

Corporations are Cyborgs: Organizations elicit anger but not sympathy when they can think but cannot feel



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ABSTRACT

Across four experiments, participants saw companies as capable of having ‘agentic’ mental states, such as having intentions, but incapable of having ‘experiential’ mental states, such as feeling pain. This difference in mental state ascription caused companies to elicit anger as villains, but not sympathy as victims. Differences in sympathy were mediated by perceived capacities for experience. When participants had a background leading companies (i.e. senior executives) or when a recognizable brand (i.e. Google) was anthropomorphized, perceptions of experience increased and the sympathy gap disappeared. An organization seen as high in experience and low in agency (i.e. sports team) elicited more sympathy and less anger than companies. Our findings elucidate the mechanisms underlying the link between mental state ascription and moral judgment; the tendency to ascribe some mental states to organizations more easily than others; and the phenomenon whereby companies elicit anger as villains but fail to elicit sympathy as victims.

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Introduction

In 2013, the retail company Target was the victim of a hacking attack that compromised the personal information of over 70 million customers. As a result, some analysts have estimated that Target could be liable for anywhere between 400 million and 1.1 billion dollars to help banks cover fraudulent charges resulting from the security breach (Webb, 2014). Target was clearly the victim of a coordinated attack by organized criminals, but unlike other victims of crime the company elicited no sympathy. Rather, the company was blamed for putting its customers at risk due to inappropriate responses during the attack and insufficient preparation. Public sympathy was only expressed towards the Target customers whose data were compromised. Target may indeed have been negligent in protecting its customers’ data. Still, the complete absence of sympathy toward Target, and other companies that have suffered similar security breaches, is striking. Why has Target elicited only anger, while failing to elicit any sympathy?

People perceive ‘minds’ in groups (Waytz & Young, 2012), imbue brands with personality traits (Aaker, 1997) and use principles of

person-perception to guide their relationships with companies (Aaker, Vohs, & Mogilner, 2010; Kervyn, Fiske, & Malone, 2012; Jordan, Diermeier, & Galinsky, 2012). In the present paper, we ask whether this tendency to imbue groups and organizations with ‘minds’ extends to all mental states, and if not, how differences in the kinds of mental states that organizations are perceived as capable of having inform moral judgments of those organizations, both as villains and as victims of transgression. By investigating mental state ascription and moral judgment across individuals and organizations, we aim to establish both an asymmetry in the mental states that tend to ‘scale up’ from individuals to groups, as well as a fundamental link between mental state reasoning and moral judgment. In so doing, we provide an explanation for why companies often elicit anger as villains but fail to elicit sympathy as victims.

Agency, experience, and the mental capacities of companies

Gray, Gray, and Wegner (2007) have argued that people actually perceive minds in terms of two fundamental dimensions. The first dimension, referred to as *agency*, includes mental states related to thinking and taking actions, such as capacities for self-control, memory, learning, remembering, knowing, and intending. The second dimension, referred to as *experience*, includes mental states related to feelings, such as capacities for experiencing hunger, pain,

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and pleasure. Unlike the warmth and competence dimensions in the stereotype content model (Fiske, Cuddy, Glick, & Xu, 2002), which refer to our perceptions of whether people or groups have good or bad intentions and how competent they are, the agency and experience dimensions focus on capacities to even have thoughts or feelings, regardless of their valence.

Using a pairwise comparison method, Gray et al. (2007) demonstrated that different types of actors actually vary in their perceived capacities for the mental states captured by the agentic and experiential dimensions. Thus, whereas participants saw human adults as being high in both agency and experience, they saw babies and non-human mammals as low in agency but high in experience, while they saw God and robots as high in agency but low in experience. Participants rated a dead person as comparatively low in both agency and experience.

Where do companies fall in this categorization? No organizations were present in Gray et al.'s (2007) survey. The closest evidence comes from Knobe and Prinz (2008), who argued that people see companies as high in 'intentionality', which loosely maps onto agency, but low in 'phenomenal consciousness', which loosely maps onto experience. In one study, participants rated sentences that expressed mental states tied to intentionality (e.g. "Acme Corp believes that its profit margin will soon increase"), as more natural than sentences that expressed mental states tied to phenomenal consciousness (e.g. "Acme Corp is getting depressed"), suggesting that people may be more willing to ascribe agency than experience to companies. The authors hypothesized that phenomenal consciousness is more sensitive to the physical constitution of the actor, and that because groups are actors composed of other actors, they are ineligible for having phenomenal consciousness. The authors did not provide an explanation for why phenomenal consciousness is more sensitive to the physical constitution of the actor than intentionality.

Strickland and Suben (2012) noted serious methodological concerns with Knobe and Prinz's (2008) studies, and suggested that the sentences the experimenters generated to test for 'naturalness' may have been biased by their entering hypotheses. Strickland and Suben (2012) found that sentences that expressed intentionality on the part of companies were only judged as more natural than sentences that expressed phenomenal-consciousness when they were generated by a separate set of participants with that hypothesis in mind. Sentences that expressed intentionality were not judged any more natural than sentences that expressed phenomenal consciousness when generated by participants testing the hypothesis that sentences expressing phenomenal consciousness would sound more natural. Thus, although Knobe and Prinz's (2008) findings are suggestive, they may not provide strong support for the claim that people see companies as capable of agentic but not experiential mental states, given that this was the hypothesis that the authors had in mind when generating the stimuli for their studies.

Sytsma and Machery (2009) and Phelan, Arico, and Nichols (2012) have suggested that Knobe and Prinz's (2008) effects may not be due to different beliefs about the mental capabilities of companies or groups per se. Rather, participants may interpret questions about groups as actually referring to the specific individuals that compose them and *the roles they play as members of those groups*. Thus, instead of reflecting different beliefs about the mental capabilities of people and organizations, participants' greater willingness to ascribe intentionality than phenomenal consciousness to companies is simply due to the fact that when people work in a company, they are more highly associated with behaviors that require intentionality, such as planning and goal-setting, than behaviors that require phenomenal consciousness, such as feeling joy or being hungry. This explanation suggests that if the behavior of members within an organization was more highly associated

with behaviors that require phenomenal consciousness, then the effects would reverse.

Regardless of whether organizations are actually seen as having 'minds' of their own or whether the people who compose those organizations are seen differently when they are in the role of a group member, these findings suggest that it may be more difficult to ascribe experience than agency to some organizations, and companies in particular. However, we do not actually know whether people will find it *more* difficult to ascribe experience to companies than to individuals in isolation, as Knobe and Prinz (2008) never actually compared the two; they simply assumed that people would judge differently if evaluating an individual person.

The link between mental state ascription and moral judgment

If experiential mental states indeed fail to scale up from people to companies to the same degree as agentic mental states, what are the consequences for moral judgment? Previous research has found that blame and anger are predicated on the perpetrator having intended and caused a transgression (Cushman, 2008). Thus, capacities for agency may be necessary to elicit blame because without it, a perpetrator would lack the mental capacities for intention and causal responsibility. Indeed, it has been found that when participants are motivated to blame actors, they also tend to ascribe greater intention to the actor's behaviors (Leslie, Knobe, & Cohen, 2006). Meanwhile, as feeling sympathy is predicated on taking the perspective of a victim who is in pain (Coke, Batson, & McDavis, 1978), capacities for experience may be necessary to elicit sympathy, because without it a victim would lack the mental capacities required for feeling pain and suffering.

In line with these predictions, Gray and Wegner (2009) found that when human targets were perceived to have more agency, they were blamed more as villains, and when they were perceived to have more experience, they elicited more sympathy as victims. At the organizational level, Haran (2013) found that companies were actually blamed less than individuals when they breached a contract after receiving a better offer. However, Haran (2013) argued that unlike contracts with individuals, contracts with companies were seen as morally neutral exchanges where the best offer wins, and hence, no moral violation was perceived to have occurred. When asked more generally about collective responsibility for actions by groups, Waytz and Young (2012) found that groups were responsible for their actions, but only when participants judged the group to have a 'mind'. Crucially, Waytz and Young (2012) operationalized 'minds' only in terms of agency, describing a mind as 'the capacity to make plans, have intentions, and think for itself'.

