2 also used different outcome variables. Specifically, it focused on demands for reforms to protect society against similar corporate transgressions in the future (i.e., stricter regulations); used a more robust measure of political attitudes compared with the one-item measure used in Study 1; and included a measure of attitudes toward China (the nationality of the foreign corporation). While we already ensured that attitudes toward the ingroup were not the cause of our results by measuring national identification in Study 1, in Study 2, we also measured attitudes toward the outgroup. To test the specificity hypothesis, Study 2 measured political attitudes with the same six items from the RWA scale of Duckitt et al. (2010) as in the pilot study, as well as national identification with the attachment subscale by Roccas, Klar, and Liviathan's (2006) national identification scale.

## Method

**Participants.** For \$0.75, 498 American MTurkers completed the study. Twenty-one of them spent more than two standard deviations above the average time to read the manipulation material ( $M = 59$  seconds,



**Fig. 1:** Justice demands as a function of perpetrator nationality and the belief in free market ideology in Study 1

$SD=63$  seconds), indicating that they had likely been interrupted. After excluding these 21 observations, the average reading time was 50.36 seconds ( $SD=27.54$ ). Additionally, 69 participants failed the manipulation checks at the end of the study. In two questions, participants had to recall and select from the choice options what was the home country of the company and where the victims were from. For the manipulation check about the victims, we coded an answer “failed” if participants incorrectly recalled that the victims were from the ingroup (United States). Seven people failed this question. For the manipulation check about the company’s home country, we coded an answer as “failed” if participants selected the answer that was correct in the other condition (i.e., if participants selected China as the company’s home country in the condition where the company was portrayed as American, or vice versa). Altogether, 62 participants failed this question. More participants failed to recall the perpetrator company’s nationality in the ingroup (61) than in the outgroup condition (1), which is an interesting result in and by itself. It could be the result of a self-serving motivation to forget or silence ingroup-committed wrongdoings (Coman, Stone, Castano, & Hirst, 2014). Excluding these observations left 413 participants (mean age of 37.06,  $SD=13.25$ ; 268 women) for further analysis.

**Procedure and materials.** Study 2 allegedly investigated perceptions of societal issues and everyday events. Participants completed the measures of belief in free market ideology ( $\alpha=.86$ ,  $M=3.88$ ,  $SD=1.09$ ) as well as Roccas, Klar, and Liviathan’s (2006) eight-item measure of national attachment as an elaborate measure of national identification ( $\alpha=.94$ ,  $M=5.02$ ,  $SD=1.31$ ). They also completed the six-item political attitudes scale as in the pilot study ( $\alpha=.90$ ,  $M=3.21$ ,  $SD=1.52$ ), expressing agreement with its statements from *Strongly disagree* (1) to *Strongly Agree* (7). Importantly, they did so at the beginning of the study, before the manipulation. In order to reduce the chance that the moderator measures influence participants’

understanding of the manipulation material or make participants suspicious of the goal of the study, we administered a distraction task between the moderator measures and the manipulation. In the distraction task, participants read a scenario about landing on the moon and had to rank 15 items from the most to the least important to survive there. Participants were then asked to write a short essay about the moon—what it meant to them or a personal recollection about it.

Participants then read the short news report about a textile company whose business practice of disregarding workers’ rights and safety standards led to an explosion in one of its South Asian factories. Participants were randomly assigned to two conditions. In the ingroup condition, the transgressing company was American, and in the outgroup condition, it was Chinese. In both conditions, the victims were members of a third, unidentified, group. After reading the article, participants were asked to briefly summarize its content. Participants then completed the main outcome variable measuring their demands to change business regulations in response to what they had read in the news article (*The work of business companies should be more regulated to protect the society; More strict regulation of the business sector is needed to prevent the recurrence of cases similar to the one reported in the newspaper*). We averaged the items into a composite score ( $\alpha=.91$ ,  $M=5.61$ ,  $SD=1.24$ ). One item then measured participants’ attitudes toward China (*In generally, my opinion about China is...*) from *Very negative* (1) to *Very positive* (7) ( $M=3.95$ ,  $SD=1.39$ ).

## Results

Using the same statistical approach as in Study 1, we ran a general linear model with regulation as DV, condition as categorical IV, FMI and political attitude as continuous moderators, and attachment to the United States as covariate (see Table 4 for the correlations between the continuous IVs).

The two-way interaction effect between FMI and condition was significant,  $F(1, 404)=5.21$ ,  $p=.023$ ,



**Table 4.** Correlations between free market ideology, national identification, and political conservatism in Study 2. Upper numbers in each cell are *r* values and lower numbers are *p* values

	National identification	Free market ideology	Political attitudes
National identification	1		
Free market ideology	.27 < .001	1	
Political attitudes	.37 < .001	.46 < .001	1

$\eta^2 = .013$  (Figure 2). Participants with weaker FMI beliefs ( $-1SD$ ) wanted similar levels of regulation in the ingroup ( $M = 6.21$ ) and outgroup condition ( $M = 6.14$ ),  $t(404) = .40$ ,  $p = .688$ , whereas participants with stronger FMI beliefs ( $+1SD$ ) wanted less regulation in the ingroup ( $M = 4.72$ ) than in the outgroup condition ( $M = 5.24$ ),  $t(404) = -2.95$ ,  $p = .003$ .

