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U.S. CEOs of SBUs in Luxury Goods Organizations: A Mixed Methods Comparison of Ethical Decision-Making Profiles

Jacqueline C. Wisler[1]

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Abstract This study involved using a mixed method research design to examine the moral philosophy difference between the ethical decision-making process of CEOs in U.S.-led and non-U.S.-led within the luxury goods industry. The study employed a MANOVA to compare the ethical profiles between the two leader types (US and non-US led) and a phenomenological qualitative process to locate themes that give indication as to the compatibility of the *luxury strategy* values and practices with the principles and concepts of *responsible leadership* and *conscious capitalism*. As the luxury goods industry is facing the first slowdown since 2000, pressure to achieve sales targets in the U.S. to make up for losses in other markets will place these CEOs under extreme pressure from their headquarters. These leaders must possess the ethical decision-making capability to balance legal and moral dilemmas unique to multinational luxury goods organizations while delivering business results in a challenging environment. Results of the study show no evidence of difference in the ethical decision-making profiles between the two groups of leaders. The themes and emergent findings resulting from the qualitative analysis indicate a profound incompatibility between the values informing decision-makers using the luxury strategy and those employed by leaders operating within the principles and parameters of responsible leadership and conscious capitalism. Recommendations for future research include replicating the study with a larger sample, within a different geographic region or comparing leaders using the luxury strategy to those using conscious capitalism.

Keywords Moral philosophies · Ethics · Value · Business ethics · Ethical decision making · Moral development · Corruption · Unethical and corrupt behavior causes · Cross-cultural differences · MNC characteristics · Luxury goods · The luxury strategy · The luxury experience · Anti-corruption legislation · Leadership ethical leadership · Responsible leadership · Conscious capitalism

This manuscript is a Doctoral Dissertation Research submitted to the Graduate Faculty of Argosy University, Phoenix Campus College of Business in Partial Fulfillment of the Requirements for the Degree of Doctor of Education Organizational Leadership.

Dedication I dedicate this work to my parents, Bruce and Gloria Kollath, each of whom provided deeply valuable core values and ethical principles for life, which prove more valuable with each passing year. Both Bruce and Gloria overcame significant personal challenges offering a role model for true strength and perseverance, which I drew upon throughout this dissertation process. They each, in their personal and unique way, were ever-present and supportive, providing guidance and encouragement along the way. My spirit fills with heartfelt gratitude to have the good fortune of their presence in my life to share in this accomplishment.

✉ Jacqueline C. Wisler
jacchrwis@yahoo.com; jwisler@aii.edu

[1] 6107 Raisin Tree Lane, Charlotte, NC 28215, USA

Chapter 1: The Problem

The purpose of this study is to focus on the area of the ethical decision-making process of leaders within the luxury goods industry. This chapter describes the background and significance of the problem, the purpose of the study, the research questions formulated to address the problem and the hypotheses to address the research questions. In addition, this chapter presents the theoretical framework for the study and an overview of the research methodology the researcher employed during the study.

Luxury goods companies have the right to make a profit from the legitimate sales of their products. Yet, they also have the responsibility to conduct business in a manner that serves the greater good or, at a minimum, does not foster harm to stakeholders. From a pragmatic point of view, this balance of making money and being responsible is not so easy to do in day-to-day practice. Luxury goods brands are able to sell their products at a very high premium based on the perception of value created through the luxury brand experience. Often, luxury goods executives conduct business during intimate events, which put the brand executives in rarified, private settings with wealthy buyers. They forge friendships with these clients over champagne and fine china. These marketing driven luxury experiences are the nature of the business. The lines between professional and personal fade and the luxury goods executive must begin to think and behave in a manner that mirrors the client. This intimate setting is where the personal and professional ethics of the luxury goods executive become invaluable. Research proves that luxury brand consumers are not likely to create the drive for ethical products through their own consumer choices (Davies et al. 2012). That leaves it to the luxury goods executive to make the ethical decisions. Therefore, leaders in this industry must have the ability to maintain a higher ethical standard when working with particularly unethical clients.

Background of the Problem

The financial crisis of 2008 launched a tidal wave of interest, research, and emerging theories on the nature of corruption, at an individual and organizational level, and a search for new ways to predict or prevent it. This second recession, coming less than a decade after the Enron scandal, put people on notice that the crisis in leadership ethics and the resulting crimes no longer endanger one nation, but have proven to be capable of economically destroying the entire global economy (Pless and Maak 2011). In addition, recent research shows that when corruption goes unchecked within an emerging economy, national spending shifts away from much-needed social investment including healthcare, education, and social protection (Delavallade 2006). This unintended consequence of corruption contributes to global instability as seen, for example, in the aftermath of the Arab Spring. Scholars are asserting that responsibility for anti-corrupt practices should be equitably borne by government, organizations, and individuals in order to ensure that these emerging nations evolve into stable societies as other nations also financially benefit from their rise in economic status (Shahabuddin 2007). This geo-economic interrelationship is creating the moral call to action for ethical and responsible leadership (Cragg 1998).

The Wealth Within Emerging Markets

The reality of the shift in global wealth resulting from this most recent recession and the on-going economic challenges in Europe imply that growth and free cash generation will continue to flow from emerging markets (Radjou and Prabhu 2012). Even with short-term projections showing a moderate slowdown in the economic growth of these economies, China and India, broadly recognized as high corruption societies, expect growth at 7 and 9 % annually (Radjou and Prabhu 2012). Ethical challenges arise when companies, active in corruption-prone climates, have executives walking the fine line between meeting business objectives and following the local laws. These same leaders must moderate between the local culture and the cultural context of their parent organization.

When one considers industries that may consciously or unconsciously contribute to corrupt or unethical environments investment banking, construction, energy trading, weapons manufacturing, and surveillance technology come to mind. One often ignored but also integral participant in the support and promotion of corruption is the luxury goods industry. Most people, the "99 %," do not understand the world of the elite, ultrawealthy or extremely powerful individuals who have access through honest and dishonest means to billions of dollars of assets and resources. These ultrahigh power superrich are a vital consumer that high-end luxury brands rely on (Deloitte 2014). These high-powered luxury brands often create the most intimate conditions while conducting exclusive events and provide ultra-personalized customer service experiences, designed to cater to world's most powerful people (Kapferer and Bastien 2009). Most of the major players in luxury goods are European firms (Deloitte 2014), which do not have to operate within the pressure of the U.S. Foreign Corrupt Practices Act and who possess national cultural beliefs and values that differ from U.S. standards.

Luxury Goods Marketing: Intended Temptation

A luxury good is a nonessential item frequently associated with affluence. The luxury goods industry has approximately 250 globally recognized luxury brands (Deloitte 2014). Several major organizations dominate the industry: French conglomerate LVMH, Kering/Gucci Group and Swiss-based Richemont and Swatch Group (Deloitte 2014). These large, multinational luxury groups have brand leaders who are exceptionally skilled at creating a brand aura through the manipulation of ego image, sexual attraction, celebrity, and power through their advertising and marketing strategies (Kapferer and Bastien 2009).

By their very nature, luxury-goods products attract consumers and employees who respond favorably to these types of messages conveying power, rarity, and exclusivity (Cisek et al. 2014). Therein lies one of the inherent vulnerabilities to corruption present within the luxury goods industry: the brand messages sent out are often specifically designed to appeal to taboo, elitism, and ego, calling forth leadership candidates who are willing or inclined to align with this message. Luxury goods employers specifically recruit people who personify the brand image and can convey message effectively to their target clientele using the *luxury strategy* business model (Kapferer and Bastien 2009).

Luxury Goods and Corruption

While most scholars today acknowledge that corruption has always and may always exist in society, as a means of survival for some, many experts view public corruption as a major cause of continued global poverty (Ampratwum 2008). Even private sector corruption, in the form of money laundering and theft of assets, is problematic as it opens the door for organized crime participants or deprives the company from its own legitimate resources for investment and dividends (Chaikin 2008). In spite of the growing evidence of the serious economic and societal problems caused by corruption, some scholars assert that corruption, in the form of bribes, actually promotes growth by greasing the wheels of cumbersome bureaucracies in some developing nations (Shahabuddin 2007).

A significant amount of research has focused on the question of what makes someone prone to engage in corrupt or unethical acts if survival itself is not the primary motivation. Studies have identified various psychobiological and social-environmental factors that contribute to this type of behavior. Some specific social attributes significantly contributing to the presence of corruption include secrecy, reciprocity, and dependency relationships (Pena López and Sánchez Santos 2014). In addition, studies show that corruption thrives in societies that maintain a high power distance and have an acceptance of the unequal distribution of wealth, also known as distributive justice (Pena López and Sánchez Santos 2014). Hofstede defines power distance as the degree to which the subordinate or less powerful members of a group expect and accept the unequal distribution of power and both the superiors and subordinates within the culture approve of this inequality (The Hofstede Center 2014).

These cultures foster a social distance between superior and subordinate, both in an organization and in society (Pena López and Sánchez Santos 2014). In high-power distance organizations, subordinates rely on their superiors for their ethics (Pena López and Sánchez Santos 2014). Luxury goods industry companies, by providing clients rarified products, in ultra-high service environments, seek to recreate a sense of power distance for their clientele (Kapferer and Bastien 2009). Luxury goods are products located at the top of the price range in the designer apparel, accessories, electronic gadgets, jewelry and watches, writing instruments, wines and spirits, real estate, home furnishings and travel experiences (Deloitte 2014). These designer or brand name products made from high cost or rare ingredients reach consumers through selective channels, and come in premium packaging (Deloitte 2014). These expensive status symbols become a source of addiction-like desire for acquisition, which can lead to corrupted behaviors. There are examples of government officials skimming public coffers for the resources to obtain such products in China and the United States. In addition, people seeking to garner political favors sometimes give luxury goods as bribes.

In China, corruption is an embedded aspect of culture and has proven to be difficult to measure due to its illicit nature (Pei 2007). A misallocation of up to 3 % of China's gross domestic product is occurring through bribery, kickbacks, theft, and misallocation of public funds (Pei 2007). One example of this misappropriation occurred in 2011, when the newly built high-speed train in China derailed, leading to the death of 40 people. At the crash site, the head of the Chinese railway transportation ministry was wearing a very expensive Swiss timepiece, one of many that he owned. His official annual salary was equivalent to approximately $25,000 per year at the time of the accident. Chinese citizens were outraged when they saw him smiling in the crash site photograph wearing the watch purchased with the more than $16 million he stole from the railway project design (Osnos 2012). This skimming shortchanged the project as he pocketed money intended for safety design (Osnos 2012). In 2013, he admitted to graft, bribe taking, and malfeasance, resulting in a court sentence of the death penalty, since commuted to life in prison ("China sentences" 2013).

Graft has been so prevalent in China, until recently, there is an annual period referred to in the watch industry as bribe season, which coincides with the Golden Week holiday celebrated in early October (Not so 2014). That is the season when government officials spent government money on watches, jewelry, and other luxury goods given as gifts for official favors. Until recently, the Chinese consider this form of gifting an ethical practice, while the United States considers these illegal bribes based on the U.S. Foreign Corrupt Practices Act.

Another example of luxury goods products supporting corruption involves the use of these products as means to pay for political support or to circumvent financial sanctions placed on the dictators as they fight to maintain power in Syria, Iran, and North Korea. In the spring of 2012, the EU specifically denied the wife of Syria's leader Bashar al-Assad entry to Europe as a means to isolate her from one of her favorite pleasures, shopping for luxury goods in London, Paris, and Rome (Reuters 2012). This sanction was an attempt to influence her and her husband to end their reign of terror on the Syrian people (Robinson and Norman 2012). While luxury goods organizations do not directly participate in these conflicts, they are clearly reaping the benefits from the purchases these tyrannical leaders make in the luxury sector. The Hayek family, Swatch Group's founding family, exemplifies the close relationship between world leaders, luxury goods industry leaders, and the majority shareholders of the largest Swiss watch conglomerate in the world. The Hayek's refer to their relationships with key Middle Eastern leaders as "palace business" (Woolton 2009).

Statement of the Problem

The headlines coming out of China in recent months show the significance and magnitude of the problem of bribe-taking and graft in China. Xi Jinping, China's current premier, has undertaken a crackdown on official government corruption at an unprecedented level. His actions include a ban on advertising of luxury products (Phillips 2013) and a man hunt for "naked officials," government leaders who have relocated their families to the United States as a means to launder their ill-gotten Chinese currency derived from bribes or by stealing national assets (Sevastopulo 2014). Recent studies indicate that the Unites States is the top destination for these Chinese financial fugitives (Wee 2014). This movement of wealth across borders implies that the Chinese graft problem has reached U.S. shores.

Luxury goods CEOs leading U.S. subsidiaries will be challenged to lead their businesses in a manner that respects U.S. and international laws regarding money laundering and bribery, while at the same time meeting business revenue objectives determined by the international parent company. As the luxury goods industry is facing the first slowdown since 2000, pressure to achieve sales targets in the U.S. to make up for losses in other markets will place these CEOs under extreme pressure from their headquarters (Thomson 2014). These leaders must possess the ethical decision-making capability to balance legal and moral dilemmas unique to multinational luxury goods organizations while delivering business results in a challenging environment.

Purpose of the Study

The purpose of the study was to compare the ethical decision-making processes of U.S.-led and non-U.S.-led chief executive officers of strategic business units (SBUs) in global luxury goods organizations. Specifically, this study sought to determine what, if any, differences exist in ethical decision-making profiles of CEOs leading U.S. SBUs of luxury goods organizations based on the home country of origin of the parent organization. The identified differences focused on different moral philosophies, which underpin their ethical decision-making priorities. The study also included a comparison of U.S. headquartered and foreign headquartered organizations to identify possible cross-cultural differences. This analysis was to assess if the nationality aspects of each parent company culture affected the ethical decision-making profiles of the leaders they select. Finally, the study evaluated the managerial ethical profile of the luxury goods sector leadership to determine if *responsible leadership* and *conscious capitalism* have the potential to be compatible with the luxury goods industry's elitist nature.

The research was a mixed method study. The data collection process occurred using an on-line validated survey to collect the data followed by sample of personal interviews intended to support the interpretation of the quantitative data. The researcher accessed the population of U.S. Luxury Goods subsidiary CEOs through LinkedIn profiles, personal contacts, and referrals. The participants received the Managerial Ethical Profile administered via SurveyMonkey. The quantitative research included data analysis, conducted on SPSS using a MANOVA quantitative technique.

Positive results from this study may have resulted in the identification of specific characteristics in ethical thought process, which may enhance the leadership selection process within the industry. In addition, results may have provided indicators as to the ethical make-up of leaders chosen by U.S. and foreign organizations. Finally, it may have shown the level of potential for these leaders to embrace responsible leadership and conscious capitalism principles into their organizations.

The Significance of the Problem

This study adds to the body of knowledge on luxury goods organizational leadership. Recent literature describes the unique nature of luxury brand marketing practices and luxury consumer behavior. Yet there is a gap in the current research as well as a fundamental scarcity of extant research on the topic of about how the specific attributes of luxury product marketing may affect how luxury goods CEOs effectively lead in a responsible manner. This study begins to fill that gap. In addition, this study provides some insight into the impact of European commercial practices on U.S. leaders and U.S. markets in the luxury goods wholesale and retail sectors. Finally, this study contributed to pilot work on the Managerial Ethical Profile tool to determine if it is culturally bound. By adopting an Australian instrument, the results of this study offered some insights into the difference between U.S., EU, and Australian business ethics. This study provides important information to luxury goods industry leaders, practitioners or industry experts on the potential for positive use of position power for social advancement. Luxury goods brand leaders and customers often possess subtle but significant power through their direct connections to the global leaders, social elites, and famous celebrities across every continent. These brand leaders have genuine influence over those who have power and influence over communities and societies. This study has the potential to illuminate the presence of specific personal ethics within luxury goods leaders to be effective when they are working across cultural differences created through the multinational nature of the organizations they lead.