Regarding sympathy, research into the 'identifiable victim effect' has consistently found that groups of victims fail to elicit comparable levels of sympathy to an individual victim (Kogut & Ritov, 2005; Slovic, 2007; Small & Loewenstein, 2003). Investigations into these effects have focused on cognitive processing constraints on observers, such as limitations in their ability to vividly represent a group of victims compared to a single victim, or to think in terms of large absolute numbers rather than proportions. However, these studies have not examined the specific mental capacities that groups may be perceived as lacking compared to individuals that may serve as a mechanism underlying the sympathy gap. A single rock may be more easily mentally represented than a group of rocks, but we do not feel any more sympathy for it. In other words, there must be a role for cognitive appraisal of the mental capacities of the sufferer that make it *deserving* of sympathy. Moreover, the mechanisms thought to drive greater sympathy for individual victims, such as vividness and ease of mental representation, should also predict greater anger toward individual villains rather than large groups of villains. Although an identified

villain is punished more than an unidentified villain (Small & Loewenstein, 2005), and individual responsibility can be diffused across a group (Darley & Latane, 1968), at present, it is an open question as to whether a group of villains as a whole elicits less anger than an individual villain, though groups certainly can elicit high levels of anger (Lickel, Miller, Stenstrom, Denson, & Schmader, 2006).

Thus, at present, there is suggestive, but inconclusive, evidence that people perceive the mental capacities of individuals and organizations differently, in particular, that whereas companies are seen as capable of agency, they are seen as relatively incapable of experience. There is inconclusive evidence regarding whether companies elicit more or less anger for their moral transgressions compared to individuals in isolation. There is evidence that groups receive less sympathy than individuals, but there is no evidence regarding sympathy for organizations in particular, or for the role that mental ascriptions of experience may play as a mechanism for mediating the sympathy gap between individuals and groups.

Overview of hypotheses

We hypothesized that if companies are seen as capable of possessing agency, and agency is required to elicit anger, then people should direct anger at companies when they commit moral transgressions just as they would at an individual villain. But if companies are selectively lacking in experience, and if experience is required to elicit sympathy, then people should be unwilling to sympathize with companies that are victims.

H1. Participants will ascribe equal levels of agency to companies and individuals, but will ascribe higher levels of experience to individuals than to companies.

H2. Individuals and companies will elicit equal levels of anger when they are perpetrators of identical transgressions, but individuals will elicit higher levels of sympathy than companies when they are victims of identical transgressions.

H3. Levels of anger will be causally driven by levels of agency, while levels of sympathy will be causally driven by levels of experience.

When a company is imbued with experience, either because participants have a background in treating companies as cohesive group agents comprised of individuals or because of experimental manipulation, differences in sympathy will disappear.

H4. Senior executives will perceive companies as capable of both agency and experience, and will feel equal levels of anger and sympathy for individuals and companies.

H5. Anthropomorphizing a company will imbue it with experience, and increase levels of sympathy when the company is a victim.

There may be natural variation in the levels of agency and experience people are willing to ascribe to different types of organizations. Organizations that differ in the levels of agency and experience that people perceive them to have will vary in the levels of anger and sympathy they elicit, respectively.

H6. An organization that is seen as relatively higher in experience and lower in agency than a company will elicit less anger as a villain and more sympathy as a victim.

Experiment 1

In Experiment 1 we examined whether there would be an asymmetry in anger and sympathy judgments for companies and people, and whether these judgments would be causally driven by perceptions of agency and experience. We hypothesized that organizations and individuals would be ascribed equal levels of agency, but that organizations would be ascribed lower levels of experience than individuals (H1). Consequently, we hypothesized that organizations and individuals should elicit equal levels of anger for committing identical transgressions, but individuals should elicit higher levels of sympathy as victims of identical transgressions than companies (H2). Across actor types, capacities for agency should predict anger, while capacities for experience should predict sympathy and mediate the difference between individuals and organizations (H3).

Method

Participants in Experiments 1, 3, and 4 were recruited via the Internet and compensated with \$0.25 following completion of a questionnaire administered through the Mechanical Turk site run by Amazon.com. All participants were drawn from the United States. The IP addresses of participants' computers were recorded to ensure that they did not participate in the study multiple times. It has been found that data collected from Amazon's Mechanical Turk site is as reliable as data gathered through traditional methods (Buhrmester, Kwang, & Gosling, 2011). Participants in all experiments were assigned to conditions randomly, and we recruited more than were necessary in order to account for participants who exited the experiment before beginning, resulting in some non-equal cells. All dependent variables that were analyzed have been reported.

Experiment 1 employed a 2 (actor) by 2 (transgression) between-subjects design. Each participant read one scenario. One scenario involved an individual entrepreneur and the other scenario involved a large technology company. We compared a company to an individual entrepreneur in order to equate as best as possible the individual with the functional roles played by the people who work within a company. One scenario placed the entrepreneur or the company in the role of the villain, and the other scenario placed the actor in the role of the victim. In the villain condition, participants read about the company or the entrepreneur being caught for selling customer information without their permission. Participants were asked to rate how much anger they felt toward the company or entrepreneur in question on a five point Likert scale ranging from "not angry at all" to "extremely angry". In the victim condition, participants read about the company or the entrepreneur having their electronic security breached in a way that resulted in bankruptcy. Unlike the Target breach in which customer data was compromised, thus making Target both a victim and morally culpable, the victims in our vignettes are the sole victims of the crime and not morally culpable in any way. Additionally, when comparing individuals and companies, the hacking crime always resulted in bankruptcy, thus eliminating any possible inference of the damages being relatively greater for the individual than the company. Participants were asked to rate how much sympathy they had for the company or entrepreneur on a five point Likert scale ranging from "no sympathy at all" to "completely sympathetic".

In the villain condition, participants also rated the extent to which they believed the company or entrepreneur was "capable of having intentions and goals", while in the victim condition,

participants also rated the extent to which they believed the company or entrepreneur was “capable of experiencing pain and suffering”. Answers for both items were reported on a five point Likert scale ranging from “not capable at all” to “extremely capable”. Participants’ ratings of capacities for intention were used to assess the perceived agency of the actors, while ratings of capacities for pain were used to assess perceived experience (Gray & Wegner, 2009).

Results

Entrepreneurs ($M = 3.95$, $SD = 1.01$, $n = 42$) received significantly more sympathy than companies ($M = 2.93$, $SD = 1.24$, $n = 42$) when they were victims, $t(82) = 4.15$, $p < .001$, $d = .92$, but no significant differences in anger were found between companies ($M = 3.77$, $SD = 1.09$, $n = 43$) and entrepreneurs ($M = 3.56$, $SD = 1.12$, $n = 41$) when they were villains, $t(82) = .86$, $p = .39$. The interaction between anger and sympathy for entrepreneurs and companies was significant, $F(1, 164) = 12.74$, $p < .001$, $\eta_p^2 = .072$. Entrepreneurs ($M = 4.55$, $SD = 0.77$, $n = 42$) were seen as more capable of pain and suffering than companies ($M = 2.71$, $SD = 1.31$, $n = 42$), $t(82) = 7.81$, $p < .001$, $d = 1.72$, but no differences in capacities for intentions and goals were found between companies ($M = 4.12$, $SD = 1.00$, $n = 43$) and entrepreneurs ($M = 4.21$, $SD = .91$, $n = 41$), $t(82) = .49$, $p = .62$. The interaction between ascriptions of agency and experience for entrepreneurs and companies was significant, $F(1, 164) = 30.24$, $p < .001$, $\eta_p^2 = .156$.

Victim type was significantly related to both levels of experience ($r = .65$, $p < .001$, $n = 84$) and levels of sympathy ($r = .42$, $p < .001$, $n = 84$). Additionally, levels of experience were significantly related to levels of sympathy ($r = .59$, $p < .001$). To test for mediation of our sympathy variable, we conducted a linear regression and entered victim type and capacity for pain and suffering as predictor variables and sympathy as the outcome variable. The overall equation was significant ($r = .59$, $p < .001$). The relationship between victim’s capacity for pain and suffering and sympathy toward the victim remained significant even while controlling for victim type; $b = .49$; $t = 4.71$, $p < .001$. After controlling for victim’s capacity for pain and suffering, the relationship between victim type and sympathy toward the victim was no longer significant; $b = .13$; $t = .45$, $p = .652$. A Sobel test confirmed that participants’ assessments of a victim’s capacity for pain and suffering mediated the relationship between victim type and sympathy ($z = 2.10$, $p = .036$). As capacities for intention and goals were unrelated to anger across actor types ($r = .076$, $p = .623$, $n = 84$), no mediation analysis was conducted.

Discussion

As predicted, companies were ascribed significantly lower levels of experience than individuals, but were ascribed equal levels of agency, supporting Hypothesis 1. Companies also elicited significantly less sympathy than individuals as victims of identical transgressions, but elicited equal levels of anger as perpetrators of identical transgressions, supporting Hypothesis 2 (see Fig. 1). Mediation analysis supported a mediation model wherein higher levels of sympathy for individuals compared to companies was due in part to individuals being seen as more capable of having experiential mental states, specifically, capacities for experiencing pain and suffering, providing partial support for Hypothesis 3 (see Fig. 2). Surprisingly, although companies and individuals had equal levels of agency, agency did not predict levels of anger, thus failing to provide full support for Hypothesis 3. The lack of a correlation between agency and anger may have been due to lack of variation between individual entrepreneurs and companies in ratings of agency and anger, as there was no significant difference between the two conditions.