Additionally, condition had a marginally significant main effect on regulation,  $F(1, 404) = 3.26$ ,  $p = .072$ ,  $\eta^2 = .008$ , with lower regulation demands in the ingroup ( $M = 5.54$ ) than in the outgroup ( $M = 5.66$ ) condition. FMI had a significant main effect on regulation demands,  $F(1, 404) = 86.32$ ,  $p < .001$ ,  $\eta^2 = .176$ , with higher belief in FMI predicting lower demand for regulation ( $\beta = -.60$ ). The two-way interaction between condition and political attitude was marginally significant,  $F(1, 404) = 3.21$ ,  $p = .074$ ,  $\eta^2 = .008$ . More conservative participants ( $+1SD$ ) wanted similar levels of regulation in the ingroup ( $M = 5.62$ ) and outgroup condition ( $M = 5.61$ ),  $t(404) = .05$ ,  $p = .961$ , whereas less conservative participants ( $-1SD$ ) wanted less regulation in the ingroup ( $M = 5.32$ ) than in the outgroup condition ( $M = 5.77$ ),  $t(404) = -2.66$ ,  $p = .008$ . No other effects were significant,  $ps > .580$ . Entering attitudes toward China as covariate did not change the reported effects.

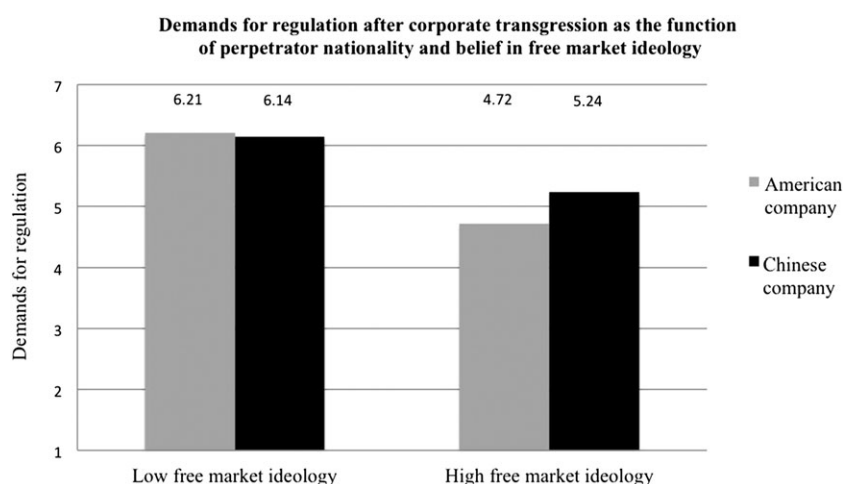
## Discussion

Study 2 replicated the pattern of results of Study 1 while measuring the moderators before the

manipulation and using a measure that directly assessed participants' willingness to introduce stricter business regulations. Those with weaker FMI beliefs wanted the same level of regulation in response to transgressions by home and foreign companies. Those with stronger FMI beliefs, on the other hand, wanted less regulation in response to transgressions by home rather than foreign companies. This pattern of results provided further support for the ingroup bias hypothesis. Further, the significant main effect of belief in FMI on (reduced) demands for regulation after corporate transgressions rendered support for the threat hypothesis. As for political attitudes, liberals wanted less regulation in the ingroup than in the outgroup condition. While this pattern was surprising in light of past research on the effects of political ideology, it clearly differed from the pattern we observed for FMI—which was of most importance for the research question at hand. The support for the ingroup bias and the threat hypothesis was obtained while controlling for conservatism and national identification, thus giving further support to the specificity hypothesis as well.

## STUDY 3

Study 3 extended Study 1 and Study 2 by investigating how the victims' group membership influences justice demands. Manipulating the victims' group membership (ingroup versus outgroup) allowed us to test if the effect of FMI on justice demands in Studies 1 and 2, with outgroup victims only, generalizes to all kinds of victims, or if it is specific to outgroup victims. Based on the negative correlation between FMI and universalism (that is associated with less regard for the outgroup compared with the ingroup) as well as the positive correlation between FMI and tradition and conformity (that are associated with bias toward the ingroup), we predicted that strong belief in FMI would predict reduced justice demands specifically when an ingroup company harms outgroup victims, but not when the



**Fig. 2:** Demands for regulation as a function of perpetrator nationality and belief in free market ideology in Study 2

company belongs to an outgroup or when the victims belong to the ingroup. We also aimed to test the generalizability of our findings. In Studies 1 and 2, we used China as the outgroup, which could raise the question of whether our results are speaking generally to an ingroup–outgroup comparison or only to the particular comparison of the United States versus China. In Study 3, the outgroup company was thus French rather than Chinese. Finally, to test the specificity hypothesis, Study 3 used the same one-item measure of political attitudes regarding economic issues used in the pilot and Study 1 and the same eight-item national attachment scale used in Study 2; further, to also examine how system-justifying motives affect justice demands after corporate injustice, and whether system justification can account for the effects of FMI beliefs on justice demands found in Studies 1 and 2, Study 3 also used an eight-item measure of system justification (Kay & Jost, 2003).