In addition, in order for any organization to adopt, embrace, and implement contemporary socially responsible business practices, cognitive barriers that present barriers to change must be identified (Gond et al. 2011). This study serves to illuminate some of the moral philosophy-based obstacles present within the luxury goods industry, which prevent a migration to a set of conscious capitalism values and practices within the sector (Gond et al. 2011). In addition, the results of the study indicates that the ethical profile held by some of these leaders may offer the fertile ground to seed responsible leadership and conscious capitalism practices into the luxury goods industry.

Nature of the Study

Overview of the Research Method

The study employed a mixed methods research design to examine the moral philosophy difference among the ethical decision making process of SBU CEOs, including eight subconstructs that are (a) *economic egoism*, (b) *reputational egoism*, (c) *rule utilitarianism*, (d) *act utilitarianism,* (e) *virtue of self*, (f) *virtue of others*, (g) *act deontology*, and (h) *rule deontology*, between types of leader (U.S.-led chief executive officer, European-led chief executive officer). Researchers use qualitative methods when the research questions are exploratory in nature and when the researcher seeks to go deeply into range of ideas and feelings associated with the research topic (Suri 2011). Quantitative data analysis is most appropriate when a deductive process is required to draw conclusions about a specific population (Abusabha and Woelfel 2003). Quantitative research is the appropriate method when the research question seeks to test a hypothesis or determine what factors may explain a phenomenon (Muijs 2010). Mixed method research applies both of the concepts to gain a deeper understanding of the research.

The population comprised CEOs, country managers, or commercial leaders of luxury good organizations. There are at least 675 self-identified luxury brands which include hospitality, travel, electronics, real estate, furniture, watch and jewelry, wines and spirits, fashion, cosmetics, and leather goods (Deloitte 2014). Many of these brands have specific country manager/CEOs responsible for the operational and commercial aspects of the brand within a specific geography. These individuals had Profit and Loss responsibly and generally report directly to the brand headquarters. The population included both acting SBU CEOs and brand general managers provided they had a direct reporting line to the international headquarters. The population also included individuals who performed in these roles but have left employment or changed organizations within the prior 3 years. The researcher made contact with potential participants through LinkedIn, personal contacts, and through the referrals. The study employed a nonprobability purposive sampling selection process. Purposive sampling is a nonprobability sampling technique, which requires the researcher to select subjects based on the characteristics of the respondents (McMillan 2011). Non-probability sample techniques are appropriate when access to the entire population is not possible (McMillan 2011).

Overview of the Design Appropriateness

In the study, the research questions aimed to determine if a difference exists in the ethical decision-making processes of leaders led by U.S. and non-U.S. parent companies. In addition, the study sought to address this single overarching question by examining the differences within individual beliefs and moral makeup of these two leader types, thus this research design included a multivariate analysis of variance (MANOVA) in the data analysis process.

MANOVA is the appropriate quantitative analysis technique when the research question is exploring group difference using one independent variable and multiple dependent variables (Mertler and Vannatta 2009). There were eight dependent variables in the proposed study. The MANOVA technique controls for correlations among the multiple dependent variables (Mertler and Vannatta 2009). The research supplemented the quantitative results with a sampling of in depth interviews with key participants. These interviews added depth and clarity to the survey response and provided information on the interpretation of the survey questions.

The study sought to identify differences in the types of moral makeup of SBU leaders, which may have resulted from the cultural preferences inherent in the parent company's national origin. Multiple studies have demonstrated that there are different ethical standards based on nationality (Dunn and Shome 2009; Oumlil and Balloun 2009; Peterson et al. 2010). Even when religiosity and gender where considered, Americans hold a higher ethical standard than other nationalities (Peterson et al. 2010). Thus, it is possible that an American SBU CEO reporting to a non-American headquarters will have a higher ethical standard than his or her leader will. The study attempted to determine if there are differences in ethical decision-making priorities between U.S. and non-U.S.-led CEOs operating in the United States.

Research Questions and Hypotheses

Eight research questions guided this research to explore ethical priorities held by CEOs in their decision-making process, in the crosscultural context of luxury organizational leadership. Assessing these research questions and the hypotheses provided some insight into the nature of the moral makeup of chosen CEOs. It also attempted to show if the leaders selected by the parent organization have a close alignment to the brand values within their own personal beliefs and ethics. Finally, the results, as based on the convention in quantitative research, called preponderance of evidence, may have indicated the level of moral development and moral philosophical beliefs within this leadership group to determine if responsible leadership and conscious capitalism practices may exist or have the potential to take root within the industry.

The overarching research question in this research was, to what extent, if any, is there a difference in ethical decision-making processes, based on ethical or moral paradigms, between U.S.-led and European-led chief executive officers of SBUs within luxury goods companies. Specifically, this study explored the following questions:

RQ1: Does a difference exist in economic egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

H1$_{\text{Null}}$: No difference exists in economic egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
H1$_{\text{Alternative}}$: A difference in economic egoism exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

RQ2: Does a difference exist in reputational egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

H2$_{\text{Null}}$: No difference exists in reputational egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
H2$_{\text{Alternative}}$: A difference in reputational egoism exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

RQ3: Does a difference exist in rule utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

H3$_{\text{Null}}$: No difference exists in rule utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
H3$_{\text{Alternative}}$: A difference in rule utilitarianism exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

RQ4: Does a difference exist in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

H4$_{\text{Null}}$: No difference in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
H4$_{\text{Alternative}}$: A difference exists in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

RQ5: Does a difference exist in virtue of self between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

H5$_{\text{Null}}$: No difference in virtue of self between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
H5$_{\text{Alternative}}$: A difference in virtue of self exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

RQ6: Does a difference exist in virtue of others between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

H6$_{Null}$: No difference exists in virtue of others between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
H6$_{Alternative}$: A difference in virtue of others exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

RQ7: Does a difference exist in act deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

H7$_{Null}$: No difference in act deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
H7$_{Alternative}$: A difference in act deontology exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

RQ8: Does a difference exist in rule deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

H8$_{Null}$: No difference exists in rule deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
H8$_{Alternative}$: A difference in rule deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Theoretical Framework

The field of business ethics has produced a significant amount of scholarly research, which makes the connection between theoretical models and concepts and business practices (Cherry et al. 2003). Following suit, leadership theories are now moving beyond transformational leadership and are expanding models to include morality (Pless 2007) and social consciousness (Sisodia 2009). The framework for this research study included moral development theory (Kohlberg and Hersch 1977) and integrated social contract theory (van Oosterhout and Heugens 2009). These ethics theories address the moral obligation organizations have within the greater society and the level of personal moral development their leaders invoke while executing their professional duties. The leadership theories providing framework are responsible leadership, which includes a level of morality within the process of leadership and conscious capitalism that provides a set of operating principles for organizations who view society, including the poor and the planet as a key stakeholder in their business.

Ethics Theories

Overarching the question of business ethics is the question "do businesses have the obligation to be a moral agent operating within society" (Newton et al. 2010). Arguments against corporate moral agency assert that an organization functions through the action of individuals in a machine-like manner, and therefore they only meet standards of rational efficiency (Buchholz and Rosenthal 2006). Arguments for moral corporate agency state that corporations create moral responsibilities through contracts, promises, compacts, hiring, assignment, appointments, rules and policies and therefore have the ability to meet a moral standard (Buchholz and Rosenthal 2006). Wagner-Tsukamoto (2005) considers the impact of economics in the question of corporate moral agency concluding that the practical success or failure of business is predictable, based on the level of compatibility of the ethical behaviors with the survival and profitability of the organization. In other words, ethical behaviors will thrive when there is economic reward for it and unethical behaviors will present when organizational survival and profitability warrants it (Wagner-Tsukamoto 2005).

Two ethics theories which address the personal ethics of individual organization members and the moral agency obligations of a corporation are Kohlberg's moral development theory and Boddewyn and Brewer's integrated social contracts theory (Thomson 2014). Moral development theory addresses the transformation in ethical thought, which occurs within an individual as they reach different levels of maturity (Kohlberg and Hersch 1977). Kohlberg defines three levels of moral reasoning, which relate to social justice as pre-conventional, conventional, and principled (Kohlberg and Hersch 1977). This structure assists in helping one understand how people reason through moral issues and ethical dilemmas (Thomson 2014). Kohlberg assumed that the interview process would reveal how one works their way through these decisions (Rest et al. 1999). James R. Rest expanded Kohlberg's work and challenged the assumption that an individual has the ability to articulate the cognitive process they utilize to demonstrate their own moral reasoning and behaviors (Rest et al. 1999). Rest developed the Defining Issues Test approach to assess the moral reasoning capacity of individuals (Rest et al. 1999). Moral Development theory explores the variations within individuals in their capacity to assess ethical issues and develop ethical responses (Thomson 2014).

Donaldson and Dunfee's integrative social contract theory (ISCT) uses the social contract model to develop norms for corporate morality (Fort 2000). This model addresses the complexity arising from the exploration of business ethics within the international context (Thomson 2014). ISCT models the relationship between hypernorms, consistent norms that includes corporate mission and codes of ethics, the moral free-space where cultural norms and managerial creativity reside and where ethical transgressions occur (Thomson 2014). Hyper-norms are universally accepted practices related to maintenance of social systems designed to promote economic welfare and social justice (Markel 2011). Cava and Mayer (2007) state that these social contract fulfilling practices extend beyond philanthropy and draw on the corporation's strengths in providing services and products that serve the long-range interests of both the company and the community. ISCT supports the need for leadership theories and models that incorporates morality and social consciousness into the foundations of desired leadership practices.

Pies et al. (2010) assert that the purpose of a business is to create value and it is in the organization's best interest to respond to the social mandate for mutually advantageous cooperation and value creation. Companies have the capacity to solve global problems through global corporate citizenship, which includes participation in the rule setting process and acting as a moral and responsible member of the global community (Pies et al. 2010). Business has the obligation and ability to take actions that create value for their immediate stakeholders and general society (Pies et al. 2010).

Ethical organizations contribute to the global solution to societal problems through actions that result in mutually advantageous creation of value, enriching the organizational stakeholders as well as the poorer segments of society (Pies et al. 2010). Job creation is one means in which an organization creates value, by fostering an inclusion of the poor into the productive economy (Pies et al. 2010). Ethical companies also have a positive impact on society when they influence the rule setting process for mutually advantageous value creation and when they engage in public discourse that raises awareness about the obstacles preventing social cooperation and advantageous value creation (Pies et al. 2010). Companies engaging in these forms of practices are demonstrating responsible leadership and conscious capitalism.

Responsible Leadership and Conscious Capitalism

Pless (2007) developed the theory of responsible leadership. The concept of responsible leadership is an evolution in leadership theory addressing the need and presence of morality in leadership in an ever more ethically challenging global context. The researchers provide a framework of responsible leadership as the next step beyond ethical leadership theory, which includes accountability and trust, partnered with morality and ethics in decision making; factors absent from previous leadership theories (Pless 2007; Pless and Maak 2011). Responsible leadership requires the leader to play seven key roles: servant, steward, citizen, visionary, networker, change agent, and storyteller (Pless 2007). Voegtlin, Patzer, and Scherer provide a view of responsible leadership as a means to address the ethical challenges presented to leaders by the process of and participation in globalization (Voegtlin et al. 2012). Cameron introduces the addition of virtuousness to responsible leadership and argues that responsible leadership is quite rare in practice (Cameron 2011). Cordeiro (2003) concludes that the only solution to the ever-eroding ethics and on-going corruption is to locate, grow, and promote ethical leaders. Pless, using a case study approach, explores the life themes and experiences of a globally recognized Responsible Leader to determine some of the motivational factors that foster or indicate the inner seeds of responsible leadership capability (Pless 2007). The theory of responsible leadership continues to be an evolving field and, while experts are calling out to invoke this practice in C-suites around the world, there remains a need for research that clearly indicates the specific traits and behaviors across the broad population, observable in someone able to bring responsible leadership to an executive assignment (Pless and Maak 2011).

The conscious capitalism movement describes organizations that are practicing responsible leadership by reflecting four tenants in their fundamental business philosophy and practices; operating with a higher purpose, taking a total stakeholder orientation, conscious leadership, and establishment of a values-driven culture (Simpson et al. 2013). These factors are managed for the benefit of all stakeholders, with society as a whole seen as the ultimate stakeholder in the business (Sisodia 2009). In addition, conscious capitalistic organizations view the ecological environment as a silent stakeholder and set out to do no harm or, ideally, have a positive impact on the natural environment (Sisodia 2009). Leaders within these organizations do not engage in exploitation in any form and seek to uplift the poorer segments of society in their approach to the marketplace (Sisodia 2009). Leaders of conscious capitalistic organizations reflect the servant, steward and citizen roles described in responsible leadership theory (Pless 2007). These leaders recognize the power they and their organizations carry and use it in an ethically sound manner.

Definitions of Terms

Act deontology is the process of determining what universal duties a particular situation demands, without regard to outcome (Gaus 2001).

Act utilitarianism is the process of creating the greatest good for the greatest number of people. Each proposed action is evaluated as to whether it will generate the most good for stakeholders (Palmer 1999).

Brand image is the combined perceptions about brand-based associations in the consumer's memory. In other words, brand image is what comes to the mind of the consumer when a brand name is mentioned (Arslan and Altuna 2010).

Brand experience relates to customer participation and connection with luxury brands that includes aspects of entertainment, education, escapist and aesthetic. It refers to the level and type of interactivity between the supplier and the customer where they are interactively co-creating the unique experience (Atwal and Williams 2009).

Brand management includes the business decisions and actions related to brand strategy, encompassing brand characteristics, brand equity, brand stretching and extension, challenges to brands, brand reputation and recognition, brand licensing, positioning of global brands, researches on brand positioning, brand valuation, brand portfolio rationalization, and brands long-term sustainability (Sarkar and Singh 2005).

Conscious capitalism is the concept that profit and prosperity include social justice and environmental stewardship formulated through a systems view, which recognizes the connectedness and interdependence of all stakeholders. Conscious capitalism differs from corporate social responsibility (CSR) in that organizations that practice conscious capitalism start with the premise that society is an important, even the primary, stakeholder in the business. CSR includes activities undertaken to mitigate the harmful effects on society an organization will inevitably cause while undertaking its profit-driven actions (Sisodia 2009).

Conspicuousness is the pattern of purchasing items with an intention directed towards influencing others perceptions of the purchaser so the purchaser can gain social rewards (Shukla 2012).

Corruption in the public domain is the misuse or abuse of public office for private ends. In the private sector, it involves any act that involved the misuse or abuse of power. Corrupt acts include bribery, graft, money laundering, theft, or match fixing (Zadjali and Wright 2012).

Economic egoism is the leader's act of promoting the best outcome for the organization, and there for self, as an extension of the organization, in terms of profit and loss (Casali 2011).

Foreign Corrupt Practices Act criminalized the bribery of foreign officials by U.S. corporations and individuals pursuing business in other countries and required that companies with publicly traded stock meet certain standards regarding their accounting practices, books and records, and internal controls (Sebelius 2008).

Hedonism is a value derived from organismic needs and the pleasure associated with satisfying them, also known as self-indulgence (Schwartz 1999).