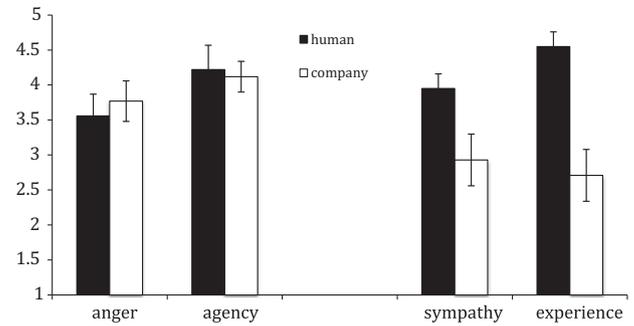


Fig. 1. Mean ratings of anger directed toward humans and companies as villains and their perceived levels of agency, and mean ratings of sympathy directed toward humans and companies as victims and their perceived levels of experience. Error bars represent the 95% confidence intervals.

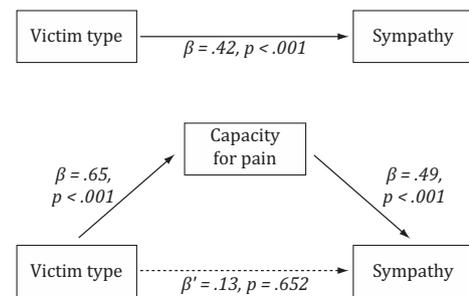


Fig. 2. A model of mediation indicating that the relationship between victim type and sympathy is mediated by capacity for pain.

Experiment 2

The results from Experiment 1 suggest that participants feel less sympathy for companies than they do for individual entrepreneurs, and that this gap in sympathy is driven in part by participants ascribing lower levels of experience to companies than to people, as suggested by our mediation model. To further examine our causal hypothesis, Experiments 2 and 3 directly investigated whether participants will feel sympathy for companies under conditions where the participants perceive companies as capable of having experiential mental states.

In Experiment 2, we ran our basic design with a sample of senior executives. We hypothesized that whereas participants drawn from the Amazon Mechanical Turk participant pool saw companies as incapable of experience, and hence, undeserving of sympathy, senior executives would see companies as capable of experience, and hence, deserving of sympathy, because of their stronger background leading companies and the people who work in them, navigating corporate crises, and treating the company as a group agent in ways that a typical worker might not (H4). In addition, we asked senior executives to assess how they felt the general public would respond to the same issues in order to examine their awareness of how their perspectives on the mental states and moral entitlements of companies and individuals may differ from others’ perspectives.

Method

Participants in Experiment 2 were drawn from an executive education seminar conducted at Northwestern University. All of the participants were senior executives that specialize in issues related to corporate security, which includes any threats to a

company's main assets, such as kidnapping, product tampering and extortion including IT security such as data hacking. For our purposes, they were an ideal population to investigate because they specialize in corporate crises caused by external forces, rather than issues where the company is directly at fault, e.g. a product quality or safety problem.

Experiment 2 employed a 2 (actor) by 2 (transgression) by 2 (perspective) design. Participants were presented with both transgression scenarios from Experiment 1, responding to one vignette about a company and one vignette about an individual entrepreneur. In response to the villain scenario, participants reported their levels of anger toward the villain, and the villain's capacities for having intentions and goals, while in response to the victim scenario, participants reported their levels of sympathy toward the victim, and the victim's capacities for experiencing pain and suffering, just as in Experiment 1. In addition to reporting their own responses to the scenarios, the senior executives also reported their beliefs about how 'the general public' would respond to each item after they had answered the corresponding item from their own perspective. Thus, a given participant saw eight items in total. As in Experiment 1, all answers were reported on five point Likert scales.

Results

When the senior executives responded from their own perspective, no significant differences in sympathy were found between companies ($M = 3.35$, $SD = 1.09$, $n = 20$) and individual entrepreneurs ($M = 3.68$, $SD = 0.99$, $n = 22$), $t(40) = 1.03$, $p = .31$, while individual entrepreneurs were seen as having a marginally higher capacity for pain and suffering ($M = 4.63$, $SD = .65$, $n = 22$) than companies ($M = 4.15$, $SD = 1.13$, $n = 20$), $t(40) = 1.72$, $p = .094$ in the victim condition. No significant differences in anger were found between companies ($M = 3.64$, $SD = 1.40$, $n = 22$) and individual entrepreneurs ($M = 3.90$, $SD = 1.12$, $n = 20$), $t(40) = .67$, $p = .51$, while companies were seen as having a marginally lower capacity for having intentions and goals ($M = 3.63$, $SD = 1.40$, $n = 22$) than individual entrepreneurs ($M = 4.35$, $SD = .93$, $n = 20$), $t(40) = 1.72$, $p = .063$ in the villain condition. Capacities for experience were not significantly related to levels of sympathy, $r(40) = .25$, $p = .108$, nor were capacities for agency significantly related to levels of anger $r(40) = .03$, $p = .863$.

However, when answering based on how they felt the general public would respond, the senior executives replicated the basic pattern seen in Experiment 1. As victims, individual entrepreneurs ($M = 3.63$, $SD = 1.09$, $n = 22$) received significantly more sympathy than companies ($M = 2.60$, $SD = 1.27$, $n = 20$), $t(40) = 2.84$, $p = .007$, $d = .90$, while individual entrepreneurs ($M = 4.09$, $SD = 0.92$, $n = 22$) were seen as more capable of feeling pain and suffering than companies ($M = 2.75$, $SD = 1.29$, $n = 20$), $t(40) = 3.90$, $p < .001$, $d = 1.23$. As villains, no significant differences in anger were found between companies ($M = 4.23$, $SD = .87$, $n = 22$) and individual entrepreneurs ($M = 4.05$, $SD = .89$, $n = 20$) in the villain conditions, $t(40) = .65$, $p = .52$, nor were differences in capacities for having intentions and goals found between companies ($M = 3.36$, $SD = 1.47$, $n = 22$) and entrepreneurs ($M = 3.75$, $SD = 1.29$, $n = 20$), $t(40) = .90$, $p = .37$. Capacities for experience were significantly related to levels of sympathy, $r(40) = .58$, $p < .001$, while capacities for agency were not significantly related to levels of anger $r(40) = .18$, $p = .264$.

Discussion

As predicted, when senior executives responded from their own perspective, they ascribed equal levels of experience to companies and people, and differences in sympathy elicited by companies and people disappeared, supporting Hypothesis 4 and providing

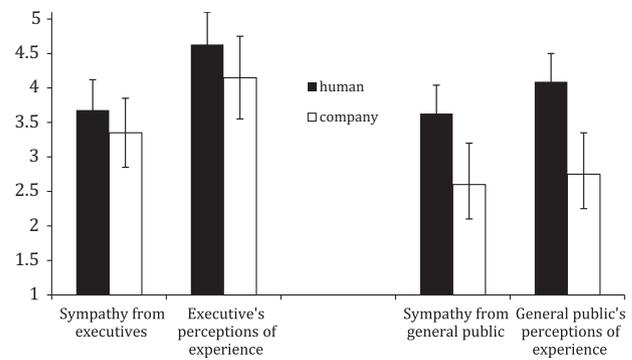


Fig. 3. Mean ratings of sympathy directed toward humans and companies as villains and their perceived levels of experience, based on either the executives' own perspective or the executives' beliefs about how the general public would respond. Error bars represent the 95% confidence intervals.

additional support for Hypothesis 3. At the same time, when responding from the perspective of the general public, senior executives replicated the pattern seen in Experiment 1, ascribing higher levels of experience and more sympathy to individuals than companies (see Fig. 3). When responding from their own perspective, levels of experience did not significantly predict levels of sympathy, but levels of experience did significantly predict levels of sympathy when executives responded from the perspective of the general public. As in Experiment 1, the mental state ascription measures and the moral judgment measures were only correlated when there was a significant difference between conditions, suggesting that when conditions were not significantly different, there was inadequate variation in scores to detect correlation.