## Method

**Participants.** We recruited 402 American participants via Amazon MTurk (for \$0.50). Thirteen participants whose time reading the manipulation material was over two standard deviations above the average of 76 seconds, indicating that they had likely been interrupted, were excluded; the average reading time in the remaining sample was 61.76 seconds ( $SD=30.61$ ). Additionally, 58 participants were eliminated based on their answers to the same two open-ended manipulation check questions as in Study 2. One question asked about the company's home country, and the other question asked which country/area the victims were from. Forty-two participants gave incorrect answers regarding the company's nationality question and an additional 16 could not correctly recall the victims' home country. As in Study 2, the number of excluded participants differed across conditions, with more participants excluded in the condition where an American company harmed Asian victims (24) than in the conditions where a French company harmed Asian victims (16) or American victims (12), or where an American company harmed American victims (6)—again possibly reflecting a motivation to forget or silence transgressions committed by the ingroup against another group (Coman et al., 2014). Without excluding participants based on the attention checks, all the significant interaction and main effects reported in the succeeding sections held. Yet, we maintained the pre-determined data analytical approach to exclude participants who did not sufficiently engage with the study materials. The exclusions resulted in 331 participants (mean age of 34.52,  $SD=12.24$ ; 155 women) for analyses.

**Procedure.** Study 3 allegedly investigated how people process information from online media. Participants read a short fictitious newspaper article about a big textile company accused of harmful business practices. In a  $2 \times 2$  design, the newspaper articles described that a big American [French] textile company

disregarded workers' rights and safety standards led to an explosion in one of its factories, killing and injuring multiple American [South Asian] workers in Ohio [South Asia]. After reading the article, participants completed the same measures of demands for justice as in Study 1 ( $\alpha=.87$ ,  $M=6.25$ ,  $SD=0.76$ ), belief in FMI ( $\alpha=.85$ ,  $M=3.87$ ,  $SD=1.04$ ), and the same political attitude measure as in the pilot study and in Study 1 ( $M=3.87$ ,  $SD=1.72$ ), as well as the eight-item measure of national attachment (Roccas et al., 2006) ( $\alpha=.94$ ,  $M=5.06$ ,  $SD=1.29$ ). We also measured system justification with Kay and Jost's (2003) eight-item scale (e.g., *In general, the American political system operates as it should; Society is set up so that people usually get what they deserve*;  $\alpha=.85$ ,  $M=3.77$ ,  $SD=1.14$ ), and attitudes toward France with one item (*In generally, my opinion about France is...*) ( $M=4.43$ ,  $SD=1.29$ ). Agreement with the statements about national attachment and system justification were measured from *Strongly disagree* (1) to *Strongly agree* (7); attitudes toward France were measured from *Very negative* (1) to *Very positive* (7).

## Results

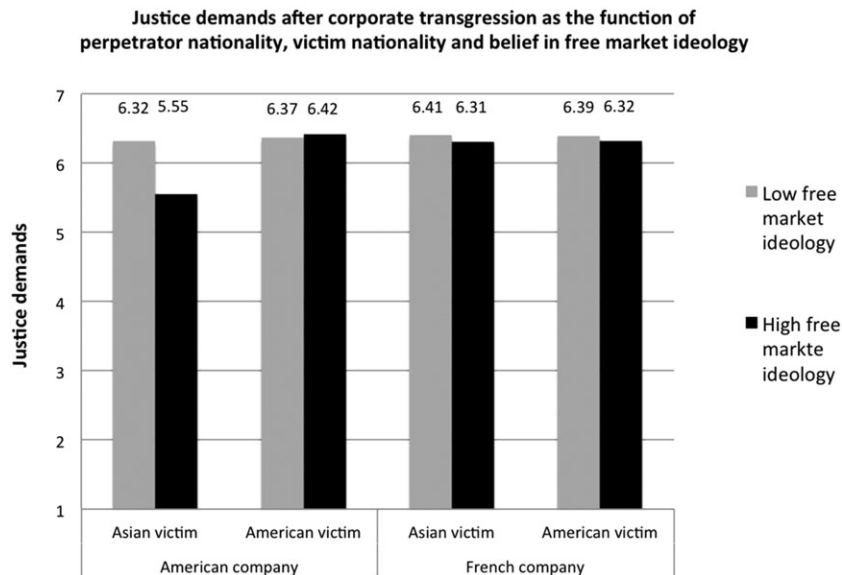
Political attitudes, national identification, system justification, and FMI beliefs were not affected by victim or perpetrator group membership, or by their interaction,  $F_s < 3$ ,  $ps > .05$ . Correlations are reported in Table 5.

First, we ran the same general linear model as in Studies 1 and 2 to see if the findings replicated. Therefore, in the first analysis, we only used the two conditions that corresponded to the conditions in Studies 1 and 2: an American or French company harming Asian victims. We reproduced the findings of Study 1 and Study 2 (Supporting Information).