High power distance cultures are types in which the subordinate or less powerful members of a group expect and accept that power is distributed very unequally and that the unequal distribution is approved by both the superiors and subordinates within the culture. Another term used for this kind of power distance is distributive justice (The Hofstede Center 2014).

Moral Development Theory asserts that moral reasoning is the foundation for ethical behavior and has identifiable developmental stages. (Each stage of development offers individuals a more adequate response to moral dilemmas than the previous stages. The model assumes that individual moral development moves in an upward direction and that as the individual matures their ability and inclination to respond in a moral way increases; Kohlberg 1981).

Multinational organizations are organizations that obtain financial capital, human resources, and material supply from the global pool, have leadership and shareholders who feel the world is its home, regardless of location of origin or headquarter locale while maintaining a worldwide presence in one or more businesses as it consciously pursues a worldwide business strategy (Gooderham and Nordhaug 2003).

Leadership is a process whereby an individual influences a group of individuals to achieve a common goal (Northouse 2009).

Luxury brands are brands that appeal to the consumer's desire for indulgence of the senses regardless of cost, which focus rare or hard to obtain, handcrafted products of excellent quality and artisanship, offering performance longevity and excellence where high prices, aesthetics, and ancestral history are important to the discernible consumer. These brands have a favorable reputation, which garners honor and esteem and are associated with the attributes of magnificence, extravagance, opulence, sumptuousness, and lavishness (Miller and Mills 2012).

Luxury goods are Veblen goods, which imply that the demand for the good increases when the price increases, working counter to the laws of supply and demand explained through economic theory. Consumers use these goods to evoke or offer the perception of enhanced social status as part of the process of conspicuous consumption. The act of purchasing these goods conveys a social message with regard to the ability for an individual to have the power or resources available to purchase these goods (Patsiaouras and Fitchett 2012).

Personal ethics constitutes acting with integrity, fairness, and in an ethical manner when acting in a personal relationship role or setting (McDermott 2010).

Power is a value that emphasizes the attainment or preservation of a dominant position within the more general social system (Schwartz 1999).

Professional ethics constitutes acting with integrity, fairness, and in an ethical manner when acting in a professional role or environment (McDermott 2010).

Reputational egoism is protecting and enhancing the organizational reputation to enhance one's own reputation, perhaps at the expense of potential profit (Simpson and Willer 2008).

Responsible leadership is an evolution in leadership theory addressing the need and presence of morality in leadership in an ever more ethically challenging global context. The model provides a framework that is the next step beyond ethical leadership theory, and which includes accountability and trust, partnered with morality and ethics in decision-making; factors absent from other leadership theories (Pless 2007).

Rule deontology is the process of fulfilling universal duties or following universal principles, without regard to outcome (Gaus 2001).

Rule utilitarianism is the process of making all decisions with a focus on what benefits the majority (Palmer 1999).

Social contract theory asserts that an organization doing business in a foreign country has committed to a social contract with the host country. This contract requires that the organization act in a way that increases the local welfare, recognizes and respects the rights of all people, and minimizes harm (Wempe 2008).

Stimulation is a value derived from the organismic need for variety and allure or newness in order to maintain an optimal, positive level of activation, most often characterized as an exciting, challenging life which includes novel experiences (Schwartz 1999).

Strategic business unit (SBU) is a fully functional and distinct unit of the business, typically operating as an independent organization with a specific focus on target markets and is large enough to maintain internal divisions such as finance and HR. These business report results and take some direction from a higher corporate level (Carnrite 2014). *Virtue of others* is the personal internal attributes, which promote the care for others (Lawler and Salzman 2013).

Virtue of self is the personal internal attributes, which promote well-being (Lawler and Salzman 2013).

Assumptions

Four assumptions, related to the topic and specific industry, were present in this research study proposal. First is that luxury goods SBU chief executive officers (CEOs) experience a tighter control by the corporate headquarters, than CEOs in other industries. The luxury strategy requires that the brand headquarters be directly involved in SBU-level decision-making in the areas of hiring choices at the nonexecutive level and line item spending trade-offs or freezes. Unlike most other industries, luxury goods SBU CEOs must seek next level approvals on transactional decisions. Second assumption is that SBU CEOs in the luxury goods industry have awareness of both local laws and of the types of behaviors their employees or clients might engage in that are considered illegal. Third assumption is that there are differences in moral and ethical behavior standards between the United States and Western European nations. The fourth assumption is that a monolithic ethical profile that exists in the U.S.-led and non-U.S.-led CEO types and that these profiles are influenced by the parent company culture.

In addition to the assumptions specific to the research topic and questions, there were several assumptions, which address the process of the proposed research study. The first assumption is that access to the information and resources necessary to conduct the empirical study were adequate in order to complete the study within the one-year period allowed. The second assumption that honesty and objectivity will be present throughout the reporting of data collected and during the analytical process. The third assumption is that no conflict of interest will become any part of the study and all research and writing will be ethical.

Limitations and Delimitations

Limitations

The study required participation from executive level leaders from both U.S.-led and non-U.S.-led SBUs. There may have been national or organizational culture factors, which may have precluded their participation in the survey. In addition, SBU CEOs may have been unwilling or unable to devote time to completing the survey. The power of a MANOVA test is a direct result of the sample size. There were challenges to gather a sample size large enough to satisfy the minimum number of participants required. Challenges also presented in obtaining the access to survey respondents necessary to complete the qualitative portion of the research study.

The information the research participants provided included topics related to personal values and ethical choices. This information was self-reported. There were challenges in this process related to the research questions that focus on personal issues of ethics whereby there are no secondary sources of evidence for deeply held private beliefs (Creswell 2013). In addition, by adopting an instrument validated in Australia, some of the differences, which presented from comparing the U.S. and non-U.S. types may have been the result of using an Australian baseline.

Delimitations

The luxury goods industry has nine segments: travel, real estate, home furnishings, electronics, watch and jewelry, wines and spirits, fashion, leather goods, and perfumes and cosmetics. This study focused on executives within the home furnishings, electronics, watch and jewelry, wines and spirits, fashion, leather goods, and perfumes and cosmetics segments of the luxury goods industry or individual's involved in consulting or media within the sector. The research focus for this study was primarily on the consumer goods segments because these personal products have the potential for use as a form of currency in money laundering and bribe situations due to their small size, high value, and precious materials composition. Criminals can do many things with the these objects to enhance their currency value such as melt them down or sell in a high value secondary market, which is not feasible with the products included within the other segments.

This study limited its focus to U.S. subsidiaries of U.S. or foreign-headquartered multinational companies. There are cultural and legal variations between the European parent company norms and the United States business laws and cultures (Cebuc and Iosif 2008; Etherington and Lee 2007). These variations may be prone to cause ethical dilemmas (Etherington and Lee 2007) in the subsidiary CEOs leading the U.S. organizations under the guidance of the parent company direction.

The study participants included both active and recently separated leaders. The inclusion of nonactive CEOs was to include U.S. subsidiary leaders who may have resigned or been terminated due to the ethical dilemmas or possible disagreements with the parent company which they may have faced. Within the luxury-goods industry, there was no evidence that currently employed CEOs are more ethical or less than recently employed CEOs.

Summary

Chapter 1 introduced the purpose and scope of the study, to understand the influence of personal and professional ethics on the leadership and decision-making of luxury goods executives responsible for U.S. operations and possible differences between the moral philosophies underpinning U.S.-led and foreign-led SBU CEOs. This purpose is set against the background of ethical dilemmas that may be driven and quite influential in the conduct of business in high-end luxury goods manufacturing and retail distribution, with added complexity coming from a potential clash of cultures between U.S. versus Western European values embodied in the leadership of those companies.

The luxury goods industry wields a significant amount of power through their access to the global elite (Cisek et al. 2014). Some of these elite have discovered means in which to use luxury products as a pseudo-currency to engage in despotic or corrupt acts including bribery and money laundering. The major players in the luxury goods industry are European multinational organizations who have organizational cultural norms, which reflect their national country of origin (Kogut 2001). In addition, luxury brands convey marketing messages that exalt elitism and ego (Kapferer and Bastien 2009) while expecting their leaders to personify the central brand message in their local market of responsibility.

This chapter presented hypotheses developed to address certain research questions over the matter of ethical decision-making priorities of U.S.-led and foreign-led SBU leaders. The study is set up as a mixed method comparison study methodology, presented in more detail in Chapter 3. Chapter 2 presents a more detailed and insightful discovery through a thorough literature review.

Chapter 2 will present in far greater depth the literature covering the history and makeup of the luxury goods industry, the nature and challenges of cultural differences within multinational organizations, the nature, causes, and impacts of corruption on society and the variations in ethical philosophies between U.S. and Western European organizations. In addition, Chapter 2 will present literature on personal values and core beliefs. Lastly, Chapter 2 will focus on the secondary research onto this study's research questions to discover what preponderance of evidence might exist now in support or refutation of the hypotheses listed above in this chapter. The details on how the primary empirical research was conducted are explored in Chapter 3.

Chapter 2: Review of the Literature

This chapter begins with an overview of the literature, focusing on the history and make-up of the luxury goods industry, the nature and challenges of cultural differences within multinational organizations, the nature, causes and impacts of corruption on society and variations in ethics, values, laws and national cultures and the potential impact of these differences on CEO decision-making. Understanding the nature of the specific and unique aspects of the luxury goods industry and the luxury marketing strategy sheds light on the nature of values and practices these industry players rely upon for their commercial success and how they may differ from traditional U.S.-based or other international consumer products organizations. This exploration offers some indication if responsible leadership and conscious capitalism principles are congruent or incongruent with luxury goods industry values and practices. Insight gained through the exploration of the nature and causes of corruption and the ethical variations between U.S. and Western European ethical philosophies may highlight potential differences between SBU CEOs working in the context of a European parent company versus a U.S.-based organization. In addition, insight gained here provided some indication if these European luxury goods organizations may have the potential to be inadvertently supporting corruption within society or if they have the potential to reverse the process and outcomes of corruption within the markets they serve through their executive leadership selection process. Finally, the chapter offers a detailed search for literature, which addresses the eight research questions and hypotheses presented in Chapter 1.

Key Word Search

The key words guiding the literature search focused on several areas. It included a search on moral philosophies, ethics, values, business ethics, ethical decision making, and moral development. The search for literature on corruption utilized unethical and corrupt behavior causes, outcomes, and impacts key phrases. Key words related to business include cross-cultural differences, MNC characteristics, luxury goods, the luxury strategy, the luxury experience, and anti-corruption legislation. Leadership theory key words will include ethical leadership, responsible leadership, and conscious capitalism theories.

The Luxury Goods Industry

The luxury goods industry can trace its roots back to Greece and Rome (Ward 2011). Though the products may be different, heated baths and lavish feasts then and diamond-encrusted Swiss watches and bags and wallets made from exotic skins today, the purpose is the same (Ward 2011). Luxury goods exist to induce pleasure and express extravagance (Ward 2011). The industry today defines itself through nine specific product offerings, travel, real estate, home furnishings, electronics, leather goods, jewelry and timepieces, couture, premium alcohol products, and perfumes and cosmetics (Deloitte 2014). Each product offering touches the consumer in physically intimate ways, either through direct body contact or by direct ingestion, allowing for a unique relationship between consumer and product (Dewey 2009).

The industry has seen explosive growth over the last decade, in spite of the 2008 financial crisis (Deloitte 2014). Yet, changes in China and tightening global monetary controls are beginning to put the brakes on expansion, while currency issues driven by international conflicts are eroding margins in these high performing organizations (Deloitte 2014). In addition, the aging client base is passing on and the younger new generation of consumers is looking for more uniqueness and new products with a social conscious, which is changing the rules and practices for luxury brands (Pedraza 2009). This trend may be what drives luxury goods producers towards enlightened leadership and conscious organizational principles, as they adapt to these emerging social trends (Pedraza 2009).

History and Cultural Context

Early Romans viewed luxury with suspicion as a manifestation of the destructive power of desire (Ward 2011). Austere Romans believed in the existence of an ideal point where needs and wants are satisfied and that any additional wealth, pleasure, or leisure fails to increase pleasure (Ward 2011). They perceived this tipping point of extravagance as the apex where virtue gave way to vice, which presented an omen of a looming downward societal spiral (Ward 2011). To address this danger and cease the march to this tipping point, they aggressively taxed luxury goods (Ward 2011). When the Romans conquered Greece, their concern for the destructive nature of excess gave way to the Grecian appreciation for luxury, beauty, and leisure (Ward 2011).

The love for luxury goods traveled in step with Roman rule and followed the spread of Christianity via the Roman Emperor Constantine (Ward 2011). When Emperor Constantine legalized Christianity in his empire in 313 AD, the luxurious trapping of the Roman Empire also became symbols of power in the Christian church (Ward 2011). Originally, luxury goods were custom-made products only accessible to the elites of society (Dewey 2009). In the 1530s the suspicion of luxury surfaced again, in Europe, as politicians became concerned by the waste of money spent on useless goods and the resulting public harm these practices caused (Thirsk 2005). Yet, by the seventeenth century, global trade expanded wealth and the concept of luxury goods became synonymous with economic advantage, no longer associated with religion or royalty alone (Thirsk 2005; Dewey 2009; Ward 2011).

The eighteenth century Industrial Revolution launched the first consumer revolution and the newly burgeoning middle class expanded the demand for luxury goods (Schmidt 2007). This new merchant class purchased products to increase their pleasure (Schmidt 2007). Scholars and politicians of the time viewed this consumer behavior as a tangible example of the social benefits generated by Adam Smith's principles of capitalism, where consumerism drove market demand, which benefited the economy and therefore the society (Thirsk 2005).

The demand for luxury goods in Asia, specifically China, evolved in a different manner than in European society (Ngai and Cho 2012). While the Western desire for luxury emanated from the royal or wealthy elite members of society, demand for luxury in China evolved from the rise of the bureaucratic class (Ngai and Cho 2012). In approximately 770 BC, these bureaucrats emerged as an elite social group (Ngai and Cho 2012). One could earn access to luxury goods by moving up the civil service ladder and becoming a key member of the centralized examination systems installed by the governing forces (Ngai and Cho 2012). While the rise of communism after World War II set a pattern of national austerity, the advent of the Golden Week holiday in 2000, to commemorate the founding of the People's Republic of China, reignited desire for luxury by making displays of lavish wealth a statement of national success (Ngai and Cho 2012).

Luxury brands remained family owned, independent providers of products well into the twentieth century (Dewey 2009). In the 1980s, a revolution in industry consolidation began, starting with Bernard Arnault's purchase of Maison Christian Dior in France, the formation of the Swatch Group in Switzerland, and the sale of 50 % of Italian leather goods maker Gucci to Investcorp, ending 60 years of family ownership (Ilari 2009). These three organizations have gone on to consolidate into the three of the today's top 10 global luxury goods organizations (Deloitte 2014).

The Industry Today

Bain & Company & Co. estimates the luxury goods industry revenues to reach $276 billion globally in 2014 after the 5 % growth forecasted for the year (Bain & Company 2014). The top 15 luxury goods companies have experienced an average 18.1 % annual growth rate from 2008 through 2013 while global growth rates remain under 3.5 % for the same period (Statista 2014). The top five markets for luxury purchases are, in descending order, the United States, Japan, Italy, France, and China (Deloitte 2014). All of these markets, excluding China, are mature and any growth currently forecasted relate to Chinese and other travelers from emerging markets, referred to as out-shoppers, making purchases during international excursions into these tourist destinations (Bain & Company 2014).