Experiment 3

Whereas Experiment 2 investigated a population of participants that already imbue companies with higher levels of experience, in Experiment 3 we directly manipulated the extent to which participants would ascribe capacities for experience to a specific company. In Experiment 3, we predicted that anthropomorphizing a company would increase participants' perceptions of the company's capacities for experience, and consequently lead the company to elicit more sympathy following victimization (H5). As companies are already seen as possessing a high level of agency, we predicted no change in levels of agency or anger toward the company as a villain.

Method

Experiment 3 employed a 2 (anthropomorphism) by 2 (transgression) between-subjects design. Each participant read a single vignette. Participants in the anthropomorphism condition were first asked to imagine that Google 'had come to life as a person'. Participants were told to take a few minutes to describe 'what kind of a person Google would be in terms of its personality, physical appearance, opinions, conversational style, social approach, profession, and so forth'. Previous research has supported the efficacy of this manipulation in priming behavior (Aggarwal & McGill, 2012). Had we asked participants to imagine a group of Google users or employees, Experiment 3 would have simply replicated our previous studies by comparing individuals to companies. By asking participants to imagine the company Google as a person, the manipulation cleanly manipulates mental state ascription to the company per se, rather than shifting participants from considering the company versus considering individuals. Following the anthropomorphism manipulation, participants were presented with

either the villain scenario or the victim scenario. In the villain scenario, participants were told that recently it had been discovered that many of Google's innovations had come about through industrial espionage, wherein they had stolen ideas from independent inventors and recast them as their own. Participants in the villain conditions completed the five point Likert scale measures for agency and anger from Experiment 1. In the victim scenario, participants were told that Google had been the victim of industrial espionage, and as a result had lost millions of dollars. Participants in the victim conditions completed the five point Likert scale measures for experience and sympathy from Experiment 1. The procedure was identical for participants in the control condition, with the exception being that they were not exposed to the anthropomorphism manipulation.

Results

Anthropomorphized Google ($M = 3.30$, $SD = 1.29$, $n = 113$) elicited significantly more sympathy than non-anthropomorphized Google ($M = 2.94$, $SD = 1.18$, $n = 94$) when they were victims, $t(205) = 2.10$, $p = .037$, $d = .29$. No significant differences in anger were found between anthropomorphized Google ($M = 3.14$, $SD = 1.20$, $n = 110$) and non-anthropomorphized Google ($M = 3.18$, $SD = 1.26$, $n = 95$) when they were villains, $t(203) = .247$, $p = .81$. The interaction between anger and sympathy for anthropomorphized and non-anthropomorphized Google was marginally significant, $F(1, 408) = 2.77$, $p = .097$, $\eta_p^2 = .007$. Anthropomorphized Google ($M = 3.70$, $SD = 1.10$, $n = 113$) was seen as more capable of experiencing pain and suffering than non-anthropomorphized Google ($M = 2.40$, $SD = 1.33$, $n = 94$), $t(205) = 7.66$, $p < .001$, $d = 1.07$. A marginally significant difference in capacities for intentions and goals was found between anthropomorphized Google ($M = 4.24$, $SD = .80$, $n = 110$) and non-anthropomorphized Google ($M = 4.03$, $SD = .95$, $n = 95$), $t(203) = 1.67$, $p = .096$. However, the interaction between agency and experience for anthropomorphized and non-anthropomorphized Google was significant, $F(1, 408) = 27.24$, $p < .001$, $\eta_p^2 = .063$, indicating that differences in experience were significantly greater than differences in agency.

Anthropomorphism condition was significantly related to both levels of experience ($r = .47$, $p < .001$) and levels of sympathy ($r = .15$, $p = .037$). Additionally, levels of experience were significantly related to levels of sympathy ($r = .52$, $p < .001$). To test for mediation of our sympathy variable, we conducted a linear regression and entered anthropomorphism condition and capacity for pain and suffering as predictor variables and sympathy as the outcome variable. The overall equation was significant ($r = .54$, $p < .001$). The relationship between victim's capacity for pain and suffering and sympathy toward the victim remained significant even while controlling for anthropomorphism condition; $b = .58$; $t = 8.70$, $p < .001$. After controlling for victim's capacity for pain and suffering, the relationship between anthropomorphism condition and sympathy toward the victim was no longer significant; $b = -.13$; $t = -1.94$, $p = .053$. A Sobel test confirmed that participants' assessments of a victim's capacity for pain and suffering partially mediated the relationship between actor type and sympathy ($z = 5.77$, $p < .001$). As capacities for intention and goals were unrelated to anger across actor types ($r = -.07$, $p = .35$, $n = 205$), no mediation analysis was conducted.

Discussion

As predicted, anthropomorphized Google elicited significantly higher levels of sympathy than non-anthropomorphized Google, while eliciting equal levels of anger (H5). Anthropomorphized Google was seen as having significantly higher capacities for experience than non-anthropomorphized Google, while being seen as

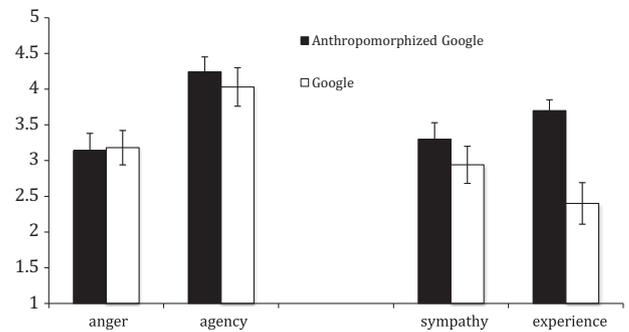


Fig. 4. Mean ratings of anger directed toward anthropomorphized Google and non-anthropomorphized Google as villains and their perceived levels of agency, and mean ratings of sympathy directed toward anthropomorphized Google and non-anthropomorphized Google as victims and their perceived levels of experience. Error bars represent the 95% confidence intervals.

having marginally higher levels of agency (see Fig. 4). As in Experiment 1, we supported a mediation model wherein anthropomorphized Google elicited higher levels of sympathy because it was seen as more capable of experiencing pain and suffering.

Experiment 4

Whereas Experiments 2 and 3 examined differences in perceptions of a company's experience but not its agency, in Experiment 4, we examined anger and sympathy toward organizations that vary in the levels of agency and experience ascribed to them. In particular, we hoped to identify a type of organization that was perceived as higher in experience and lower in agency than companies, with the added advantage that these ratings would be collected independently from the anger and sympathy judgments. In the previous experiments, the same participants provided both the mental state ascriptions and the moral judgments. By assessing mental states and moral judgment with different sets of participants, we eliminated any possibility of the responses being influenced by each other. We hypothesized that an organization seen as higher in experience but lower in agency than a company would elicit less anger as a villain than an individual or a company, and more sympathy as a victim than a company (H6).

Pilot study

An initial pilot study was conducted to explore how people perceived the agency and experience of eight different kinds of organizations, including large multi-national companies, non-profit organizations, small businesses, government, protest groups, sports teams, charities, and churches. Participants were told that they would be asked to make judgments about the extent to which these different organizations have 'minds', defined as 'capacities for intention (e.g. planning), cognition (e.g. memory), and emotion (e.g. complex feelings)'. Participants were then presented with Gray et al.'s (2007) 18 item 'mind perception' scale, which was designed to capture capacities for agentic and experiential mind attributes. For each item, participants were asked to rank each of the organizations from 1 to 8, where a rank of 1 indicated that the organization was seen as most capable of the mental state in question, and a rank of 8 indicated that the organization was seen as least capable of the mental state in question. We combined the measures to form composite average ranks for agency and experience among the eight organizations.

Non-profit organizations ranked highest in perceived capacities for agency, followed by small businesses, charities, churches,

multi-national companies, protest groups, professional sports teams, and government. Meanwhile, professional sports teams ranked highest in perceived capacities for experience, followed by non-profit organizations, protest groups, small businesses, churches, charities, multi-national companies, and government. As indicated by the rankings, some organizations, such as non-profit organizations, were seen as high in both agency and experience, while other organizations, most notably government, were seen as low in both agency and experience. As professional sports teams were seen as relatively high in experience and low in agency compared to companies, they served as an ideal contrast to companies. In Experiment 4 we hypothesized that a sports team would elicit more sympathy as a victim than a company because sports teams are seen as relatively high in experience, and less anger as a villain than a company or an individual because sports teams are seen as relatively low in agency.

Method

Experiment 4 employed a 3 (actor) by 2 (transgression) between-subjects design. Participants were presented with a single vignette. The vignettes presented the participants with either an individual entrepreneur, a large company, or a professional sports team in the role of either a villain or a victim of a transgression. The villain and victim scenarios were the same as those used in Experiment 1, with the villain scenario focusing on a case where the actor sold customer information to advertisers, and the victim scenario focusing on a case where the actor's account was hacked, resulting in bankruptcy. Thus, for the sports team variant, the team either sold information about its ticketholders to advertisers (villain condition) or the team's accounts were hacked resulting in bankruptcy (victim). After reading the vignette, participants in the villain conditions rated how much anger they felt toward the villain and participants in the victim conditions rated how much sympathy they felt toward the victim using the same five point Likert scales from Experiment 1.