Next, we extended the analysis to the full design of Study 3, adding victim nationality as a second categorical independent variable to the general linear model used in the previous studies. The predicted three-way interaction of company nationality, victim nationality, and FMI beliefs was marginally significant,  $F(1, 313) = 3.68$ ,  $p = .056$ ,  $\eta^2 = .012$ . Strong FMI believers demanded significantly less justice when an American company hurt Asian victims than when a French

**Table 5.** Correlations between free market ideology, system justification, national identification, and political attitudes in Study 3. Upper numbers in each cell are  $r$  values and lower numbers are  $p$  values

	National identification	Free market ideology	Political attitudes	System justification
National identification	1			
Free market ideology	.23	1		
Political attitudes	< .001	.63	1	
System justification	< .001	< .001	.24	1
	.57	.25	< .001	
	< .001	< .001	< .001	



**Fig. 3:** Justice demands as a function of perpetrator nationality, victim nationality and belief in free market ideology in Study 3

company hurt Asian victims,  $t(313) = -3.66$ ,  $p < .001$ ,  $d = .60$ , when a French company hurt American victims,  $t(313) = -3.67$ ,  $p < .001$ ,  $d = .60$ , or when an American company hurt American victims,  $t(313) = -4.61$ ,  $p < .001$ ,  $d = .73$ . The latter three conditions did not differ,  $ts < 0.60$ ,  $ps > .500$ . For those who believed less in FMI, there were no significant differences in justice demands,  $ts < 0.50$ ,  $ps > .600$  (Figure 3). Other effects were significant as well and produced patterns of results as expected. Because they were ultimately qualified by our predicted three-way interaction, we report them in the Supporting Information only.

When entering system justification as a covariate, all effects held—except for the FMI by victim nationality two-way interaction (Supporting Information), which then only trended,  $F(313) = 2.62$ ,  $p = .106$ . When entering system justification as a full factor, it did not interact with company or victim nationality—unlike FMI beliefs, which did produce the predicted three-way interaction.

## Discussion

We extended Studies 1 and 2 by showing how the victims' nationality qualifies the interaction of FMI by perpetrator nationality. FMI believers demanded less justice after corporate transgressions by a *home* company against *foreign* victims, compared with transgressions by a foreign company or transgressions against ingroup victims. For those who do not believe strongly in FMI, no such bias occurred. Importantly, these effects were driven by *lowered* justice demands in case of ingroup companies and outgroup victims, not *heightened* justice demands in case of foreign companies or ingroup victims. This finding supports our extended ingroup bias hypothesis. Further, the effects held when controlling for system justification beliefs, again supporting our specificity hypothesis.

## General Discussion

According to FMI, public oversight—forcing transgressing companies to become more ethical through public opinion—is sufficient to regulate the market. Institutional regulations by the government are thus superfluous. If needed, the public tells the market players when they went too far. We demonstrated that the public indeed reacts to corporate transgressions. This reaction, however, is not impartial but biased. Specifically, stronger belief in FMI predicted weaker justice demands against an unethical company when it belonged to the ingroup (rather than the outgroup; Studies 1–3) and when its victims belonged to an outgroup (rather than the ingroup; Study 3). In line with the values underlying FMI (low universalism, high tradition, high conformity, and high selfishness), its believers showed *ingroup bias* and were more lenient toward national businesses than foreign businesses. Speaking to the generalizability of this bias, we showed that it occurred with two different outgroups (Chinese in Studies 1 and 2 and French in Study 3) and regardless of the attitudes toward these groups (Studies 2 and 3). While the idea of the unregulated free market is claimed to be universally valid, its supporters seem to care more about “themselves” than “others” and display more biased justice demands for corporate transgressions than the supporters of a more regulated economy.

Our findings also contribute to the understanding of the value system that underlies capitalism (Kasser, 2011; Kasser et al., 2007; Schwartz, 2007). Importantly, while past research focused on understanding variation in cultural values between nations, we have focused on understanding variation in FMI beliefs (and their underlying values) between individuals within a nation. Despite this difference in approach, our findings are in line with past research, showing that FMI beliefs predict higher power, higher tradition, higher conformity, higher selfishness, and lower universalism. Unlike past

research, however, we did not find a significant relationship between FMI beliefs and achievement.

Our findings show that if it is up to the public to demand justice after corporate transgressions, “justice” will be predictably biased. The public, at least to the extent that it is dominated by believers in FMI—and people in many of the advanced economies *are* more supportive than unsupportive of this ideology (e.g., Newsweek, 2011)—will be biased toward ingroup economic agents whose victims are outgroup members. Paradoxically, this bias is driven by the belief in FMI itself. From the perspective of these findings, the idea that the unregulated free market is sufficient to produce the social good and to bring justice in the case of corporate transgressions might be overly optimistic and ill-founded (see also Soros, 1998; Zsolnai & Gasparski, 2002).