Seventy-five companies make up approximately 85 % of global luxury industry revenues (Deloitte 2014). The top 10 producers comprise approximately 45 % of global revenues (Deloitte 2014). There are two luxury products consumer categories that generate these revenues, the core luxury consumers and the aspirational "near-wealthy buyers" (Dewey 2009). In the U.S., the true core luxury consumers have net worth over $1 million and earn over $250,000 per year while the "near wealthy," earning over $100,000 per year, are driving the aspiration purchases of luxury goods (Dewey 2009). China also has two general consumer segments within their luxury goods consumers, those who consume for the social and status reasons and those who purchase for emotional and hedonistic reasons (Ngai and Cho 2012). The Chinese and U.S. consumers, in a manner, reflect the variations of evolution of desires for luxury goods within each culture.

Luxury goods organizations manage truly global businesses allowing them to shift regional focus within their geographic portfolios to address shifting regional trends (Bain & Company 2014). Key trends presenting across the regions in 2014 include a resurgence of growth in the United States as the U.S. economy and real estate markets continue to recover from the financial crisis of 2008 (Bain & Company 2014). Europe has enjoyed a recent uptick in luxury goods spending as Chinese shoppers have made major purchases during tourist visits, although recently this spending has come to a near halt in the wake of the Chinese crack down on luxury spending (Bain & Company 2014; Deloitte 2014). The continued stagnation of the major European economies has stifled luxury goods spending by local Europeans (Bain & Company 2014). Asia is showing mixed results with Japan showing some growth prior to a midyear tax increase, Malaysia, Singapore, and China showing a slow-down and other Asian markets demonstrating continued growth though off lower base figures (Bain & Company 2014). Currency fluctuations and other geopolitical factors in emerging markets, such as Brazil and Russia, are negatively affecting these markets, which were showing favorable trends prior to 2014 (Deloitte 2014). These trends, coupled with the additional government actions taken in the U.S. to relax China travel visas, are likely to refocus luxury goods organizations to growth opportunities in the U.S. market (Bain & Company 2014; Deloitte 2014).

The Luxury Strategy

Traditional consumer-products marketers start from a foundation that assumes their customer is rational and makes logical purchase decisions (Atwal and Williams 2009). Luxury goods marketers start with a completely different assumption, that their consumers are not rational but are emotional, irrational, and pleasure-seeking in their purchase decision-making (Atwal and Williams 2009). Luxury marketers go further, building their marketing strategies upon the premise that consumer commitment is commensurate with an enjoyable experience (Atwal and Williams 2009). To capitalize on this relationship between consumer experience and commitment, brand quality and quantity of enhancements reinforce uniqueness (Atwal and Williams 2009).

This set of nontraditional marketing assumptions have led to the evolution of a set of business, finance, human resource and marketing principles and practices referred to as the luxury strategy (Kapferer and Bastien 2009). Kapferer and Bastien (2009) describe the essence of luxury as "recreating social distance." The tightly controlled luxury strategy actions include converting raw material into symbols of social stratification, which carry a strong hedonistic component (Kapferer and Bastien 2009). The core of luxury branding is brand identity, where positioning is irrelevant because of the pure uniqueness of the brand's product (Kapferer and Bastien 2009). Luxury brands do not bend to customer demands unless they meet the precise vision of the brand identity and luxury brands dominate their clients as a means to maintain distance and mystery (Kapferer and Bastien 2009). Pricing and advertising of luxury products are also counter-intuitive as luxury brands must make their products difficult to purchase, with ever-increasing prices while advertising to those the brand is not actually targeting for purchase (Kapferer and Bastien 2009). These actions function in a manner that ensures that these luxury products remain Veblen goods.

Luxury retail strategies introduce the concept of art and magic as a means to seduce the consumer into the mystery of the brand through the vision of its charismatic creative director (Dion and Arnould 2011). This set of techniques offers the means for a brand to articulate an aesthetic brand ideology that becomes the foundation for brand identity (Dion and Arnould 2011). The goal of this strategy is to produce the sense of magic by "contaminating the environment" with the vision of the creative director in order to create distancing awe, rather than a sense of connected community (Dion and Arnould 2011). Luxury marketers reinforce the magic through references to other authoritarian worlds including museums, science institutions, religion, or art, whereby the brand becomes more credible through these external event or marketing references (Dion and Arnould 2011).

Marketers, using these marketing strategies, have designed them to appeal to the values held by current and potential luxury goods consumers. While some variation exists across cultures regarding the specific values associated with luxury goods and luxury purchases, these consumer purchase motivations cluster around principles of ostentation and hedonism (Godey et al. 2013). Other studies have linked luxury purchase motivations to hedonism, conspicuousness, and self-expression (Ghosh and Varshney 2013). A 2012 study by Davies, Lee, and Ahonkhai demonstrates that the ethical conditions, in the production of luxury goods, are less important to luxury goods consumers. This finding begs the question, if ethics are not important to the luxury consumer, is the luxury goods industry motivated to foster principles of responsible leadership and conscious capitalism within their organizations?

Responsible Leadership, Conscious Capitalism, and Luxury Values

Theorists in the field of responsible leadership address the basic premise of capitalism and the role of business in society, asserting the business is responsible not just to shareholders but to a larger ecosystem of stakeholders impacted by the businesses decisions and actions (Freeman and Auster 2011). Scholars have yet to define a single conclusive definition of responsible leadership. Researchers offer more of a spectrum of perspectives, which define responsible leadership through the leaders' role, and locus of influence (Miska et al. 2014). The narrowest form of responsible leadership takes an agent view, with the leader as agent of the business owners and locus of influence constricted to within the organization only (Miska et al. 2014). The broadest form of responsible leadership, takes a stakeholder view, with eight specific leader roles, which vary, based upon the stakeholder and a locus of influence both internal and external to the company (Pless 2007). Scholars have reached a middle ground definition of responsible leadership uniting the two views (Miska et al. 2014). This perspective states that business is not responsible for all of the world's problems but leaders should locate problems that can address most effectively which, in turn will also offer a competitive advantage (Miska et al. 2014). In all cases, the responsible leadership model respects both the needs of self and the needs of others (Miska et al. 2014).

Responsible leadership requires responsible leaders (Rozuel and Ketola 2012). Researchers in the field of responsible leadership psychology identify four characteristics present in responsible leadership, conscious awareness of the self in its entirety, authenticity to one's self in one's actions, reflective moral development through min*df*ulness and the presence of moral imagination (Miska et al. 2014). Authenticity requires an adherence to one's values in thought and action (Freeman and Auster 2011). Therefore, a responsible leader will draw their decisions and behaviors from their own inner values (Freeman and Auster 2011). An effective responsible leader will draw upon these to form a set of inspirational shared values and use transformational leadership techniques to align the organization towards responsible leadership outcomes (Groves and Larocca 2011).

Until recently, business ethics experts defined responsible leadership outcomes through the presence of corporate social responsibility (CSR) activities. CSR activities are actions tacked onto business practices, which have the intent to alleviate some of the harms done to stakeholders and the environment in the regular course of business (Sisodia 2009). A growing global trend, conscious capitalism, is redefining responsible leadership outcomes (Kaupins 2006). There are seven tenets of conscious capitalism (Sisodia 2009):

1. A higher purpose beyond profit maximization
2. Businesses are managed for the benefit of all stakeholders, which includes the environment
3. All stakeholder interests are aligned to achieve a positive sum game for all
4. No exploitation of any kind is tolerated
5. All segments of society including the poor are uplifted
6. Society and the environment are the ultimate stakeholders
7. Company culture is truly values driven.

Conscious capitalism embraces the concept of capitalism as the most powerful creative system of social cooperation, while combining it with global universal wisdom traditions as a means to inject social justice into the economic system (Simpson et al. 2013). As responsible leadership requires responsible leaders, conscious capitalism requires conscious leaders (Simpson et al. 2013). Conscious leaders have the ability to recognize the difference between legal and ethical actions and act accordingly, in a more inclusive and collective manner (Simpson et al. 2013). These conscious leaders create a conscious culture, which includes trust, authenticity, care, transparency, integrity, learning, and empowerment (Simpson et al. 2013).

The challenges of globalization require responsible leadership as organizations enter emerging markets that have yet to develop appropriate oversight and regulatory structures (Voegtlin et al. 2012). Conscious capitalism is one solution to the overwhelming complex social and ecological problems we face in the twenty-first century. Luxury goods organizations are beneficiaries of globalization (Deloitte 2014), yet are these organizations aligned, equipped, or incented to grow responsible leaders and move towards the tenets of conscious capitalism in their current state?

Research demonstrates that organizations, which operate from the conscious capitalism tenets, outperform their peers showing 5-year compound annual growth rates of 5.34 % versus the S&P average of 0.6 % (Simpson et al. 2013). While these figures are impressive, they compare to the 18 % annual growth rates seen in the luxury goods industry (Statista 2014). In 2011, researchers noted that luxury consumer trends where moving towards experiences over items and that there was some indication that giving back to society may be a value adder for luxury consumers, with suggestion for luxury brands to begin partnering with social causes (Kishel 2011). Further research highlights that a CSR differentiation strategy is a poor fit for a luxury brand due to the need for a consumer perception of rarity and scarcity (Janssen et al. 2014).

While the current luxury consumer does not seem to be driving the need for luxury goods industry players to make a consciousness shift, the industry's need for talent may be a source for inspiration to change (Whetten 2013). More people crave purpose-driven work and top talent may view employment in organizations with responsible leadership and conscious capitalism principles as a premium employment opportunity (Whetten 2013). The luxury strategy builds on the practice of hiring the best people (Kapferer and Bastien 2009). Employees may be the impetus for change in the industry.

One sign that some members of the luxury goods industry recognize change may be required is demonstrated in an article posted on the luxury society website called "12 Rules for the 21st Century Luxury Enterprise" (Pedraza 2009). These rules (see Table 1) show a new luxury goods experience that is in opposition to values and practices espoused by the luxury strategy (Pedraza 2009).

Given the challenges the industry is now facing, this set of changes may be exactly what is necessary for the luxury goods industry to remain a vibrant yet responsible contributor to the economies of their home nations.

Present Industry Challenges

The luxury goods industry is facing a "perfect storm" of issues in 2014 that have essentially stopped industry global sales growth in its tracks (Thomson 2014). China's leader has been clamping down on government-supported extravagances and spending as a means to reduce the high level of corruption within the Communist party (Thomson 2014). This crackdown has not only stopped spending in China but also scares Chinese tourists from spending on luxury goods in other markets as well (Bain & Company 2014). In addition, protests in Hong Kong shut down the main luxury shopping districts in Hong Kong during the industry vital Golden Week holiday in October 2014, forcing retailers to close their doors and preventing mainlanders from making their annual shopping pilgrimage (Thomson 2014). The final blow to the Asia crisis in luxury goods started in July 2014 when the Chinese government shut down cash transaction system UnionPay that allowed officials, through a legal loophole, to transfer up to $800,000 per day through Macau (Elliott 2014). Using this system, Chinese seeking to move money out of mainland China would use their UnionPay credit card to purchase high-end expensive items, then immediately pawn or return the items for cash, then transferring the cash out of the country without paying the 40 % tax required (Elliott

Table 1 Rules of luxury

Old rule of luxury	New world of luxury
Arrogant and snobbish	Welcoming and nurturing
Brand validate customer	Customer validates brand
Price premium imposed	Price premium earned
Command and control management	Team-based innovation, testing and learning
Key assets are bricks and mortar	Key assets are people and relationships
Economies of scale	AND economies of Customer share
Me too products in multiple categories	Unique and rare products in few categories
Customer adapts to business processes	Business processes adapt to customers
Customer dialog and metrics feared	Customer dialog and metrics embraced
Disconnect from customer interactions	Seamless customer journeys
Traditional luxury marketing	And word of mouth referrals
Socially disengaged	Socially responsible

2014). The Chinese government ended this practice, which had previously been an explosive driver of revenue growth of luxury goods in China. The Chinese comprised 30 % of global luxury goods sales in 2013, and these sales are drying up quickly (Thomson 2014).

Foreign currency issues in both the emerging markets like Brazil and in sanction-riddled Russia exacerbate the troubles in Asia (Deloitte 2014). For the Swiss watch industry, this currency issue is particularly troublesome, as the Swiss franc remains an expensive safe-haven currency, causing Swiss exports to very expensive in these key markets (Ball 2011). In addition, the Russian sanctions have put limits on the lavish and corrupt spending of the Russian oligarchs, allied with Vladimir Putin, which puts a damper on luxury goods spending in both Russia and abroad (Llana 2014). While medium term outlook for the luxury goods industry remains favorable, due to the expanding wealth across a growing global economy, the only near-term bright spot is the U.S. market, showing a 6 % growth in 2014 (Deloitte 2014; Bain & Company 2014). This shift in luxury market power will put a renewed spotlight on U.S. SBU CEOs to deliver results that will carry their parent companies through the challenging times ahead.

Multinational Organizations (MNC) and Cross-Cultural Leadership Issues

Stephen Hymer introduced the concept of the multinational organization in his exploration of international operations of national firms (Dunning and Pitelis 2008). In his body of work, Hymer identified that organizations move from foreign direct investments (FDI) to multinational enterprises (MNE) because it is often more profitable to do so (Gooderham and Nordhaug 2003; Dunning and Pitelis 2008). In making the transition from FDI to MNE, decision-making moves from a centralized to a decentralized structure (Dunning and Pitelis 2008). This shift has implications with the decision-making authority given to the leaders of international SBUs of multinational companies.

Under the FDI model, the organization operates under a dominant headquarters, which exercises control of the SBU through direct orders issued through a formal hierarchy (Mahlendorf et al. 2012). Under the decentralized MNE, the SBU has delegated authority to make decisions while the headquarters utilizes management control processes, such as performance metrics and formal planning processes, to assert control and ensure alignment of SBU and Headquarter objectives (Mahlendorf et al. 2012). Generally, SBU leaders have more freedom to make specific strategic and tactical decision in the running of their businesses, so long as they meet objectives and maintain organizational policies (Mahlendorf et al. 2012).

Characteristics of MNCs

A multinational corporation (MNC) is an organization that conducts business-related activities across two or more countries (Kogut 2001). The most common structure consists of a parent company incorporated in one country with a series of subsidiaries and divisions conducting business in other foreign nations (Kogut 2001). MNCs can operate in as many as 100 countries (Kogut 2001). These companies are among the world's largest organizations with the top 50 organizations earning over $80 billion in revenues in 2006 (Edelman et al. 2009). MNCs do more than sell their products into international markets. The defining aspect of an MNC is the fact that these organizations send capital, technology, managerial talent, and marketing expertise into the international marketplace (Edelman et al. 2009). Utilizing these expatriated resources, MNCs most often compete in oligopolistic markets where their sheer size and proprietary products give them a distinct global advantage (Gooderham and Nordhaug 2003; Edelman et al. 2009).

While MNCs compete and access resources on a global playing field, their national home base provides the organization a clear national identity and cultural context (Gooderham and Nordhaug 2003). MNCs are able to transmit the social and cultural context of one nation across national borders (Kogut 2001). The global diversity of an MNC allows them to be flexible and shift operational and market focus to optimize organizational profits when changes in global economics occur (Gooderham and Nordhaug 2003). While the economic attributes and strengths of MNCs provide advantages, the international aspects of this form of business also bring challenges to the organization and to the host nation in which they operate. These organizations become the mechanism by which differing economic, legal, and social systems confront each other (Kogut 2001; Gooderham and Nordhaug 2003; Edelman et al. 2009).