Results

A one-way ANOVA revealed a main effect of condition on sympathy toward victims, $F(2, 250) = 41.77, p < .001$. Tukey post hoc comparisons of the three groups indicated that participants felt significantly less sympathy toward a victim when it was a company ($M = 2.83, 95\% \text{ CI } [2.57, 3.08]$) than when it was a sports team ($M = 3.48, 95\% \text{ CI } [3.24, 3.72]$), $p < .001$ or an individual entrepreneur ($M = 4.28, 95\% \text{ CI } [4.10, 4.45]$), $p < .001$. Participants also felt significantly less sympathy toward a sports team than toward an individual entrepreneur, $p < .001$.

A one-way ANOVA revealed a main effect of condition on anger toward villains, $F(2, 254) = 5.19, p = .006$. Tukey post hoc comparisons of the three groups indicated that participants felt significantly less anger toward a villain when it was a sports team ($M = 3.42, 95\% \text{ CI } [3.18, 3.67]$) than when it was a company ($M = 3.85, 95\% \text{ CI } [3.60, 4.09]$), $p = .030$ or an individual entrepreneur ($M = 3.92, 95\% \text{ CI } [3.71, 4.13]$), $p = .009$. No significant differences in anger were found between the individual and company conditions, $p = .91$. The interaction between anger and sympathy among the three groups was significant, $F(1, 504) = 19.73, p < .001, \eta_p^2 = .073$.

Discussion

As predicted based on the relatively lower levels of agency and higher levels of experience ascribed to sports teams compared to companies, sports teams elicited more sympathy as a victim and less anger as a villain than a company. Sports teams also elicited

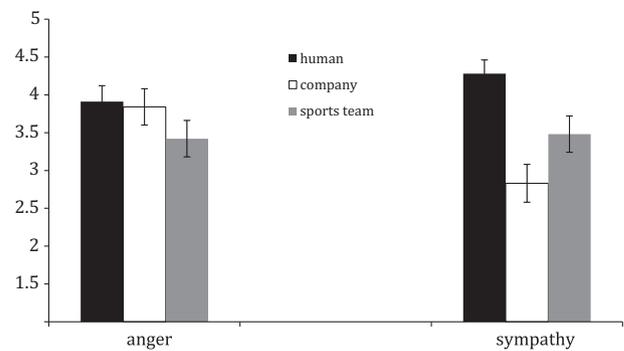


Fig. 5. Mean ratings of anger directed toward villains and sympathy directed toward victims among humans, companies, and sports teams. Error bars represent the 95% confidence intervals.

less anger as a villain than an individual entrepreneur, but also elicited less sympathy as well, suggesting that even organizations that are seen as relatively high in experience may still be lacking in experience compared to individuals, and elicit less sympathy than individuals as a result (see Fig. 5).

General discussion

Across four experiments and a pilot study, we demonstrated that companies are seen as being capable of 'thinking', but not 'feeling', and as a result, they elicit anger for their transgressions, but fail to elicit sympathy as victims. These effects hold even under conditions where companies are the only victims and their loss is extreme. Mediation analyses supported our hypothesis that lack of experiential mental states lead companies to elicit less sympathy as victims (Experiments 1). When we consulted the intuitions of senior executives who have a background leading companies during corporate crises and working with companies as cohesive group agents, perceptions of a company's capacity for experience increased, and sympathy was restored (Experiment 2). Interestingly, senior executives replicated the basic findings from Experiment 1 when responding from the perspective of the general public, suggesting they are aware of how companies are perceived and evaluated by outsiders. When we directly manipulated perceptions of a company by anthropomorphizing the company Google, sympathy was once again restored, and this effect was mediated by perceptions of experience (Experiment 3). Finally, when we examined an organization seen as more capable of experience than of agency, it elicited less anger as a villain and more sympathy as a victim than a company, while still eliciting less sympathy than an individual (Experiment 4).

By comparing individuals, companies, and other organizations using mediation analyses, comparisons of different participant populations, experimental manipulations of a specific company, and comparisons of different organizations, our results provide powerful evidence that perceptions of experience drive feelings of sympathy and perceptions of agency drive feelings of anger. Moreover, we demonstrate that not all mental capacities scale up from individuals to organizations equally in ways that are critical for moral judgment.

Our results are not likely due to a general negativity bias toward companies compared to people. First, a generalized bias would suggest that in addition to eliciting less sympathy, companies should have elicited *more* anger than individuals, but we consistently found that individuals and companies elicited equal levels of anger. Second, negative affect toward companies would not have predicted the mental state asymmetry between ascriptions of agency and experience for companies, nor its predictive role in

moral judgments of anger and sympathy. This is particularly true of Experiment 4, where judgments of agency and experience were collected independently of judgments of anger and sympathy. At the same time, future studies should investigate more closely how an organization's levels of agency and experience relates to its warmth and competence, as the latter has been the focus of previous research (Aaker et al., 2010; Kervyn et al., 2012).

Why are companies imbued with agency, but not experience?

As discussed earlier, there are two competing hypotheses for why people might be unwilling to ascribe experiential mental states to companies. Knobe and Prinz (2008) suggest that companies have the particular attribute of being an actor composed of other actors, and that perhaps this attribute makes them intrinsically ineligible for experiential mental states, which they posit may be more sensitive to an actor's physical constitution than agentic mental states. In contrast, Sytsma and Machery (2009) and Phelan et al. (2012) suggest that there is nothing intrinsic about companies or group actors per se that requires participants to ascribe low levels of experience to them. Instead, these authors suggest that working in companies is associated with functional roles that require capacities for agency in particular. When people think about companies, they think about the people who work in the companies, particularly in regard to their work responsibilities, which require agentic mental states, such as capacities for having intentions and goals. If participants associated work in companies with functions that required experiential mental states, then participants would imbue companies with experience.

On the surface, there is no obvious reason why the functional roles associated with companies would differ dramatically from those associated with individual entrepreneurs, and so the results from Experiment 1 appear to support Knobe and Prinz's (2008) view that groups, by their very nature, cannot be imbued with high levels of experience. On the other hand, the findings from the senior executives in Experiment 2 suggest that some people do imbue companies with experience. Our most relevant results come from Experiment 4. Sports teams were seen as having lower levels of agency and higher levels of experience than companies, and elicited less anger and more sympathy than companies, suggesting that levels of experience and agency in organizations may be driven by the functional roles associated with those organizations. At the same time, sports teams were rated the highest among organizations in levels of experience, and yet they elicited less sympathy than individuals, suggesting that people may be wary of ascribing experiential mental states even to organizations whose functional roles are most associated with experience. Thus, our findings could be construed as providing support both for the hypothesis that people think of organizations in terms of the people who comprise them and what their roles are, as well as for the hypothesis that there is something about organizations per se that impairs their ability to be imbued with experiential mental states. Future research will be necessary to tease apart the relative contributions of these mechanisms in explaining asymmetries in mental state ascription to organizations.

Judgments of mental states must occur with some context in mind. Rather than stating that companies are seen as equally capable of agency but incapable of experience as compared to individuals, it may be more accurate to conclude that in the context of perpetrating transgression, companies are seen as equally capable of having agency, but in the context of victimhood, companies are seen as less capable of having experience, as compared to individuals, and that this difference in mental state ascription leads companies to elicit anger, but not sympathy. But these mental state ascriptions may change in other contexts. Pilot data from our newest experiments suggests that although companies are generally

seen as low in experience, they may also be seen as marginally less capable of agency in victim and hero contexts compared to villain contexts. Furthermore, we suggested in Experiment 2 that executives' greater work experience in leading companies and working with them as a cohesive unit may generate stronger perceptions of experience. However, executives are also more heavily invested in the fate of companies, and so they may be selfishly biased toward perceiving greater experience in companies. Further investigations into how perceptions of agency and experience are generated are needed to tease these factors apart. One possible approach would be to investigate perceptions of agency and experience of groups cross-culturally. Previous research has already found that cultures differ in their ascriptions of agency to groups in ways that have consequences for moral judgment (Menon, Morris, Chiu, & Hong, 1999; Morris, Menon, & Ames, 2001). Future studies should investigate whether there are cross-cultural differences in perceptions of experience in group agents and possible consequences for moral judgment. Regardless of how perceptions of experience are generated, our findings suggest that they are important for eliciting sympathy toward victims.