### **FMI Believers’ Justice Demands: Ingroup Bias or Threat Reaction?**

Initially, we developed two main hypotheses: the ingroup bias hypothesis (i.e., that FMI believers will be biased because the values ingrained in FMI produce bias) and the threat hypothesis (i.e., that FMI believers will be biased in order to protect their ideology). While the ingroup bias hypothesis received consistent support throughout the studies, the threat hypothesis did not. In Study 1, FMI did not predict justice demands. In Study 2 and Study 3, on the other hand, FMI did predict lower justice demands. In the context of intergroup conflict, biased responses to ingroup transgressions have been shown to result from psychological defense mechanisms against the threat such transgressions pose to people’s identity or worldview (e.g., Leidner *et al.*, 2010; Miron, Branscombe, & Biernat, 2010). The present data, however, do not allow us to conclude that FMI believers generally will not redress corporate injustice because it threatens their ideology. Our data, and especially the *joint* effects of FMI and company nationality, indicate that the threat hypothesis holds only true when the transgressing company belongs to the ingroup. Previous findings (Jost *et al.*, 2003a) that show general negative effects of FMI on demands to redress corporate injustice might have been driven by past research’s exclusive focus on transgressions by home companies. Yet, when we widen the scope of analysis to other contexts, the extended ingroup bias hypothesis appears to have more explanatory power than the threat hypothesis.

### **Are Biased Reactions to Corporate Transgressions Driven by Free Market Ideology or Other Beliefs?**

In the context of intergroup conflict, biased justice demands are driven by identification with the perpetrator group (Doosje *et al.*, 1998; Leidner *et al.*, 2010). We found that in the business context, biased justice demands are driven by the belief in FMI. Similarly, political attitudes regarding economic issues did not moderate the effect of perceived group membership

(US/ingroup versus China or France/outgroup) on justice demands and left the moderating effect of FMI beliefs unchanged. In other words, the bias in demands to redress corporate injustice does not result from political views or ingroup identification. The same is true for system justification beliefs. Instead, the bias is specifically predicted by FMI beliefs. Given that its effects on justice demands held when controlling for national attachment, political attitudes, and system-justifying beliefs, what drives the effects appears to be the values of self and ingroup interest, which are at the core of FMI.

### **How Problematic is the Free Market Ideology-Driven Justice Bias for Free Market Proponents?**

A common objection to the ethically grounded perspective on corporate transgressions is that moral sentiments are superfluous in making judgments of business behavior, as long as the right legal system and law enforcement is in place. Corporations’ criminal behavior indeed should be handled by the law. But their unethical behavior can often be legal while still causing considerable damage to people and the environment. Further, the lines between legal and illegal, and between illegal and unethical, are often blurred and frequently shifting. More importantly, the legal system and law enforcement mechanisms are products of society. Consequently, laws typically reflect human cognition and judgment as well as the society’s value system—which may become problematic when we consider that in the case of corporate transgressions, the public’s cognitions and judgments (in terms of justice) are derailed by the ingroup-protecting values of FMI. It is unlikely that there will be a legal system or law enforcement that prosecutes corporate transgressions when justice demands are not consistently condemned by the majority of the public.

### **Limitations**

While the results show converging patterns, some of the experiments’ methodological characteristics may limit the generalizability of the results. First, in each study, we recruited participants via Amazon MTurk. Replicating the findings with different (e.g., community) samples could further test the generalizability of the results. Second, the studies relied on hypothetical scenarios and utilized self-report measures. Devising real-world experimental scenarios with behavioral measures of justice motives could increase the external validity of our findings. And replicating the studies with non-American samples could reveal whether the FMI-driven justice bias we have demonstrated is general or depends on cultural differences. In Studies 2 and 3, we excluded many participants (85 and 71, respectively) based on the time they spent reading the manipulation material and on the manipulation check question. We did it to ensure data quality by identifying those who did not read carefully the research material. Yet, the aforementioned future replication—a laboratory study

with behavioral measures—might also help increase participant engagement.

The pilot study demonstrated the relationship between FMI and the values of universalism, tradition, conformity, and selfishness, but in the experiments, we did not measure those values. While the findings are consistent with our hypothesis, the present studies cannot render direct evidence about what roles these values play in free market ideology's influence on justice motives. Also, while we demonstrated the positive relationship between FMI beliefs and selfishness (pilot study), our studies did not manipulate personal harm imposed to participants and thus did not allow us to draw direct conclusions about the selfishness hypothesis. Nonetheless, the individual selfish motives appeared to manifest at the group level, in a bias toward the (in) group that was associated with the self.

### Conclusion

It is important to note that our results do not imply that having a strong, regulating government constitutes a simple fix for unethical business behavior, or that economic freedom is unimportant. State regulation can be ineffective and corrupt (e.g. Hopkin & Rodríguez-Pose, 2007; Zingales, 2004) and governmental and corporate decision makers are also subject to various biases (Kahneman, Slovic, & Tversky, 1982). Thus, it is still unclear what would be the ideal configuration of public oversight, corporate social responsibility, and governmental intervention to ensure an effective and just regulation of the market. It may be, however, an empirical question what kind of composition of various types and levels of responsibilities would deliver the most unbiased justice in the case of corporate transgressions.