Cross-Cultural Differences Causing MNC Leadership Challenges

Kogut (2001) points out that while MNCs often import favorable new organizational practices, these practices or others based on national home base, may be in direct conflict with existing institutional or cultural norms. MNCs operate across many different legal jurisdictions, which can create murkiness or confusion with regard to which specific laws to obey, local or home country (Edelman et al. 2009). In the United States, the government utilizes the extraterritorial Foreign Corrupt Practices Act to ensure U.S.-based MNCs do not use bribery as a means to secure foreign contracts (Gooderham and Nordhaug 2003). The challenges created by MNC and conflicting local and national laws are clearly demonstrated through the recent actions taken by the U.S. Treasury and Justice Departments against Swiss banking MNCs UBS and Wegelin, for aiding U.S. citizens in acts of tax evasion (Kaye 2014). The U.S. Foreign Account Tax Compliance Act requires banks to provide client information in cases of potential tax evasion (Kaye 2014). Tax evasion is not a crime in Switzerland and any Swiss MNC bank who obeys this law violates Swiss privacy and banking regulations (Kaye 2014). In this example, the legally optimum action depends upon the national lens in which one views the decision making process.

Beyond the legal differences, home nationality and local cultural dimension differences also present a challenge for MNCs. Geert Hofstede's groundbreaking work provides a framework to describe culture along five dimensions: power distance, uncertainty avoidance, individualism, masculinity, and long-term orientation (Connerley and Pedersen 2005; Venaik and Brewer 2010). Robert J. House spearheaded a global study on cultural values and idealized leadership traits across 62 countries, which expanded upon Hofstede's work (Center for Creative Leadership 2012). The Global Leadership and Organizational Behavioral Effectiveness (GLOBE) study publishes a detailed description of how cultures are similar and different from each other along nine dimensions; power distance, uncertainty avoidance, humane orientation, group collectivism, institutional collectivism, assertiveness, gender egalitarianism, future orientation, and performance orientation (Center for Creative Leadership 2012). These dimensions capture the ways in which national cultures express and live their norms, values, beliefs, and practices (Center for Creative Leadership 2012). MNC leaders can find themselves operating in the cultural context of their organization, which reflects the cultural values of the home nation, while doing business with clients and managing employees that have a completely different set of cultural values and practices. The variation in value sets and the role values play in ethical decision-making can lead to ethical breaches including bribery as leaders choose to follow local practices, which may be in violation of international laws or standards, in order to optimize their business performance.

Professional Organizations Oversight and Standard Setting

MNCs have an enormous economic incentive to pay bribes, and often the penalty cost of taking such actions have been low (Cleveland et al. 2009). For example, bribery is illegal in most nations, yet the World Bank estimates that bribes approach $1 trillion annually, 5 % of the global GDP (Cleveland et al. 2009). A recent European Commission survey on business' attitudes towards corruption in the EU noted that 75 % of the 7842 European businesses felt that corruption is widespread in their country of origin (European Commission 2014). Sixty percent of the participants feel that it is unlikely that corrupt people or businesses will be caught or reported to authorities and 80 % of the participants link corruption to a too-close relationship between business and politics (European Commission 2014). The greater plurality of people surveyed in Europe might feel that their culture or societies engage in quite high rates of corruption or might simply be more prone to being corrupt according to these data.

MNCs are subject to various international and country-specific anti-corruption laws and regulations (see Table 2) including the U.S. Foreign Corrupt Practices Act (FCPA), OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Convention) and the United Nations Convention Against Corruption (UNCAC; Cleveland et al. 2009). The FCPA mandates specific record-keeping and internal control mechanisms to discover payments as well as criminalizes payments to foreign officials (Cleveland et al.

Table 2 Global anti-corruption legislation and oversight

Law or regulation	Year	Admin. Organization	Jurisdiction	Execution	Requirements	Penalties
Foreign Corrupt Practices Act	1977	U.S. Department of Justice and U.S. Securities and Exchange Commission	Global—FCPA affects any organization with an office, payrolled staff or U.S. bank account in the United States	Record Keeping and internal control mechanisms to identify questionable payments and criminalizes payments made to foreign officials	Unlawful for a U.S. person, and certain foreign issuers of securities, to make a payment to a foreign official for the purpose of obtaining or retaining business for or with, or directing business to, any person	Stiff punitive fines and criminal penalties including prison time
OECD Convention	1997	The OECD has no authority to implement the convention, but instead monitors implementation by participating countries. Each nation who agrees to the Convention must adopt its own legislation to carry out its authority. This is leading to vast inconsistencies between nations in the enforcement of the Convention	Argentina, Australia, Austria Belgium, Brazil, Bulgaria, Canada, Chile, Columbia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Slovakia, Slovenia, SA, S Korea, Spain, Sweden, Switzerland, Turkey, UK, US	Record keeping and internal control mechanisms to identify questionable payments and criminalizes payments made to foreign officials but does not criminalize payments made to foreign political parties	Countries that have signed the convention are required to put in place legislation that criminalizes the act of bribing a foreign public official	No direct penalties
UNCAC	2003	United Nations	171 UN member states Cook Islands State of Palestine European Union	Requires signatory nations to introduce polices and institutional involvement for prevention of corruption, codes of conduct and polices supporting rule of law, transparency and rule of law	Must establish or maintain specific criminal offences, including bribery, embezzlement, and trading in influence and other abuses of official functions	Penalties based on national laws to comply with UNCAC including Asset Recovery

2009). The U.S. government may enforce the FCPA for conduct in any country so long as there is a connection to the U.S., defined as having an office, employees or bank account in the U.S., trading on a U.S. exchange or transferring funds through the U.S. (Cleveland et al. 2009).

The OECD convention is similar to the FCPA in that it includes record keeping and control mechanisms but does not include foreign political parties within its antibribery provisions (Cleveland et al. 2009). In addition, it is not self-executing and requires each signatory country to adopt its own legislation to carry out its authority (Cleveland et al. 2009). Forty-three countries have adopted the OECD convention thus far though enforcement of the anti-corruption legislation remains weak (Cleveland et al. 2009).

The UNCAC governs the one hundred forty signatory countries (Cleveland et al. 2009). This act requires signatory nations to introduce policies and institutional involvement for prevention of corruption, codes of conduct and polices supporting transparency and rule of law (Cleveland et al. 2009). This convention also provides for asset recovery (Cleveland et al. 2009).

Upon closer examination, it is apparent that individual nation signatories for the OECD Convention and the UNCAC have adopted different legislation and have reached different levels of enforcement success. France, through the Central Service for Prevention of Corruption (SCPC), analyzes data and supports anticorruption policies (European Commission 2014). Experts note that France has success in investigating high profile cases in France but a poor record in fighting corruption in international business transactions (European Commission 2014). Italy's anti-corruption measures are limited to law enforcement and judicial institutions with occasional intervention from the Court of Audit (European Commission 2014). The European Commission recognizes that the relationships between politicians, business, and organized crime, accompanied with legislation which favors politicians who were also defendants in criminal proceedings hampers the ability to take punitive action towards corrupt individuals (European Commission 2014). Germany relies on detailed rules in public administration and comprehensive codes of conduct to reduce corruption risk (European Commission 2014). Germany lags in legislation that addresses public official corruption liability, certain private sector behaviors, and ratifying the UNCAC (European Commission 2014). Germany has had success in fighting foreign bribery through rigorous enforcement of the laws governing these forms of corrupt acts (European Commission 2014). Switzerland governs its anti-corruption laws through SECO, the State Secretary for Economic Affairs (SECO 2014). According to SECO, in all cases of corruption including bribery, criminal prosecution and any penalties can be waived in de minimus cases or when staff regulations or local custom allow for it (SECO 2014). In addition, the individual is primarily liable for punishment, though an organization failing to institute proper controls and SECO may fine them up to 5 million francs (SECO 2014). Russia and China do not have laws that preclude bribing foreign officials though there are some statutes that focus on the recipient of the bribe (Cleveland et al. 2009).

Corruption

The phenomenon of corruption can occur at any one of five levels; corruption of principles, moral behavior, people, organizations or states (Dion 2010). Corruption is the act of misusing of position power for personal gain (Zadjali and Wright 2012).

Researchers have identified three types of corruption; procedural, schematics and categorical (Aguilera and Vadera 2008). Procedural corruption occurs when employees choose to, or through supervisory mandate, to ignore prescribed ethical business practices (Aguilera and Vadera 2008). Schematic corruption is present when the norms and practices of an organization embed unethical practices within the organizational culture and when these acts occur across multiple levels of the organization (Aguilera and Vadera 2008). Categorical corruption is a phenomenon associated with multinational companies where some business units transact in traditionally corrupt environments (Aguilera and Vadera 2008). In these cases, the corruption is concentrated within specified areas within the overall organization (Aguilera and Vadera 2008).

Factors Leading to Individual Ethical Lapses

A significant amount of research published isolates some of the identifying factors for individuals who are more inclined to engage in unethical behaviors. Researchers have isolated individual characteristics including Type A versus Type B (Elliott 2010), self-construal (Cojuharenco et al. 2012), level of relativism and idealism (Callanan et al. 2010), conscientiousness and concern for social responsibility (Kalshoven et al. 2011) and emotional intelligence (Joseph et al. 2009) as factors leading to ethical choices. Other factors often correlate with unethical acts and behaviors include impulsivity (Henley 2005), love of money and Machiavellianism (Tang et al. 2008), psychopathic nature (Boddy 2011), and lower intelligence (Bloodgood et al. 2008). These aspects are internally present within someone who may take the leadership helm.

Researchers have also identified social or situational factors that may also influence one's likelihood to engage in unethical behaviors. These include: techniques of neutralization (Heath 2008), job satisfaction (Mount et al. 2006), religiousness (Parboteeah et al. 2008), exposure to other people's corrupt behavior (Bommer et al. 1987), level of monitoring for unethical acts (Alder et al. 2008), disengagement (Barsky 2011) and social bond theory (Buckley et al. 1998). Some researchers have explored cultural factors as described by the GLOBE study (Seleim and Bontis 2009), spiritual practices (Johnson 2008) and ethics education (Desplaces et al. 2007) as means to determine the likelihood that one will engage in questionable actions.

Factors Believed to Cause Corruption in Society

Scholars continue to debate the root cause of corruption. This ongoing dialog places poverty as either the cause of corruption (Swatantra and Goolsarran 2006) or the result of it (Méon and Sekkat 2005). Swatantra and Goolsarran (2006) note in their research that corruption is most prevalent in poor and developing countries, therefore poverty is the root of the corrupt behavior. Méon and

Sekkat (2005) present evidence that corruption has a negative impact on economic growth, independent from investment. In other words, the lack of investment is the cause of the lack of growth in corrupt nations (Méon and Sekkat 2005). This phenomenon has also proven to be present in the U.S., with a lower growth rate in states that exhibit higher levels of public corruption (Johnson et al. 2011).

Scholars have identified economic, legal, and societal factors contributing to corruption (Dimant 2013). Economic factors include taxation, regulations, openness, competition, growth, economic freedom, inflation, citizen income factors, government structure, and political factors (Dimant 2013). Legal factors consist of the legal system and penal code, property rights, power delegation, press freedom, and bureaucracy (Dimant 2013). Education levels, gender, population size, urbanization, religion, history, ethics and values are social factors related to the prevalence of corruption (Dimant 2013). These factors correlate with the six general categories of corruption causality theory; public choice theory, bad apple theory, organizational culture theory, clashing moral values theory, ethos of public officials theory, and correlation theory (Graaf 2007). Each of these theory categories sets the direction for the anticorruption solution (Graaf 2007).

Corruption in the Private Sector

Private sector corruption has garnered less attention in the literature than public corruption (Gopinath 2008). In many cases, private organizations are the ones to address private corruption when it falls outside of specific legal regulations (Gopinath 2008). Often organizations utilize specific codes of conduct policies to enforce ethical behaviors and business practices (Gopinath 2008). Even in the presence of these polices, employees are unable to recognize the ethically questionable connotations of corrupt acts when they are witness to them (Gopinath 2008). The use of expediting payments for government officials or private organizations for favors is a widespread form of private corruption (Argandoña 2005). Even organizations who take a firm stand against major acts of corruption will ignore or condone these petty acts as the cost of doing business (Argandoña 2005). Yet, this form of petty corruption is a slippery slope, which sometimes leads to greater acts of corruption over time (Argandoña 2005).

Celia Moore explores the process of moral disengagement as a means for organizations to socialize otherwise ethical individuals into engaging in unethical acts. Moral disengagement occurs when the organization makes it easier to make unethical decisions under circumstances where it advances the company's interest (Moore 2008). During moral disengagement, the psychological discomfort that occurs when an individual is aware that they are doing something unethical eases by reframing one's actions, blaming the victim, or referring to these acts victimless crimes (Moore 2008). Dion (2012) draws attention to the dehumanizing aspect of corruption, fraud, and cybercrime in an organization as these acts erode trust and honesty. Organizations who tolerate such acts are condoning lies and bad faith acts in their organizational cultures (Dion 2012). Again, the evidence points us to a slippery slope that starts with simple victimless private sector petty corruption and, through tolerance and socialization, becomes a dehumanizing pathway to much more risky or dangerous practices.

Malignant Capitalism as Corruption

Adam Smith presented the market forces of capitalism as the invisible hand that guides the individual pursuit of self-interest towards a great common good (Hosseini 2010). Many point to the capitalist system as the builder of the middle class and the great elevator of societies (Hosseini 2010). Idealist Smith, himself, believed that capitalism would lead to a higher level of moral behavior as individuals engaged in commerce and trade (Hosseini 2010).

John McMurtry introduced the concept of the Cancer Stage of Capitalism in 1999 (Baruchello 2013). In his work, he describes the dehumanizing aspects of capitalism that are leading society to ever-larger violent conflicts and more significant planetary damage (Baruchello 2013). McMurtry asserts that the fundamental distortion in the capitalist system results from its focus solely on life-blind money-value and artificial wants at the exclusion of all life-value and life capacity needs (Baruchello 2013). Capitalism becomes cancerous when money-sequence grows via throughputs that produce no life-necessities, use up non-renewable resources, multiply waste and destroy life and life-support systems and mechanisms (Baruchello 2013). In this system, a "good" is a good, not because it promotes good, but because it allows entrepreneurs and shareholders to accumulate wealth for themselves, while leaving society to absorb the damage and pay the bill as seen with tobacco sales, the BP gulf spill, and weapons landing in the hands of enemies used against us (Baruchello 2013). In this case, capitalism may also be corruption.

Societal Impacts Resulting from Corruption

While most scholars today acknowledge that corruption has always and may always exist in society, many experts view public corruption as a major cause of continued global poverty (Ampratwum 2008). Even private sector corruption, in the form of money laundering and theft of assets, is problematic by opening the door for organized crime or depriving the companies from its own legitimate resources for investment and dividends (Chaikin 2008). Corruption lowers the efficiencies of organization and public systems, which ultimately has a negative effect on social development (Ertimi and Saeh 2013). Yet, in spite of the growing evidence of the serious economic and societal problems caused by corruption, some scholars assert that corruption, in the form of bribes, actually promotes growth by greasing the wheels of cumbersome bureaucracies in some developing nations (Shahabuddin 2007).