Implications

As discussed earlier, other approaches to explaining the sympathy gap between individual victims and group victims have tended to focus on how cognitive processing constraints on observers, such as their inability to vividly represent groups of victims, compromises their ability to feel sympathy for their suffering (Kogut & Ritov, 2005; Slovic, 2007; Small & Loewenstein, 2003). However, as we discussed earlier, processing constraints alone cannot account for differences in sympathy. There must be a role for cognitive appraisal of the victims as deserving of sympathy. Our findings suggest that in some instances, people may hold the belief that certain kinds of groups are less capable of having experiential mind states, such as feelings of pain and suffering, and hence, they infer that no sympathy is warranted. Future studies should investigate the role of mental state ascription in the context of sympathy and helping toward groups of sufferers outside of organizational contexts. Provocatively, our results also suggest that organizations low in agency may have an advantage against individuals in disputes, such as if the public is more sympathetic to a team than to an individual player in a contract dispute. Future studies should investigate how mental state ascriptions of agency and experience inform adjudications of disputes by third parties.

For companies, our paper provides one explanation as to why they elicit anger for their transgressions, but often fail to elicit sympathy as victims. But if companies cannot be victims, must they be villains? And if so, how should they respond following a reputational crisis such as the one experienced by Target? One approach would be to accept punishment or self-impose sanctions in order to rectify their transgression. But what satisfaction is gained if the object of retributive punishment lacks the capacity for suffering? People may demand greater punishment or feel less satisfaction from punishment if companies are seen as low in experience, and hence, incapable of suffering.

Rather than accept the role of a villain, we suggest that companies leverage their agency by transforming into heroes (Diermeier, 2011). When a killer contaminated bottles of Tylenol with cyanide that resulted in seven deaths in Chicago in 1982, Johnson and Johnson, the maker of Tylenol, did not cast themselves as victims of product tampering. Rather, they took the lead in developing tamper-proof gelcaps and sealed containers that are required for all pharmaceuticals (Diermeier, 2011). Our findings suggest that Tylenol remains a classic example of successful crisis management because as a company, it was perceived as high in agency, and hence, was able to elicit moral praise for strong leadership.

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Companies cannot be victims, but they can be heroes (and villains)

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Abstract

When compared to individuals, companies are less capable of being seen as victims, but equally capable of being seen as villains and heroes. This selective inability to be seen as victims creates unique challenges for companies and informs strategy during crisis. In experiment 1, when a reputational crisis involved elements of both negligence and victimization, participants were less likely to see companies as victims than individual entrepreneurs in identical situations. In experiment 2, companies were evaluated more favorably in disputes with individuals when the dispute was framed around which party was to blame than when framed around which party was victimized. In experiment 3, we show these effects are driven by specific mental states participants ascribe to companies, which also allow companies to elicit praise for positive actions. As a result, individual entrepreneurs have flexibility to claim victimhood or be proactive following crisis, but companies must respond proactively (Experiment 4).

Keywords: moral judgment; corporate reputation; crisis management; mind perception; mental state ascription; organization; agency; experience; victim; sympathy; blame; praise

Introduction

Last May, Target ousted CEO Gregg Steinhafel, a move many saw as inevitable following the massive data breach Target endured the previous December due to the Heartbleed security flaw and the company's management of the crisis in the months that followed. At the time of the breach, the public rightfully asked whether Target did everything possible to protect its customers' data and privacy, and blamed the company both for its response to the data breach and for its decision not to immediately act on the security alert. At one level such incidents are simply corporate crises and need to be managed as such. Customers and other stakeholders need to be reassured, trust needs to be maintained and restored, and CEOs need to follow tried and true rules of crisis management. Leaders need to be transparent and empathetic, committed and competent, all in the context of tremendous scrutiny and substantial legal and regulatory risk. At the same time, what is lost in these discussions is the fact that Target and other companies that have suffered massive data breaches in recent years, including Home Depot, CitiGroup, and Adobe, were the victims of crimes committed by highly sophisticated criminals acting in a pre-meditated and meticulously planned fashion. And yet nobody feels sorry for these companies, and that's odd. Suppose an individual entrepreneur had been victimized in the same way. We would likely feel a strong sense of sympathy for the entrepreneur. So why are those sentimental feelings particularly lacking when the victim is a large retail company, and what implications are there for corporate reputation and crisis management?

Rai & Diermeier (2015) demonstrated that when companies elicit blame for their transgressions but fail to elicit sympathy as victims, it is because consumers are willing to ascribe some mental states to companies, but not others. There is a rich body of literature demonstrating that consumers ascribe minds and personalities to organizations and brands (Waytz & Young, 2012; Aaker, 1997; Kervyn, Fiske, & Malone, 2012). And although some efforts have been made to examine personality dimensions in organizations (Aaker, Vohs, & Mogilner, 2010; Jordan, Diermeier, & Galinsky, 2012), what has been less well understood is what exactly are the kinds of mental capacities people are willing to ascribe to organizations, and particularly companies. Research in psychology on 'mind perception' has found that

people tend to perceive minds in terms of two fundamental dimensions; 1) agency, which includes capacities related to ‘thinking’, such as learning, remembering, and intending, and 2) experience, which includes capacities related to ‘feeling’, such as capacities for hunger, pain, and pleasure (Gray, Gray, & Wegner, 2007). Moreover, whereas the presence of agentic mental states has been found to predict anger and blame toward perpetrators (Gray & Wegner, 2009; Cushman, 2008; Leslie, Knobe, & Cohen, 2006), the presence of experiential mental states has been found to predict sympathy toward victims (Gray & Wegner, 2009; Coke, Batson, & McDavis, 1978). What Rai & Diermeier (2015) found was that participants were willing to ascribe both agency and experience to individuals, and hence saw them as deserving of both anger and sympathy. But when it came to companies, participants were just as willing to ascribe agency, but were less willing to ascribe experience. This equal willingness to ascribe agency to companies but reduced willingness to ascribe experience lead companies to elicit just as much anger for their transgressions, but less sympathy as victims, with ascriptions of experience mediating differences in sympathy between individuals and companies. Thus, it is the discontinuity in mental state ascription that causes companies to elicit anger for their transgressions but fail to elicit sympathy as victims.

In one experiment, participants expressed equal levels of anger toward a company and an individual entrepreneur for illegally selling customer information, but participants felt significantly less sympathy for a company than for an individual entrepreneur when they were victimized. The victim case involved a scenario where hackers had breached the data security of the company/entrepreneur, but not its customers, resulting in bankruptcy (thus equating damages to a company and entrepreneur) but leaving customers completely unaffected. This difference in sympathy toward entrepreneurs and companies was fully mediated by differences in experiential mental states, such that participants were less likely to feel sympathy toward either actor when they felt the actor lacked the capacity to feel. In two follow-up experiments, the authors found that this sympathy gap was erased when participants did ascribe experience to companies, either because the participant sample was drawn from high-level corporate executives or because the participants had been experimentally primed to anthropomorphize the company Google. In a final experiment, the authors found that different kinds of organizations vary in the levels of

agency and experience ascribed to them. Whereas companies tend to elicit anger but not sympathy because they are ascribed agency but not experience, other organizations, such as a sports team, elicit sympathy but not anger because they are ascribed experience but not sympathy.

Taken together, these findings have a clear implication; all else being equal, it is easier for people to feel anger toward companies and hence see them as villains than it is to feel sympathy toward companies and hence see them as victims. In the current set of studies, our aim is to explore the consequences of this divergence for corporate reputation and crisis management. In particular, earlier experiments revolved around unambiguous cases of pure transgression or pure victimhood (where the only victim was the company, not its consumers), but as is evident from the Target example, in most real-world cases a company's role in a corporate reputation failure reflects elements of both transgression and victimhood. The aim of experiment 1 is to determine whether companies are more likely than individual entrepreneurs to be seen as villains rather than victims in these ambiguous cases. Experiment 2, examines whether framing a dispute between a company and an individual in terms of which party has been victimized will shift support toward individuals as compared to when the same dispute is framed around which party was the villain. As individuals and large companies are both seen as capable of being villains, but only individuals are seen as capable of being victims, then individuals should have a selective advantage in disputes framed around victimization. Experiments 3 and 4 examine how companies should respond to crises if they cannot be perceived as victims, first by investigating whether their capacities for agency enable them to be seen as heroes, and second by investigating whether the efficacy of proactive responses to crises are especially pronounced for companies compared to individual entrepreneurs.