Yet, what does seem to be clear is that FMI predicts reluctance to redress injustices perpetrated by ingroup companies against outgroup victims. Market regulation cannot rely exclusively on public oversight because justice demands of a large part of the public are biased by their beliefs in FMI. Stronger belief in FMI comes with more biased justice demands in response to corporate transgressions, favoring ingroup companies and disregarding outgroup victims.

### Supporting Information

Additional supporting information may be found in the online version of this article at the publisher's web-site.

### References

- Allen, R. S., Castano, E., & Allen, P. D. (2007). Conservatism and concern for the environment. *Quarterly Journal of Ideology*, 30, 1–25.
- Bandura, A. (1999). Moral disengagement in the perpetration of inhumanities. *Personality and Social Psychology Review*, 3, 193–209.

- Berinsky, A. J., Huber, G. A., & Lenz, G. S. (2012). Evaluating online labor markets for experimental research: Amazon.com's mechanical Turk. *Political Analysis*, 20, 351–368.
- Biernat, M., & Feugen, K. (2001). Shifting standards and the evaluation of competence: Complexity in gender-based judgment and decision making. *Journal of Social Issues*, 57, 707–724.
- Buhrmester, M. D., Kwang, T., & Gosling, S. D. (2011). Amazon's mechanical Turk: A new source of inexpensive, yet high-quality, data? *Perspectives on Psychological Science*, 6, 3–5.
- Burroughs, J. E., & Rindfleisch, A. (2002). Materialism and well-being: A conflicting values perspective. *Journal of Consumer Research*, 29, 348–370.
- Castano, E., & Giner-Sorolla, R. (2006). Not quite human: Infra-humanization as a response to collective responsibility for intergroup killing. *Journal of Personality and Social Psychology*, 90, 804–818.
- Castano, E., Paladino, M. P., Coull, A., & Yzerbyt, V. Y. (2002). Protecting the ingroup stereotype: Ingroup identification and the management of deviant ingroup members. *British Journal of Social Psychology*, 41, 365–385.
- Castano, E., Yzerbyt, V. Y., Bourguignon, D., & Seron, E. (2002). Who may enter? The impact of ingroup identification on ingroup-outgroup categorization. *Journal of Experimental Social Psychology*, 38, 315–322.
- Chomsky, N. (2011, April). The state-corporate complex: A threat to freedom and survival. *Talk at University of Toronto*. Retrieved from: <http://chomsky-must-read.blogspot.com/2011/11/chomsky-university-of-toronto-april-7.html> (accessed 01/20/2015).
- Coman, A., Stone, C., Castano, E., & Hirst, W. (2014). Justifying atrocities: The effect of moral-disengagement strategies on socially shared retrieval-induced forgetting. *Psychological Science*, 25, 1281–1285.
- Conover, P. J., & Feldman, S. (1981). The origins and meaning of liberal/conservative self-identification. *American Journal of Political Science*, 25, 617–645.
- Doosje, B., Branscombe, N. R., Spears, R., & Manstead, A. S. R. (1998). Guilty by association: When one's group has a negative history. *Journal of Personality and Social Psychology*, 75, 872–886.
- Duckitt, J., Bizumic, B., Krauss, S. W., & Heled, E. (2010). A tripartite approach to right-wing authoritarianism: The authoritarianism-conservatism-traditionalism model. *Political Psychology*, 31, 685–715.
- Feygina, I., Jost, J. T., & Goldsmith, R. E. (2009). System justification, the denial of global warming, and the possibility of "system-sanctioned change". *Personality and Social Psychology Bulletin*, 36, 326–329.
- Foster, K. (2011, April 11). Trump: Tax China 25%. 119 Foxnews. Retrieved from: <http://www.foxnews.com/politics/2011/04/01/trump-tax-china-25-1178312845.html> (accessed 01/20/2015).
- Frank, R. H., Gilovitch, T., & Regan, D. T. (1993). Does studying economics inhibit cooperation? *Journal of Economic Perspectives*, 7, 159–171.
- Friedman, M. (2007) [1970]. The social responsibility of business is to increase its profits. In W. C. Zimmerli, K. Richter & M. Holzinger (Eds.), *Corporate ethics and corporate governance* (pp. 173–179). Berlin: Springer.