Dimant (2013) identifies three stages of corruption. In the first stage, corruption may be thriving but it does not have an adverse effect on society because it has not yet penetrated the structures of a society (Dimant 2013). This idea may be the foundation for argument that corruption is a growth inducer. In the second stage, corruption becomes an everyday issue; with citizens routinely ignore laws while corrupt acts become a pervading aspect of fundamental social interactions (Dimant 2013). The third stage, referred to as destructive corruption, is present when the corruption interacts with legal and political structures leading to a broad breakdown, which hampers the welfare and prosperity potential for the entire society (Dimant 2013). What is important to note is that corruption may start out as harmless acts conducted in the private sector or in invisible ways within pockets of public service institutions. However, left unchecked, it can spread like a cancer and reverse the fortune of entire societies (Dimant 2013). Ethical leaders are an important key to ensuring that stage one corruption does not have the opportunity to metastasize into a stage three crisis.

Ethics, Values, and Cultural Differences and their Impact on CEO Decision-Making

Kidder defines ethics as obedience to the unenforceable, which exists in the domain between absolute law and complete freedom (Kidder 2003). Ethics are the embodiment of the values and belief one holds with regard to the standard which are used to determine what is right and what is wrong (Kidder 2003). They provide the moral and behavioral yardstick by which the moral implications of various trade-offs one makes, during the decision-making process (Kidder 2003). This inner compass, composed of core values, provides a counterbalance to the natural human psychological weakness present when one is processing information for decision-making (Messick and Bazerman 1996). These weaknesses include personally held theories about the world in which one is operating, the inability to assess genuine risks or implications of actions, and the manner in which one attributes cause and effect (Messick and Bazerman 1996). Culture also influences ethical sensitivity and interpretation of ethical behavior for individuals (Kuntz et al. 2013). Understanding the role of these internal decision-making support variables, core values and culture, may illuminate the individual characteristics which a leader brings into their ethical decision-making processes and what impacts those characteristics will have on the decision-making process outcome (Valentine et al. 2012; Kuntz et al. 2013).

Moral Philosophies, Ethics, and Leadership

The four major moral philosophies are egoism, utilitarianism, deontology, and virtue ethics (Knights and O'Leary 2006). Egoism assumes human action is freely pursued for the purpose of individual self-interest, deontology assumes universality of morality, utilitarianism values rationality over pleasure, and virtue ethics assumes morality is internal and resides in the character of the individual (Knights and O'Leary 2006). Dion (2012) published work that correlates the eight widely recognized leadership styles with the related moral philosophy. Dion's work implies that leadership actions and moral philosophies link within the leadership process. Academics define moral leadership as the action of cultivating moral character in others, while ethical leadership implies that leaders ensure an organization meets their objectives through ethical means (Hackett and Wang 2012). Leaders have the responsibility to reach out to their followers in an effort to elevate them to their better selves (Azuka 2009). Azuka's assertion is the core of ethics in leadership described by Culham and Bai (Azuka 2009). Culham and Bai (2011) offer a threefold scheme to describe the concept of ethics. The three aspects of ethics consist of the current state of human nature, human nature if it reaches that point of self-realization, and the human effort to move from the former to the latter state (Culham and Bai 2011). This teleology towards self-realization, of a set of universal human values, is a process guided by a human moral sense (Gruenwald 2007).

The need for virtuous ethical leadership stems from modern business practices, which encourage leaders to view their followers as instruments rather than humans, a modern culture that values external goods over internal good and the structure of institutions, which can only seek external goods (Culham and Bai 2011). Virtuous leaders get the right things done, the right way (Levine and Boaks 2014). Leadership virtue is sensitive to cultural differences, is acquired through learning and continuous practice, is expressed voluntarily, and is situationally defined (Hackett and Wang 2012). Six cardinal virtues in leadership are courage, temperance, justice, prudence, humility, and truthfulness (Hackett and Wang 2012). The effects that these virtues have on the leaders who operate from them are ethical behavior, happiness, and enhanced leadership performance (Hackett and Wang 2012). Albescu (2014) proposes a reversion back to the European Honorable Merchant Model, which includes leadership and organizational virtues of honesty, justice, prudence, moderation, and foresight, as a remedy for the ethical degradation seen in European business ethics over the past two decades. Marsh (2013) published a qualitative study, in which leader subjects described four valuable practices of leadership ethics as min*d*fulness, engagement, authenticity and sustainment.

The Role of Core Values in Decision-Making and Leadership

Values represent what is important to an individual (Schwartz 2012). Researchers have identified 10 personal values that appear across all cultures: self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, benevolence, and universalism (Schwartz 2012). Human values cluster along two dimensions: the level of openness to change and the level of concern for others over concern for self (Lindeman and Verkasalo 2005). Within value theory, each value contains six main features (Schwartz 2012). Values are beliefs, which cause an infusion of emotion when activated (Schwartz 2012). Values motivate action through their references to desirable objectives (Schwartz 2012). Values serve as a standard or criteria, which guide decision or actions and these criteria transcend specific situations (Schwartz 2012). Each individual ranks these values in their own order of importance and the trade-offs between an individual's values guides attitudes and behaviors (Schwartz 2012). Research indicates that values play a role in managerial ethical decisions making showing that values clustered near openness to growth and concern for others correlate with integrity and ethical decisions (Mumford et al. 2003). Further research in this area confirms that altruistic values correlate with ethical decision-making while self-enhancement values have a negative correlation on ethical decision-making (Fritzsche and Oz 2007).

Gingerich's (2010) work attempts to isolate some of the common life experiences that forge individuals to become positive values-based leaders and decision-makers, including being raised in a tight knit family, with a strong work ethic, who placed a high value on education (Gingerich 2010). Her work attempts to locate the origins for the values that drive some leaders to transcend self-enhancement and conduct business in a more conscious way. Viinamäki (2012) explores the barriers that prevent an organization from implementing a values-based leadership approach to business practices and decision-making. Two key obstacles include a missing sense of values within the leader or the organization or that the failure of the leader to use values in the decision-making process (Viinamäki 2012). This research indicates that personal values influence the ethical decision-making process.

Cultural Variations with Respect to Values and Ethics

Schwartz postulates that values are universal because they represent desirable goals that guide human life and that they have evolved as the most effective means to build and propagate a harmonious civilization (Siew et al. 2007). His 1999 work describes seven cultural dimensions, which described national values and allow for cultural comparison (Schwartz 1999). These national values are harmony, egalitarianism, intellectual autonomy, affective autonomy, mastery, hierarchy, and conservatism (Schwartz 1999). Schwartz structures these values along three polarized dimension, conservatism versus autonomy, hierarchy versus egalitarianism, and mastery versus harmony (Schwartz 1999). Schwartz implies that variations in these cultural values have implications in the work setting specifically in the areas of priority of work relative to other life areas, societies' norms about work, and the goals and expected rewards derived from work (Schwartz 1999).

The work of other seminal researchers, including Hofstede, Trompenaars, and Hampden-Turner and House, attempt to identify the dimensions by which cultural variation can be described and compared (Connerley and Pedersen 2005). Hofstede's model defines the cultural dimensional differences as power distance, uncertainty avoidance, level of collectivism, and masculine/feminine (Connerley and Pedersen 2005). Critics of Hofstede's work point out shortcoming in the work, including the use of a survey to measure culture, individual responses to make national generalizations, a single company for survey respondents, and some questionable statistical integrity (Shaiq et al. 2011). Trompenaars and Hampden-Turner focus on cultural value dimensions, which influence value judgments and management practices within a national culture (Connerley and Pedersen 2005; Shaiq et al. 2011). These dimensions include level of universalism, individualism, emotional affect, specificity, valuing of achievement, internal or external control, and past, present or future orientation (Connerley and Pedersen 2005).

The GLOBE study builds on the work of Schwartz and Hofstede and identifies nine cultural dimensions based on national values and the cultural perceptions regarding outstanding leadership (Center for Creative Leadership 2012). These dimensions are power distance, uncertainty avoidance, humane orientation, institutional collectivism, in-group collectivism, assertiveness, gender egalitarianism, future orientation, and performance orientation (Center for Creative Leadership 2012). The GLOBE study addresses some of the shortcomings of Hofstede's work while expanding on his concept of cultural dimension variations (Center for Creative Leadership 2012).

While these models are similar, research shows that they are not necessarily congruent or interchangeable. In the case of Hofstede and Schwartz, Schwartz's dimension of openness may more closely correlate to actual trade practices than the more frequently used Hofstede distance dimension (Siew et al. 2007). While both Hofstede and GLOBE include an uncertainty avoidance (UA) component, each model measures a different aspect of UA with Hofstede measuring UA related to poverty-induced stress and GLOBE measuring UA related to rules orientation (Venaik and Brewer 2010). This variation is a subtle but important difference in that GLOBE reflects a need for social order while Hofstede refers to levels of personal anxiety (Venaik and Brewer 2010). This subtle difference becomes relevant when considering aspects of ethical decision-making. Parboteeah et al. (2008) identified a high UA, as defined by the GLOBE study, as an indicator of more ethical decision-making. Yet, Hofstede's UA may be an indicator of lower ethical decision-making if, in fact, poverty is the cause of corruption.

Individualism and collectivism influence ethical decision-making in three areas, the perception of a moral problem, moral reasoning and the actual behavior (Husted and Allen 2008). Husted and Allen (2008) propose that these variations result in different modes of postconventional moral reasoning used in different cultures. These different modes will affect the ethical decision-making process and outcomes (Husted and Allen 2008). Kuntz et al. (2013) echo these findings, demonstrating that social culture plays a role in one's moral sensitivity and on how individuals interpret ethics in a business setting. While social culture encompasses nationality, it can also include organizational cultural attributes (Trevino 1986).

The Impact of Organizational Culture and Leader Stress on Ethical Decision-Making

Trevino (1986) presents a model of ethical decision-making, which defines the presence of ethical or unethical behavior as a function of the interplay between the stage of an individual's cognitive moral development, individual ethical moderators, and situational moderators. Situational moderators include reinforcements and pressure, organizational culture and the characteristics of the work (Trevino 1986). Valentine et al. (2012) validated this construct by demonstrating that the presence of ethical organizational practices and values positively relate to ethical decision-making processes. Grojean et al. (2004) echo these findings in their study, which illuminates the various strategies used with employees to instill values and ethics into an organization's culture.

Duchon and Drake (2009) introduce the concept of a narcissistic organization, described as an organization that is unable to behave ethically because of the absence of a moral identity. Characteristic of narcissistic organizations include the belief that the organization is special and unique often to the point of delusion, a powerful sense of entitlement and aggrandizement, a belief in its own omniscience and the presence of behaviors that treats others with triumphant contempt (Duchon and Drake 2009). The last characteristic of a narcissistic organization is that these traits, embedded in the organizations functioning, become the method of decision-making processes and practices, regardless of the presence of formal ethics polices and processes (Duchon and Drake 2009). These organizations systematically use techniques of denial and rationalization as means to justify unethical behaviors (Duchon and Drake 2009). This denial can include implementing formal ethics program, which provide the outward appearance of being ethical, therefore feeding the narcissism and offering the benefits of an ego-defense mechanism (Duchon and Drake 2009). Once an organization institutionalizes unethical behavior, leaders and members will continue in their unethical behavior, while considering themselves ethical (Anand et al. 2005).

Researchers have demonstrated that certain job stressors can inhibit or negatively influence ethical decision-making (Selart and Johansen 2011). In one particular study, a lack of feedback or reward for effort have influenced people to reward themselves, unethically, to compensate for the stress inducing recognition gap (Selart and Johansen 2011). Another study demonstrated that the individuals who engage in the stress reducing of practice of min*d*fulness are able to make ethical decisions and uphold ethical standards more readily and consistently that those who did not use this practice (Ruedy and Schweitzer 2010). These studies indicate that external factors such as organizational culture and position pressure can influence the ethical decision-making process.

Cognitive Moral Development and Ethical Decision-Making

Trevino's model of Ethical Decision-making includes the cognitive moral development of the decision-maker as a component of an ethical decision-making process (Trevino 1986). The concept of cognitive moral development stems from Moral Development Theory, initially presented by Piaget and later expanded through the seminal work of Kohlberg and Hersch (1977). Moral reasoning is the process of making judgments about right and wrong and the logic one uses to defend their position (Kemp 2014). Kohlberg asserts that the capacity for moral judgment evolves through definitive developmental stages, somewhat related to one's age (Kohlberg and Hersch 1977). The model implies three characteristics (Kohlberg and Hersch 1977). First, the developmental stages are organized systems of thought in which individuals use consistently in their level of moral judgment (Kohlberg and Hersch 1977). Second, the stages move from stage to stage, neither skipping a stage or retrogressing backwards (Kohlberg and Hersch 1977). Third, the stages act in hierarchy, with lower stage thinking included in the higher stage though the preference is for an individual to functional at the higher stage available to them (Kohlberg and Hersch 1977).

Kohlberg's moral development model includes three main stages, each including two sub stages as follows (Kohlberg and Hersch 1977):

Pre-conventional Judgment based solely on the needs and personal point of view.

Stage 1: Punishment-obedience: Orientation rules followed to avoid punishment
Stage 2: Personal Reward Orientation: right or wrong based on attaining personal needs

Conventional Societal laws and expectations are taken in into consideration.

Stage 3: One determines what is right as what pleases others.
Stage 4: One respects laws and maintains social order at all times.

Post-conventional Judgments based on personal principles and abstractions.

Stage 5: One determines right by social standards of individual rights noting cultural variances.
Stage 6: One determines right by conscious and abstract ideas on equality, dignity, and justice.

Kohlberg's model provides a clear manner to define the moral reasoning aspect of moral judgment yet the theory has earned significant criticism. Carol Gilligan noted that Kohlberg's model did not recognize gender differences, gender identity differences, and the role of caring in people's ethics (Donleavy 2008). Jeremy Carpendale points out Kohlberg's theory holding that each stage is consistently applied and a link between one's reasoning and one's actual actions does not prove true (Carpendale 2000). Gibbs et al. (2007) challenge the universality of Kohlberg's model noting the presence of cultural specificity at the higher stages.

James Rest proposed a more complex model for ethical decision-making, which closes the gap in Kohlberg's model between moral reasoning and moral behavior (Cherry et al. 2003). Rest challenges Kohlberg's assumption that researchers, through an interviews process, are able to ascertain a clear view into one's moral mind (Rest et al. 1999). Rest developed the Defining Issues Test that offers researchers the opportunity to see one utilize their moral judgment process through the output of their decision-making processes (Rest et al. 1999).

Joseph Badaracco (2002) moves the ethical decision-making process research forward, away from determining individual moral judgment processes, towards a methodology one can use to translate personal values into well-measured actions. Badaracco starts with the assumption that cognitive moral reasoning, in the form of character, is something that can be proactively developed (Badaracco 2002). Through his *defining moments* technique, Badaracco refocuses the individual back to their core values through the acknowledgement of gut feelings and intuitions (Badaracco 2002). His framework for ethical decision-making includes five steps. First, recognize the presence of a moral issue (Badaracco 2002). Second, obtain the facts including stakeholder perspectives and the alternatives for action (Badaracco 2002). Third, valuate the options from various moral perspectives not just the business perspectives (Badaracco 2002). Fourth, make the decision based on the right thing to do, and finally reflect on the decision, after implementing, to evaluate and learn (Badaracco 2002). Badaracco offers a prescribed moral reasoning process that moves the decision process to stage 6 of Kohlberg's model, regardless of the moral development of the decision-maker.

The Nature of Cross-cultural Ethical Dilemmas Local CEOs May Face

Organizational leaders face ethical dilemmas on a constant basis (Rossy 2011). These dilemmas can be the choice between two rights, a choice between two wrongs or a choice between what is right and what is wrong (Kidder 2003). The more complex the business, in terms of multinational markets and cross-cultural variations, the more complex these dilemmas become. For example, some EU employment laws make downsizing employees an expensive and legally onerous process (van Dalen and Henkens 2013). This legal hindrance can result in U.S. SBU leaders, forced by their European headquarters, to make staffing cuts in the successful U.S. operations to compensate for cuts that they will not make in the lesser performing business units in the EU (van Dalen and Henkens 2013).