Participants in all experiments were recruited via the Internet and compensated with \$0.25 following completion of a questionnaire administered through the Mechanical Turk site run by Amazon.com. All participants were drawn from the United States. The IP addresses of participants' computers were recorded to ensure that they did not participate in the study multiple times. It has been found that data collected from Amazon's Mechanical Turk site is as reliable as data gathered through traditional methods (Buhrmester, Kwang, & Gosling, 2011). Participants in all experiments were assigned

to conditions randomly, and we recruited more than were necessary in order to account for participants who exited the experiment before beginning, resulting in some non-equal cells. No data was excluded from the analyses reported.

Experiment 1

Method. Experiment 1 employed a between-subjects design (N = 99). Participants were presented with a short vignette in which either a company or an individual entrepreneur had their data breached by professional hackers, resulting in the defrauding of many of its customers. We compared a company to an individual entrepreneur in order to equate as best as possible the individual with the functional roles played by the people who work within a company. Participants in the condition involving the company read

There was a company that was quite successful financially. However, recently its electronic security firewalls were breached by hackers and the credit card information of its customers was stolen. Although it had been warned that its electronic security was not strong enough, the company did not upgrade his security systems even though it could have. As a result, many of its customers have been defrauded, and the company is liable for millions of dollars. All of this has caused the company to file for bankruptcy.

Participants in the other condition read the same vignette except with a ‘man’ substituted for the company. Thus, the vignette indicated that the data hacking could have been prevented but also resulted in the bankruptcy of the company/man, providing cues of mixed transgression and victimization on the part of the company or entrepreneur. After reading the vignette, participants were presented with a forced choice question, “If you had to choose, would you say the company (man) was a victim or a villain in what happened?” If it is easier for people to perceive companies as villains than as victims when compared to individuals, then in a case that is ambiguous, participants should be less likely to identify companies as victims than they are to identify individuals as such.

Results. A chi-square test was performed to examine whether the likelihood of being perceived as a victim or a villain varied as a function of whether the actor in the vignette was an individual entrepreneur

or a company. 68% of participants who read about the individual entrepreneur labeled him a victim rather than a villain, while only 50% of participants who read about the company labeled it a victim, indicating that participants were significantly less likely to see a company as a victim rather than a villain in an ambiguous situation as compared to an individual in identical circumstances, $X^2(2, N = 99) = 3.86, p < .05$. These results indicate that when a crisis involves aspects of both victimization and villainy, people are less likely to identify the actor as a victim if it is a company than if the actor is an individual.

Experiment 2

Disputes necessarily involve questions of who and how much parties are at fault and who and how much parties have been victimized. But as evidenced from Experiment 1 and our previous studies, companies are less likely to be seen as victims than individuals, even though they are just as likely to be seen as villains at fault. Therefore, we hypothesize that individuals will fair better in a dispute with a company when the dispute is framed around who has been victimized compared to when that exact same dispute is framed around which party is at fault, because whereas both individuals and companies can be seen as at fault, only individuals can be seen as victims.

Method. Experiment 2 employed a between-subjects design ($N = 189$). All participants were simply told that a company and an individual had both filed lawsuits against each other, alleging wrongdoing and demanding monetary compensation from the other party. In one condition, participants were presented with two questions asking about the extent to which companies and individuals are capable of being victims. For example, in regard to companies, participants were asked “To what extent is a company capable of being a victim that has the ability to experience pain and suffering and is deserving of sympathy?” Participants then answered the same question about a person. In the other condition, participants were presented with two questions asking about the extent to which companies and individuals are capable of being villains. For example, in regard to companies, participants were asked “To what extent is a company capable of being a villain that has the ability to have intentions and goals

and is deserving of blame for its actions?” Participants then answered the same question about a person. Participants responded to these questions on a five point likert scale ranging from “not capable at all” to “completely capable”. These questions served as the framing manipulation for the experiment; they were intended to focus participants on either the extent to which the two parties had been victimized or the extent to which the two parties were blameworthy villains.

Following the framing manipulation, all participants were presented with two questions measuring the extent to which they would support either a company or a person in a dispute like the one described. Participants responded on a five point likert scale ranging from “no support at all” to “complete support”. If individuals are more likely than companies to be seen as victims, but equally likely to be seen as villains, then participants should support individuals to a greater degree after being asked about which party is capable of being a victim than after being asked about which party is capable of being a villain.

Results. Because support for both parties may have been affected by whether participants were thinking about them as villains or as victims, a difference score was calculated for each participant’s responses to the two support items, yielding a single measure of relative support toward companies versus individuals. The relative support measure enables us to infer the extent to which one party would be favored over another in a dispute between the two depending on how the dispute is framed. When the dispute was framed around which party was capable of being victimized, participants expressed significantly more relative support toward individuals ($M = 1.40$, $SD = 1.20$) than when the same dispute was framed around which party was capable of being blameworthy ($M = .55$, $SD = .87$), $t = 5.61$, $p < .001$. These results indicate that individuals have a stronger advantage over companies when disputes are framed around issues of victimization, because the difference in levels of support directed toward individuals compared to companies is greater when the dispute is framed around victimization than when the same dispute is framed around blameworthiness and villainy.

Experiment 3

The results of experiments 1 and 2 indicate that companies have a selective disadvantage compared to individuals in being perceived as victims. Based on the results of our previous studies (Rai & Diermeier, 2015), this disadvantage is the result of the mental states people are willing to ascribe to companies. Because people are willing to ascribe agency to companies, and agency is required for eliciting blame, companies can be seen as villains, but because people are unwilling to ascribe experience to companies, and experience is required for eliciting sympathy, companies have difficulty being seen as victims. Consequently, companies would be well advised against attempting to portray themselves as victims in disputes or crises, because the strategy is likely to fail. But if companies cannot be seen as victims, is their only recourse to accept blame as villains?

Previous research has found that the same agentic mental states that enable people to be seen as villains worthy of blame, including capacities for thinking, learning, remembering, intending, etc., are also what enable people to be seen as heroes worthy of praise (Gray & Wegner, 2009). In experiment 3, we investigate whether companies will receive as much praise as individuals following identical unambiguously prosocial actions. Such a finding would serve two purposes. First, it would preview a potential strategy for companies navigating reputational crises. If companies can elicit praise but they cannot elicit sympathy, then it suggests that they face greater pressure than individuals to respond proactively to crisis, a hypothesis we investigate directly in Experiment 4. Second, if companies receive as much praise as individuals following their prosocial actions, this would provide strong evidence that our previous results do not simply reflect a negativity bias against companies on the part of participants. If participants simply hold a negativity bias toward companies, then even if companies receive credit for their positive actions, they should receive less credit than individuals. If instead, participants' responses toward companies are based on the mental states they ascribe to them, then companies should elicit just as much praise as individuals because praise is based on the same agentic mental states as blame.

Method. Experiment 3 employed a 2 (actor) by 3 (action) between-subjects design (N = 245). Each

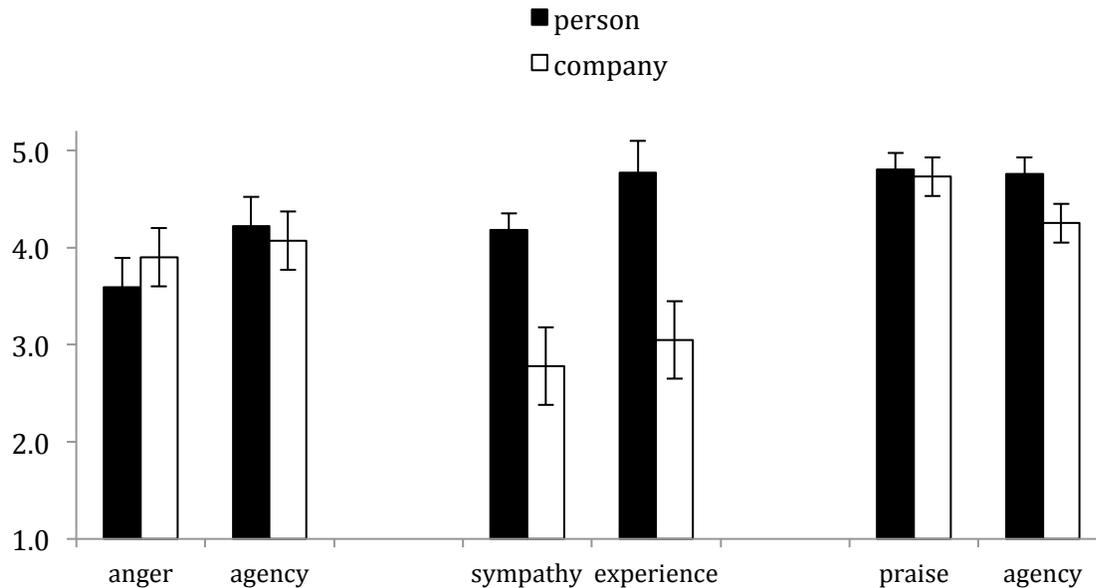
participant read one scenario. One scenario involved an individual entrepreneur and the other scenario involved a company. One scenario placed the entrepreneur or the company in the role of the villain, another scenario placed the actor in the role of the victim, and a third scenario placed the actor in the role of the hero. The villain and victim conditions were drawn from Rai and Diermeier (2015). In the villain condition, participants read about a company or an entrepreneur being caught for selling customer information without permission. Participants were asked to rate how much anger they felt toward the company or entrepreneur in question on a five point Likert scale ranging from “not angry at all” to “extremely angry”. In the victim condition, participants read about the company or the entrepreneur having their electronic security breached in a way that resulted in bankruptcy. Unlike the Target breach in which customer data was compromised, thus making Target both a victim and morally culpable, the actors in this vignette are the sole victims of the crime and not morally culpable in any way. Additionally, when comparing individuals and companies, the hacking crime always resulted in bankruptcy, thus eliminating any possible inference of the damages being relatively greater for the individual than the company. Participants were asked to rate how much sympathy they had for the company or entrepreneur on a five point Likert scale ranging from “no sympathy at all” to “completely sympathetic”. In the villain condition, participants also rated the extent to which they believed the company or entrepreneur was “capable of having intentions and goals”, while in the victim condition, participants also rated the extent to which they believed the company or entrepreneur was “capable of experiencing pain and suffering”. Answers for both items were reported on a five point Likert scale ranging from “not capable at all” to “extremely capable”. Participants’ ratings of capacities for intention were used to assess the perceived agency of the actors, while ratings of capacities for pain were used to assess perceived experience (Gray & Wegner, 2009).