- Friedman, M., & Friedman, R. (1980). *Free to choose*. Orlando, FL: Harcourt.
- Galbraith, J. K. (1952) [1993]. *American capitalism: The concept of countervailing power*. New Jersey: Transaction Publishers.
- Goodpaster, K. E., & Matthews, G. B. (1982). Can a corporation have a conscience? *Harvard Business Review*, 60, 132–141.
- Grieve, P., & Hogg, M. A. (1999). Subjective uncertainty and intergroup discrimination in the minimal group situation. *Personality and Social Psychology Bulletin*, 25, 926–940.
- Grouzet, F., Kasser, T., Ahuvia, A., Fernandez-Dols, J. M., Kim, Y., Lau, S., ...Sheldon, K. M. (2005). The structure of goal contents across fifteen cultures. *Journal of Personality and Social Psychology*, 89, 800–816.
- Haidt, J. (2012). *The righteous mind: Why good people are divided by politics and religion*. New York: Pantheon.
- Hall, P. A. & Gingerich, D. W. (2004). Varieties of Capitalism and Institutional Complementarities in the Macroeconomy. Discussion Paper, Max Planck Institute for the Study of Societies, No 04/5, MPIFG.
- Hayek, F. (1960). *The constitution of liberty*. Chicago, IL: University of Chicago Press.
- Helzer, E., & Pizarro, D. A. (2011). Dirty liberals!: Reminders of cleanliness promote conservative political and moral attitudes. *Psychological Science*, 22, 517.
- Hirschberger, G., & Ein-Dor, T. (2006). Defenders of a lost cause: Terror management and violent resistance to the disengagement plan. *Personality and Social Psychology Bulletin*, 32, 761–769.
- Hopkin, J., & Rodríguez-Pose, A. (2007). “Grabbing hand” or “helping hand”? Corruption and the economic role of the state. *Governance*, 20, 187–208.
- Iyer, R., Koleva, S., Graham, J., Ditto, P. H., & Haidt, J. (2012). Understanding libertarian morality: The psychological dispositions of self-identified libertarians. *PLoS ONE*, 7, e42366.
- Jost, J. T., Banaji, M. R., & Nosek, B. A. (2004). A decade of system justification theory: Accumulated evidence of conscious and unconscious bolstering of the status quo. *Political Psychology*, 25, 881–920.
- Jost, J. T., Blount, S., Pfeffer, J., & Hunyady, G. (2003a). Fair market ideology: Its cognitive-motivational underpinnings. *Research in Organizational Behavior*, 25, 53–91.
- Jost, J. T., Glaser, J., Kruglanski, A. W., & Sulloway, F. (2003b). Exceptions that prove the rule: Using a theory of motivated social cognition to account for ideological incongruities and political anomalies. *Psychological Bulletin*, 129, 383–393.
- Kahneman, D., Slovic, P., & Tversky, A. (Eds) (1982). *Judgment under uncertainty: Heuristics and biases*. New York: Cambridge University Press.
- Kasser, T. (2011). Capitalism and autonomy. In V. I. Chirkov, R. M. Ryan, & K. M. Sheldon (Eds.), *Human autonomy in cross-cultural context: Perspectives on the psychology of agency, freedom, and well-being* (pp. 191–206). Dordrecht: Springer.
- Kasser, T., Cohn, S., Kanner, A. D., & Ryan, R. M. (2007). Some costs of American corporate capitalism: A psychological exploration of value and goal conflicts. *Psychological Inquiry*, 18, 1–22.
- Kasser, T., Ryan, R. M., Zax, M., & Sameroff, A. J. (1995). The relations of maternal and social environments to late adolescents’ materialistic and prosocial values. *Developmental Psychology*, 31, 907–914.
- Kasser, T., Vansteenkiste, M., & Deckop, J. R. (2006). The ethical problems of a materialistic value orientation for businesses (and some suggestions for alternatives). In J. R. Deckop (Ed.), *Human resource management ethics* (pp. 283–306). Greenwich, CT: Information Age Publishing, Inc.
- Kay, A. C., & Jost, J. T. (2003). Complementary justice: Effects of “poor but happy” and “poor but honest” stereotype exemplars on system justification and implicit activation of the justice motive. *Journal of Personality and Social Psychology*, 85, 823–837.
- Klein, N. (2007). *The shock doctrine: The rise of disaster capitalism*. New York: Picador.
- Leidner, B., & Castano, E. (2012). Morality shifting in the context of intergroup violence. *European Journal of Social Psychology*, 42, 82–91.
- Leidner, B., Castano, E., Zaiser, E., & Giner-Sorolla, R. (2010). Ingroup glorification, moral disengagement, and justice in the context of collective violence. *Personality and Social Psychology Bulletin*, 36, 1115–1129.
- Lindeman, M., & Verkasalo, M. (2005). Measuring values with the short Schwartz’s value survey. *Journal of Personality Assessment*, 85, 170–178.
- Major, B., Kaiser, C., O’Brien, L., & McCoy, S. (2007). Perceived discrimination as worldview threat or worldview confirmation: Implications for self-esteem. *Journal of Personality and Social Psychology*, 92, 1068–1086.
- Miron, A. M., & Branscombe, N. R. (2008). Social categorization, standards of justice, and collective guilt. In A. Nadler, T. Malloy, & J. Fisher (Eds.), *Social psychology of intergroup reconciliation* (pp. 77–97). Oxford, UK: Oxford University Press.
- Miron, A. M., Branscombe, N. R., & Biernat, M. R. (2010). Motivated shifting of justice standards. *Personality and Social Psychology Bulletin*, 36, 768–779.
- Molinsky, A. L., Grant, A. M., & Margolis, J. D. (2012). The bedside manner of homo economicus: How and why priming an economic schema reduces compassion. *Organizational Behavior and Human Decision Processes*, 119, 27–37.
- Newsweek (2011, Apr 7). Market of ideas. Retrieved from: <http://www.economist.com/node/18527446>. Original data: GlobeScan poll (2011, April 6.). Retrieved from: [http://www.globescan.com/news\\_archives/radar10w2\\_free\\_market/](http://www.globescan.com/news_archives/radar10w2_free_market/).
- Pulfrey, C., & Butera, F. (2013). Why neo-liberal values of self-enhancement lead to cheating in higher education: A motivational account. *Psychological Science*, 24, 2153–2162.
- Rand, A. (1966). *Capitalism: The unknown ideal*. New York: Signet.
- Roccas, S., Klar, Y., & Liviatan, I. (2006). The paradox of group-based guilt: Modes of national identification, conflict vehemence, and reactions to the ingroup’s moral violations. *Journal of Personality and Social Psychology*, 91, 698–711.
- Roccas, S., Schwartz, S. H., & Amit, A. (2010). Personal value priorities and national identification. *Political Psychology*, 31, 393–419.
- Rothbard, M. N. (1998) [1982]. *The ethics of liberty*. New York and London: New York University Press.