Another ethical dilemma these CEOs face is the pressure to engage in bribery or provide kickbacks (Hill and Mulvey 2012). While we often think of bribery issues related to obtaining foreign contracts or favorable bureaucratic actions in other markets (Hill and Mulvey 2012), U.S. operations of multinational retail organizations may be expected by headquarters to pay bribes in conjunction with U.S. retail construction expansion processes (D'souza and Kaufmann 2013). In some cultures, interoffice relationships are the norm and headquarters leaders may expect local CEOs to engage in these forms of relationships or to turn their head to the obvious legal and organizational morale issues these relationships can create in the U.S. context when they are occurring (Biggs et al. 2012). Interoffice relationships lead to issues of favoritism and cronyism, where personal relationships, romantic or not, drive the recognition and reward systems (Khatri and Tsang 2003).

Conclusion

The overarching research question in this research is to what extent, if any, does a difference exist in ethical decision-making processes based on ethical or moral paradigms between U.S.-led and European-led CEOs of U.S. luxury goods company SBUs? The specific research questions asked if a difference exists in economic egoism, reputational egoism, rule utilitarianism act utilitarianism, virtue of self, virtue of others, act deontology or rule deontology between these two types of leaders. Secondary research specifically related to the work of Hofstede's cultural dimensions, the GLOBE study's cultural clusters and Schwartz's cultural values indicate that differences (explained below) between these two types of leaders exist in the facets of economic egoism, reputational egoism, rule utilitarianism, act utilitarianism, virtue of others, act deontology, *and* rule deontology. The differences result from differences in levels of collectivism, masculinity, hierarchy, and performance focus present in the national cultures of the parent companies and the leaders they select for their organizations. Where national culture differences exist in levels of collectivism or hierarchy, one leader type may be more inclined to consider stakeholders in their decision-making process. Differences in masculinity may manifest in leader type differences in concern for society or the environment. Performance focus differences may appear as a difference in priority for achieving financial objectives over other unmeasured outcomes. The secondary research does not support the presence of a difference between these two leader types in virtue of self, as these traits are personal and unconnected to nation of origin. Scant literature exists, which addresses or compares ethical decision priorities of leaders based on personal or organizational national origin.

Some secondary research describes differences in the ethical decision-making process and the role of moral development, ethical sensitivity, organizational culture and situational context in this process. National culture influences how an individual interprets various factors in postconventional moral reasoning. Social culture influences individual levels of ethical sensitivity and the deciphering of ethical dilemmas in business settings. Differences in organizational culture, varying from a narcissistic organization to one operating from conscious capitalism, are situational moderators affecting ethical decision making within Trevino's ethical decision-making model. This research offers evidence that cultural variation in values, variations in the legal, national or organizational business context and the stress one is under will influence the ethical nature of one's decisions. Further, researchers demonstrate that the values and practices present within the luxury strategy business model are unique and do not reflect the more common consumer product marketing tactics or MNC decision delegation methods present in nonluxury goods organizations. Minimal literature exists addressing the effect that the luxury-strategy business model or foreign parent companies operating in the U.S. has on the ethical behaviors and decisions of American SBU leaders.

Luxury goods business practices differ from traditional consumer products business practices in terms of how the consumer is approached, what values are conveyed to appeal to luxury consumers, and by the high level of control exerted by the parent company over all aspects of the business including human resource and finance decisions. European luxury goods organizations speak to their target consumers, whom they believe to be irrational and pleasure seeking, with messages that appeal to hedonism, elitism, and social distance. These organizations maintain tight control over all aspects of the operations and provide directives to their SBUs from their European home nations of origin, which have different cultures, values, and legal contexts than their U.S. SBUs. While researchers are developing a growing body of literature addressing the marketing and consumer behavior aspects of the luxury goods industry, there is little research, which addresses the impact of the high control luxury strategy and European headquarters context on the ethical decision-making and business practices of these SBU CEOs operating in the U.S. Given the high power the luxury goods industry wields through its access to society's elites in both mature and emerging markets, the projections for continued global growth and the on-going efforts to curtail global corruption to ensure healthy economic development, this area of organizational leadership requires more research efforts.

The review of the literature reveals a growing recognition that even private sector and petty corruption has a negative impact on local and national economic performance. The detrimental effects of corruption on society grow from benign to cancerous in stages (Dimant 2013). While the U.S. has the most stringent laws regarding corruption in the form of bribes through the FCPA, other global initiatives such as the OECD and the United Nations Convection Against Corruption have been enacted to prevent the downward corruption spiral in the global economy. Yet, there are significant differences in legislation and enforcement of these international anti-corruption acts within member countries, which lead to inconsistent practices and attitudes towards international corruption across European nations.

Donaldson and Dunfee's (1994) Integrated Social Contract Theory sets out a model to develop norms for corporate morality, to enable MNCs to operate ethically in the presence of legal and ethical inconsistencies experienced while operating in an international context. Pless's (2007) responsible leadership model addresses this need for moral leadership through the assertion that responsible leadership respects both the needs to self and the needs of others. Conscious capitalism takes responsible leadership a step further through the assertion that capitalism is the most powerful force for social cooperation and is able to be a source for solutions to the complex problems facing the world today and into the twenty-first century (Sisodia 2009). Both responsible leadership and conscious capitalism require leaders who have developed sound moral judgment and make decisions from a set of personal core values that cherish others over self and are open and inclusive.

A gap in available research exists addressing the affect parent country of origin has on foreign MNCs operating in the U.S. on ethics, decision-making, and ethical profiles of their U.S. SBU CEOs in general and specific to luxury goods organizations. The purpose of this study was to compare the ethical decision-making profiles of these luxury goods industry SBU leaders. This study offers some insight into the ethical priorities within luxury goods leaders and what, if any, differences exist in the moral philosophies they employ when making decisions.

Summary

The first section of this chapter provides the history, cultural context, current state, and issues in the luxury goods industry. The specificity of marketing and business management practices prescribed by the luxury strategy including consumer behaviors and luxury brand values described in this section highlight the differences between traditional consumer products and luxury goods business practices. This section considers responsible leadership, conscious capitalism, and if these concepts are potentially compatible with luxury goods industry philosophies.

Also examined were MNCs and the issues that international organizations and their leaders face when conducting business in foreign nations. Hofstede, GLOBE and other cross-cultural dimensions highlight specific leadership challenges that variations within these dimensions can induce. In addition, international anti-corruption regulations and nation-specific actions demonstrate the inconsistencies present in U.S. and European approaches to corruption prevention.

Corruption itself is the focus of the next section, with an examination of factors associated with personal ethical lapses and causes of corruption in society. Malignant capitalism, a negative result of a purely money-sequence focus on commerce, removes the value of life sustaining actions and leads to potential form of corruption. Finally, the section concludes with the negative impact on positive economic development and global growth that even petty corruption may cause.

The final section of Chapter 2 considers the role of ethics, values, and culture play in CEO decision-making. This section includes an exploration of values theory and the cross-cultural variation, which exist in core values across nations. In addition, theories of moral judgment, character development, and the nature of dilemmas SBU CEOs face while executing their responsibilities complete the review.

The review of the literature indicates there are gaps in the research surrounding the role luxury strategy practices and values plays on ethical decision-making. In addition, little extant research exists that addresses the behaviors and practices of SBU leaders of European MNCs operating in the U.S. This study attempted to add to the current literature in these areas.

Chapter 3 addresses the specifics of the study methodology. This chapter will develop the full detail of the research methods, their design appropriateness as well as give comprehensive coverage of the data collection and analysis procedures used in this study.

Chapter 3: Methodology

The purpose of this research was to examine the difference among the ethical decision-making processes, including eight subconstructs that are (a) economic egoism, (b) reputational egoism, (c) rule utilitarianism, (d) act utilitarianism, (e) virtue of self, (f) virtue of others, (g) act deontology, and (h) rule deontology, between types of leader (U.S.-led chief executive officer, European-led chief executive officer). The intention was to compare the ethical decision-making processes of U.S. chief executive officers of SBUs in global luxury goods organizations. Specifically, this study sought to determine the differences in ethical decision-making profiles of CEOs leading U.S. SBUs of luxury goods organizations.

The study also included a comparison of U.S.-headquartered and foreign-headquartered organizations to identify possible cross-cultural differences. This analysis was to assess if the foreign aspects of each parent company culture affects the ethical decision-making profiles of the leaders that they select. Finally, the study evaluated the managerial ethical profile of the luxury goods sector leadership to determine if responsible leadership and conscious capitalism have the potential to be compatible with the luxury goods industry's elitist nature.

The research was a mixed method study. The quantitative data collection process occurred via an online validated survey instrument to collect the data. The qualitative data collection involved follow-up phone interviews with key survey participants. The study accessed the population of U.S. luxury goods subsidiary CEOs through the LinkedIn member database, personal contacts, and referrals. The participants received the Managerial Ethical Profile administered via SurveyMonkey. The research included data analysis, conducted on SSPS using a MANOVA quantitative technique.

This chapter articulates the research questions, hypotheses, and research design proposed to address the research questions. In addition, this chapter presents the theoretical model expressing the multiple influences of various moral frameworks have on a leader's ethical decision-making process (Casali 2011). This chapter supplies information on the population, sample procedure, operational of variables, and the data analysis undertaken. Finally, this section describes the instrumentation, data collection, informed consent, validity, and limitations within the research design.

Research Design and Design Appropriateness

A mixed method research design was used to examine the difference among the ethical decision-making processes, including eight subconstructs that are (a) economic egoism, (b) reputational egoism, (c) rule utilitarianism, (d) act utilitarianism, (e) virtue of self, (f) virtue of others, (g) act deontology, and (h) rule deontology, between types of leader (U.S.-led chief executive officer, European-led chief executive officer). Researchers use qualitative methods when the research questions are exploratory in nature and when the researcher seeks to go deeply into a range of ideas and feelings associated with the research topic (Creswell 2013). Quantitative data analysis is most appropriate when a deductive process is required to draw conclusions about a specific population (Abusabha and Woelfel 2003). Quantitative research is the appropriate method when the research question seeks to test a hypothesis or determine what factors may explain a phenomenon (Muijs 2010).

In the proposed study, the research question aimed to determine the presence of differences in the ethical decision-making processes of leaders led by U.S. and non-U.S. parent companies. In addition, the study sought to address this single question by examining the differences within individual beliefs and moral makeup of these two leader types, thus this research design included a Multivariate Analysis of Variance (MANOVA) in the data analysis process. MANOVA is the appropriate quantitative analysis technique when the research question is exploring group difference with one independent variable and multiple dependent variables (Mertler and Vannatta 2009). Eight dependent variables existed in the study. The MANOVA technique controls for correlations among the multiple dependent variables (Mertler and Vannatta 2009).

The study supplemented the quantitative research with a sample of phenomenological qualitative interviews with key survey participants who added clarity to their interpretations of the survey questions. These interviews focused on the survey questions included in the MEP survey instrument, which allowed for further elaboration. Given that ethics and decision-making are personal internal processes, the qualitative interviews provided insight on the thought processes and emotions of these luxury goods industry decision-makers. Phenomenological research is appropriate when several individuals have a shared lived experience (Creswell 2013) on which they will elaborate from their respective subjective perspectives (Flood 2010). In this case, the SBU leaders chosen for follow up interview had the shared experience of completing the survey and leading luxury goods SBUs in the U.S. and offered their individual interpretation of the questions and their responses and experiences.

This study did not use a quantitative-only study methodology because the research questions focused on internal personal decision-processes driven by emotional and personal beliefs and experiences. Quantitative methodology does not offer an avenue for exploration of this important internal context. Moreover, this study did not use a qualitative-only research methodology because the overarching research question focuses on differences between two types of leader, which quantitative research is specifically equipped to address. A mixed method approach was the most appropriate for this study because it allowed for the comparison between leader types and offered an avenue for further exploration of how these leaders interpreted and experienced the facets of ethical prioritization in decision-making described in the MEP questions. In addition, the mixed method design addressed the potential of not achieving the minimum sample size required for a valid quantitative methodology (see "Power Analysis" section).

Research Questions and Hypotheses

The overarching research question in this research was, to what extent, if any, is there a difference in ethical decision-making processes, based on ethical or moral paradigms, between U.S.-led and European-led chief executive officers of SBUs within luxury goods companies. This is an important question because it highlighted some important moral motivators driving decision-making within powerful organizations in the U.S. This has broader implications with regard to foreign businesses operating in the U.S. and the moral philosophies and potential business practices, which may take root in the U.S. as globalization continues.

The results of this study shed some light on the moral make-up of those individuals who are reaching executive levels providing an indication of whether the moral development in today's leaders is evolving forward or trending towards a state of decay. It also showed if chosen leaders of today are inclined to act as stewards in support of societal advancement or if ego and image underpin decision-making. These results may inform body of knowledge on organizational leadership if humans are moving towards a more responsible and conscious state or if these contemporary leadership models will more likely continue to exist in theory only.

The specific research questions addressed in this research were as follows:

RQ1: Does a difference exist in economic egoism between U.S.-led and European-led chief executive officers of SBUs within luxury goods companies.

$H1_{Null}$: No difference exists in economic egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
$H1_{Alternative}$: A difference in economic egoism exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

- DV: *Economic egoism*
- IV: Leader type (U.S.-led chief executive officer, European-led chief executive officer)
- SA: MANOVA

RQ2: Does a difference exist in reputational egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

$H2_{Null}$: No difference exists in reputational egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
$H2_{Alternative}$: A difference in reputational egoism exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

- DV: *Reputational egoism*
- IV: Leader type (U.S.-led chief executive officer, European-led chief executive officer)
- SA: MANOVA

RQ3: Does a difference exist in rule utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

$H3_{Null}$: No difference exists in rule utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
$H3_{Alternative}$: A difference in rule utilitarianism exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

- DV: *Rule utilitarianism*
- IV: Leader type (U.S.-led chief executive officer, European-led chief executive officer)
- SA: MANOVA

RQ4: Does a difference exist in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

$H4_{Null}$: No difference in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
$H4_{Alternative}$: A difference exists in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

- DV: *Act utilitarianism*
- IV: Leader type (U.S.-led chief executive officer, European-led chief executive officer)
- SA: MANOVA

RQ5: Does a difference exist in virtue of self between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

$H5_{Null}$: No difference in virtue of self between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

$H5_{Alternative}$: A difference in virtue of self exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

- DV: *Virtue of self*
- IV: Leader type (U.S.-led chief executive officer, European-led chief executive officer)
- SA: MANOVA

RQ6: Does a difference exist in virtue of others between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

$H6_{Null}$: No difference exists in virtue of others between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

$H6_{Alternative}$: A difference in virtue of others exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

- DV: *Virtue of others*
- IV: Leader type (U.S.-led chief executive officer, European-led chief executive officer)
- SA: MANOVA

RQ7: Does a difference exist in act deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

$H7_{Null}$: No difference in act deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

$H7_{Alternative}$: A difference in act deontology exists between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies

- DV: *Act deontology*
- IV: Leader type (U.S.-led chief executive officer, European-led chief executive officer)
- SA: MANOVA

RQ8: Does a difference exist in rule deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies.