In the hero condition, participants read about the company or the entrepreneur providing disaster relief following a hurricane, a scenario modeled after the disaster relief provided by individuals and companies following hurricane Katrina. Participants read “There was a large multi-national company (man) that was quite successful. Recently, a devastating hurricane left many people without food and

shelter. The company (man) immediately decided to donate an extremely large amount of its (his) profits toward helping the people affected by the hurricane.” Participants were asked to rate how much admiration they had for the company or entrepreneur on a five point Likert scale ranging from “not admirable at all” to “extremely admirable”. Participants were then presented with the same agency item from the villain condition, which asked participants to rate the extent to which they believed the company or entrepreneur was “capable of having intentions and goals” on the same five point Likert scale. If individuals simply exhibit a negativity bias toward companies, then they should express less admiration for a company’s prosocial actions regardless of the mental states they ascribe to the company. But if feelings of admiration are driven by ascriptions of agency in the same manner that feelings of anger are, and if companies are seen as equally capable of agentic mental states as individuals are, then they should elicit equally high levels of praise as individuals for identical, unambiguous prosocial actions.

Results. Individual entrepreneurs ($M = 4.18$, $SD = 1.00$) received significantly more sympathy than companies ($M = 2.78$, $SD = 1.16$) when they were victims, $t(74) = 6.48$, $p < .001$, but no significant differences in anger were found between companies ($M = 3.91$, $SD = .95$) and entrepreneurs ($M = 3.59$, $SD = .97$) when they were villains, $t(82) = 1.02$, $p < 1$, nor were any significant differences in praise found between companies ($M = 4.73$, $SD = .50$) and entrepreneurs ($M = 4.80$, $SD = .51$) when they were heroes, $t(83) = .19$, $p < 1$. The interaction among sympathy, anger, and praise for companies and entrepreneurs was significant, $F(2, 239) = 12.74$, $p < .001$. Entrepreneurs ($M = 4.77$, $SD = 0.54$, $n = 41$) were seen as more capable of pain and suffering than companies ($M = 3.05$, $SD = 1.31$), $t(74) = 11.20$, $p < .001$. Surprisingly, across anger and praise conditions, entrepreneurs ($M = 4.49$, $SD = .74$) were seen as somewhat more capable of having intentions and goals than companies ($M = 4.16$, $SD = .93$), $t(167) = 2.16$, $p < .05$, a finding that diverged from our previous findings. However, the interaction between ascriptions of agency and experience for entrepreneurs and companies was still significant, $F(2, 239) = 16.46$, $p < .001$, indicating that differences in ascriptions of agency toward individuals and companies are significantly smaller than differences in ascriptions of experience toward individuals and companies.

Taken together, these results indicate that it is relatively easier to ascribe agentic mental states to companies than experiential mental states, and that companies are able to elicit praise for their heroic actions to the same extent as individuals even though they elicit far less sympathy as victims (see figure 1).



Mean ratings of anger directed toward humans and companies as villains and their perceived levels of agency, mean ratings of sympathy directed toward humans and companies as victims and their perceived levels of experience, and mean ratings of praise directed toward humans and companies as victims and their perceived levels of agency. Error bars represent the 95% confidence intervals.

Experiment 4

If companies are capable of being seen as heroes, but incapable of being seen as victims, then it suggests that they have less flexibility than individuals in the kind of response they can adopt following a crisis. Specifically, we hypothesize that whereas individuals have relatively more flexibility to respond to crisis by claiming victimhood or responding proactively, companies will have no choice but to utilize the agentic mental states they are seen as capable of having by responding proactively to crisis.

Method. Experiment 4 employed a 2 (actor) by 2 (response) between-subjects design ($N = 194$). Each

participant read one scenario. One scenario involved an individual entrepreneur and the other scenario involved a company. All scenarios focused on how a company or entrepreneur responded to a data security breach that resulted in the theft of customers' personal information. Participants in the victim response condition read about how the company or entrepreneur had responded by claiming to be the victim of a crime and asking for sympathy, while participants in the hero response condition read about how the company or entrepreneur had responded by greatly improving their data security to ensure the protection of customer data in the future. Participants were then asked to rate the extent to which they would support the company or entrepreneur, depending on condition. If companies are capable of being heroes, but incapable of being victims, then they should elicit equal levels of support to individuals following the hero response, but less support than individuals following the victim response.

Results. A two-way ANOVA found a main effect of response type, such that companies and individuals who responded heroically ($M = 3.57$, $SD = 1.00$) received more support than companies and individuals who responded by claiming to be victims ($M = 2.72$, $SD = .98$), $F(1, 190) = 34.87$, $p < .001$. A main effect was also found for victim type, such that companies ($M = 2.97$, $SD = 1.15$) received less support than individuals ($M = 3.29$, $SD = .97$), $F(1, 190) = 4.37$, $p < .05$. However, the interaction between response type and victim type was significant, $F(1, 190) = 4.92$, $p < .05$, indicating that individuals received much more support than companies when they responded as victims, but that individuals and companies received nearly identical levels of support when they responded to a crisis heroically (see figure 2).



Mean ratings of support directed toward humans and companies when they respond as victims and when they respond as heroes. Error bars represent the 95% confidence intervals.

Discussion

Across four experiments, we demonstrated that companies have a selective disadvantage in being seen as victims. Experiment 1 demonstrated that in ambiguous cases, companies are less likely than individuals to be given the benefit of the doubt and seen as victims. Experiment 2 demonstrated that this inability to be seen as victims reduces support for companies when disputes with individuals are framed around issues of victimization rather than issues of blame. Experiment 3 demonstrated that although companies have difficulty being seen as victims, they can be seen as heroes because people are willing to ascribe agentic mental states to them. In experiment 4, we leveraged the ability of companies to be seen as heroes to demonstrate that in a corporate reputation crisis, companies face a strong pressure to respond prosocially, because unlike individuals, companies lack the flexibility to respond as victims and still receive support from consumers.

What lessons do these findings hold for CEOs and others responsible for reputation management? Since we tend not to feel sympathy for companies, even following attacks by criminals, the victim role for companies is out. In the classic Hollywood script that leaves two possible roles: the villain and the hero.

Companies usually start out as the villain. Rather than hoping for sympathy, they are well advised to act as heroes instead and come to the rescue of the perceived victims, such as when Wal-Mart provided disaster relief following Hurricane Katrina (Diermeier, 2011). Meanwhile, whether it is Target responding to a reputational crisis or the music industry fighting piracy, companies must avoid portraying themselves as victims. This is not always an easy decision for leaders. They may feel innocent and, perhaps, even a little sorry for themselves. But they have to understand that hardly anybody else shares their view, and let that insight guide their strategy. Whereas individuals have the flexibility to ask for sympathy as victims or to be proactive in response to a reputational challenge, our data suggests that companies have no choice but to adopt the proactive response.

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