- Rothbard, M. N. (1986). *Protectionism and the destruction of prosperity*. Auburn: Mises Institute.
- Salanick, G., & Brindle, M. C. (1997). The social ideologies of power in organizational decisions. In Z. Shapira (Ed.), *Organizational decision making* (pp. 111–132). Cambridge: Cambridge University Press.
- Schwartz, S. H. (1992). Universals in the content and structure of values: Theory and empirical tests in 20 countries. In M. Zanna (Ed.), *Advances in experimental social psychology*, (Vol. 25) (pp. 1–65). New York: Academic Press.
- Schwartz, S. (1994). Are there universal aspects in the structure and contents of human values? *Journal of Social Issues*, 50, 19–45.
- Schwartz, S. H. (1996). Value priorities and behavior: Applying a theory of integrated value systems. In C. Seligman, J. M. Olson, & M. P. Zanna (Eds.), *The psychology of values* (pp. 1–24). Hillsdale, NJ: Lawrence Erlbaum Associates, Inc.
- Schwartz, S. H. (2007). Cultural and individual value correlates of capitalism: A comparative analysis. *Psychological Inquiry*, 18, 52–57.
- Sheldon, K. M., & Krieger, L. S. (2004). Does legal education have undermining effects on law students? Evaluating changes in motivation, values, and well-being. *Behavioural Sciences and the Law*, 22, 261–286.
- Skitka, L. J. (2002). Do the means always justify the ends or do the ends sometimes justify the means? A value protection model of justice reasoning. *Personality and Social Psychology Bulletin*, 28, 588–597.
- Skitka, L. J. (2010). The psychology of moral conviction. *Social and Personality Psychology Compass*, 4, 267–281.
- Skitka, L. J. (2014). The psychological foundations of moral conviction. In J. Wright, & H. Sarkissian (Eds.), *Advances in moral psychology* (pp. 148–166). New York, NY: Bloomsbury Academic Press.
- Smith, A. (1977) [1776]. *An inquiry into the nature and causes of the wealth of nations*. Chicago: University of Chicago Press.
- Soros, G. (1998). *The crisis of global capitalism: Open society endangered*. London: Little, Brown & Company.
- Stiglitz, J. (2010). *Freefall, free markets and the sinking of the global economy*. London: Allen Lane.
- Van den Bos, K. (2001). Uncertainty management: The influence of uncertainty salience on reactions to perceived procedural fairness. *Journal of Personality and Social Psychology*, 80, 931–941.
- Vohs, D., Mead, N. L., & Goode, M. R. (2006). The psychological consequences of money. *Science*, 314, 1154–1156.
- Yamagishi, T., Li, Y., Takagishi, H., Matsumoto, Y., & Kiyonari, T. (2014). In search of homo economicus. *Psychological Science*, 25, 1699–171.
- Zingales, L. (2004). The costs and benefits of financial market regulation. *ECGI—Law Working Paper No. 21/2004*. Retrieved from: Social Science Research Network, [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=536682](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=536682) (accessed 06/15/2015).
- Zsolnai, L., & Gasparski, W. W. (Eds) (2002). *Ethics and the future of capitalism*. New Brunswick & London: Transaction Publishers.

## Appendix

---

### Items of the belief in free market ideology scale

---

1. The United States would benefit from deregulating the economy.
2. Government regulation of business usually does more harm than good.
3. Tax breaks for the big businesses move the economy ahead.
4. Most of the taxes could be eliminated or reduced; people should pay for services with user fees.
5. The United States should have a smaller central government and should highly reduce governmental spending.
6. Government is usually wasteful and inefficient.
7. Minimum wage laws cause unemployment.
8. Businesses and farms should operate without governmental subsidies.<sup>2</sup>
9. People are better off with free trade than with tariffs.
10. In general, labor unions are useful institutions. [Reversed]
11. Big corporations are necessary for a strong economy.

---

<sup>a</sup> In the pilot study and Study 2, this item was phrased slightly differently: "Businesses and farms should operate without governmental aid."