$H8_{Null}$: No difference exists in rule deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

$H8_{Alternative}$: A difference in rule deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

- DV: *Rule deontology*
- IV: Leader type (U.S.-led chief executive officer, European-led chief executive officer)
- SA: MANOVA

Theoretical Model

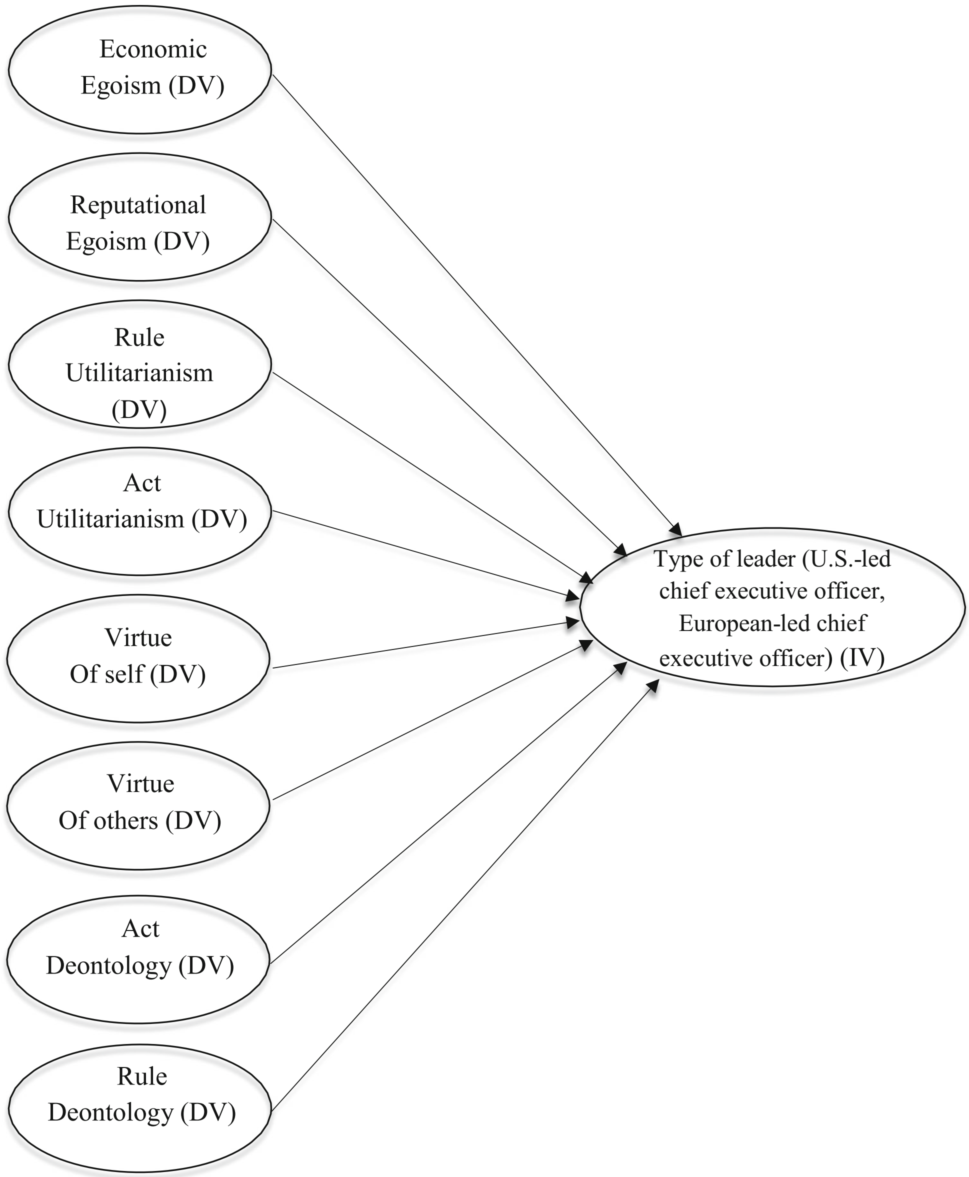
Both theory and empirical research indicate that an individual's beliefs and moral make-up influence their decision-making process (Trevino 1986; Casali 2011). When individuals make decisions they attempt to satisfy certain ethical principles when choosing options and weighing alternatives (Casali 2011). This model shows the multidimensional components of ethical egoism, utilitarianism, virtues, and deontology which comprise an individual's ethical profile and, thus, influence their own ethical decision-making process (Fig. 1).

Population, Sample and Sampling Procedures

Population

The population comprised CEOs, country managers or commercial leaders of luxury good organizations. There are at least 675 luxury self-identified luxury brands which include hospitality, travel, electronics, real estate, furniture, watch and jewelry, wines and spirits, fashion, cosmetics, and leather goods (Deloitte 2014). Many of these brands have specific country manager/CEOs responsible for the operational and commercial aspects of the brand within a specific geography. These individuals had P&L responsibly and generally report directly to the brand headquarters. The population included both acting SBU CEOs and brand general managers provided they had a direct reporting line to the international headquarters. The population also included individuals who recently performed in these roles but have left employment or changed organizations within the prior 3 years.

Fig. 1 Theoretical model



These individuals had direct experience with intimate client encounters and events, which drive the commercial activities within the luxury goods industry. They shared the same commercial pressures to deliver growth in their markets and to be responsive to global luxury clients demanding brand service in their local markets. They were responsible for decision-making within their markets, within the scope of their authority.

Sample and Sampling Procedure

The sample included luxury goods SBU CEOs leading U.S. SBUs. It excluded hospitality, real estate sales and travel SBU CEOs and focused on consumer or home goods-type luxury organizations. These organization types included marketers of electronics, furniture, watch and jewelry, wines and spirits, fashion, cosmetics, and leather goods or provided media or consulting services within these sectors. The sample included both currently practicing SBU leaders and leaders that were in practice within a U.S. SBU during the prior 3 years.

The study employed a nonprobability purposive sampling selection process. Purposive sampling is a nonprobability sampling strategy, which requires the researcher to select subjects based on the characteristics of the respondents (McMillan 2011). Nonprobability sample techniques are appropriate when access to the entire population is not possible (McMillan 2011). For the purpose of this study, respondents were selected based on their position level, the nation of origin of the parent company, and the luxury products in which their SBUs trade. The purpose of the study is to compare two specific types in order to suggest some generalizations about a hypothetical population of leaders who have characteristics similar to the selected types, U.S.-led and non-U.S.-led SBUs CEOs. The researcher did not have access to the entire population from which to select a sample and selected sample members from the individual who chose to participate in the survey.

Power Analysis

The central limit theorem states that the mean score and standard deviation from a random sample of about 30 participants will approximate the mean and standard deviation of the associated population (Francq and Zakoïan 2005). This means that if one is obtaining a random sample from a population, then 30 participants is all that is necessary to reflect the population mean. However, obtaining a true random sample in social research is extremely difficult; ergo, the reason for a formal power analysis.

In social research, the probability of obtaining a true random sample is low. Therefore, this study uses a formal power analysis to determine the minimum sample size required for generalizability (Lameck 2013). A key component of the power analysis is the size effect, which is an estimate due to the lack of prior research work in this area of study (Jones et al. 2003). Cohen's research indicates that a medium effect size of 0.06 or 6 % may be an appropriate estimate (Cohen 1992). For this study, the estimated sample size, using 6 % as the estimated effect size, was 64 European-led chief executive officers and 64 U.S.-led chief executive officers. If actual findings reflected estimated effect size, then there was an 80 % chance that a significant effect will be found, and therefore generalizable to the population. To account for the risk in obtaining the recommended sample size in this study, qualitative component was included to support the generalizability of the quantitative findings. A minimum sample size of six respondents from each leader type were to be interviewed to perform the phenomenological qualitative research portion of the study (Creswell 2013).

Operationalization of Variables

The study identified nine variables, a single independent variable, and eight dependent variables. The independent variable was type of leader (U.S.-led chief executive officer, European-led chief executive officer), while the eight dependent variables included (a) economic egoism, (b) reputational egoism, (c) rule utilitarianism, (d) act utilitarianism, (e) virtue of self, (f) virtue of others, (g) act deontology, and (h) rule deontology. The variables operationalized in this study are as follows:

Type of Leader

This study defined type of leader by the parent company national origin by which they are led. Type of leader was measured at the nominal level. Questions 5, 6, 8 and 11 on the demographic survey were used to assess type of leader. In this case, (as an example: 1 = *U.S.-led chief executive officer* and 2 = *European-led chief executive officer*). Primary sources were used to determine type of leader; meaning, data were not archival, and were not previously gathered.

Economic Egoism

Economic egoism was defined as the leader's act of promoting the best outcome for the organization, and there for self, as an extension of the organization, in terms of profit and loss (Casali 2011). Economic egoism was measured at the interval level, on a 6-point Likert-type scale. Questions 1–3 on the Managerial Ethical Profile survey were used to measure economic egoism, specifically 1 = *strongly disagree*, 2 = *disagree*, 3 = *disagree more than agree*, 4 = *agree more than disagree*, 5 = *agree*, and 6 = *strongly agree*. Primary sources were used to determine economic egoism, meaning data were not archival and were not previously gathered.

Reputational Egoism

Reputational egoism was defined as the leader protecting and enhancing the organizational reputation to enhance one's own reputation, perhaps at the expense of potential profit (Casali 2011). Reputational egoism was measured at the interval level, on a 6-point Likert-type scale. Questions 4 and 5 on the Managerial Ethical Profile survey were used to measure reputational egoism, specifically 1 = *strongly disagree*, 2 = *disagree*, 3 = *disagree more than agree*, 4 = *agree more than disagree*, 5 = *agree*, and 6 = *strongly agree*. Primary sources were used to determine reputational egoism; meaning, data were not archival, and were not previously gathered.

Rule Utilitarianism

Rule utilitarianism was defined as the process of making all decisions with a focus on what benefits the majority (Casali 2011). Rule utilitarianism was measured at the interval level, on a 6-point Likert-type scale. Questions 6 and 7 on the Managerial Ethical Profile survey were used to measure rule utilitarianism, specifically 1 = *strongly disagree*, 2 = *disagree*, 3 = *disagree more than agree*, 4 = *agree more than disagree*, 5 = *agree*, and 6 = *strongly agree*. Primary sources were used to determine rule utilitarianism;

meaning, data were not archival, and were not previously gathered.

Act Utilitarianism

Act utilitarianism was defined as the process of creating the greatest good for the greatest number of people and each proposed action is evaluated as to whether it will generate the most good for stakeholders (Casali 2011). Act utilitarianism was measured at the interval level, on a 6-point Likert-type scale. Questions 8 and 9 on the Managerial Ethical Profile survey were used to measure act utilitarianism, specifically 1 = *strongly disagree*, 2 = *disagree*, 3 = *disagree more than agree*, 4 = *agree more than disagree*, 5 = *agree*, and 6 = *strongly agree*. Primary sources were used to determine act utilitarianism; meaning, data were not archival, and were not previously gathered.

Virtue of Self

Virtue of self was defined as personal internal attributes, which promote well-being (Casali 2011). Virtue of self was measured at the interval level, on a 6-point Likert-type scale. Questions 10 and 11 on the Managerial Ethical Profile survey were used to measure virtue of self, specifically 1 = *strongly disagree*, 2 = *disagree*, 3 = *disagree more than agree*, 4 = *agree more than disagree*, 5 = *agree*, and 6 = *strongly agree*. Primary sources were used to determine virtue of self; meaning, data were not archival, and were not previously gathered.

Virtue of Others

Virtue of others was defined as personal internal attributes, which promote the care for others (Casali 2011). Virtue of others was measured at the interval level, on a 6-point Likert-type scale. Questions 12–15 on the Managerial Ethical Profile survey were used to measure virtue of others, specifically 1 = *strongly disagree*, 2 = *disagree*, 3 = *disagree more than agree*, 4 = *agree more than disagree*, 5 = *agree*, and 6 = *strongly agree*. Primary sources were used to determine virtue of others; meaning, data were not archival, and were not previously gathered.

Act Deontology

Act deontology was defined as the process of determining what universal duties are demanded in a particular situation, without regard to outcome (Casali 2011). Act deontology was measured at the interval level, on a 6-point Likert-type scale. Questions 16–18 on the Managerial Ethical Profile survey were used to measure act deontology, specifically 1 = *strongly disagree*, 2 = *disagree*, 3 = *disagree more than agree*, 4 = *agree more than disagree*, 5 = *agree*, and 6 = *strongly agree*. Primary sources were used to determine act deontology; meaning, data were not archival, and were not previously gathered.

Rule Deontology

Rule deontology was defined as the process of fulfilling universal duties or following universal principles, without regard to outcome (Casali 2011). Rule deontology was measured at the interval level, on a 6-point Likert-type scale. Questions 19–21 on the Managerial Ethical Profile survey were used to measure rule deontology, specifically 1 = *strongly disagree*, 2 = *disagree*, 3 = *disagree more than agree*, 4 = *agree more than disagree*, 5 = *agree*, and 6 = *strongly agree*. Primary sources were used to determine rule deontology; meaning, data was not archival, and was not previously gathered.

Instrumentation

The Managerial Ethical Profile (MEP) Scale

Dr. Gian Luca Casali from the Queensland University of Technology created the Managerial Ethical Profile (MEP) scale in 2008. The survey combines two dimensions of each of the four major schools of moral philosophy, namely ethical egoism, utilitarianism, virtue ethics, and deontology, to try to capture a more realistic and multidimensional view of moral reasoning in managerial decision-making. The survey consists of 24 statements that have responses scales by participants' level of importance from low to high using a Likert-type strategy. Responses are scaled on a 5-point scale from low to high where 1 = Extremely Important and 5 = Not Important At All. Response options in the survey link to specific statements and respondents select the response, which reflects their current attitude.

The Managerial Ethical Profile is an eight-facet scale developed to measure the ethical principles potentially used during the used in the individual ethical decision-making process. The eight facets are (a) economic egoism, (b) reputational egoism, (c) rule utilitarianism, (d) act utilitarianism, (e) virtue of self, (f) virtue of others, (g) act deontology, and (h) rule deontology (Appendix 1). The survey offers each respondent the opportunity to select between a numbers of dimensions present in the most common ethical frameworks. Casali (2011) suggests that MEP scale can be used to profile decision-makers on their ethical preferences, providing a picture at the individual or group level, of the way in which decision makers interpret ethical dilemmas. The MEP instrument was appropriate for this study as it allowed for a comparison of the ethical decision-making profiles between a group of U.S.-led and non-U.S.-led leaders, and may have offered some indication of what factors may have been attributed to any differences noted.

Instrumentation Validity

The instrument developer designed the survey to evaluate the ethical profile of students and small business managers. It was validity and reliability tested using a sample of 441 health care managers. The published validity and reliability statistics show CFI = 0.933, SRMR = 0.467, RMSEA = 0.057, $x^2 = 393.75$, $df = 161$ and $x^2/df = 2.44$. Dr. Casali provided his written consent to use the MEP instrument in this study on February 10, 2015 (Appendix 2).

Data Collection

Quantitative Data Collection

The research collected data from currently practicing luxury goods SBU CEOs, general managers and country managers, and individuals who fulfilled these roles within the prior 3 years. The email addresses and other contact information from potential survey participants were collected from LinkedIn, during trade shows, and through personal contacts. Using the database of potential participants, database members were emailed a link to the online survey development organization, SurveyMonkey. SurveyMonkey is a cloud-based software service, which provides users to develop custom surveys or upload previously developed surveys for distribution. The service also support data collection and data analysis of responses collected.

A demographic survey and the Managerial Ethical Profile (MEP; Appendix 3), uploaded to SurveyMonkey, were distributed to the database of potential participants. The demographic survey was a 12-item questionnaire identifying participant professional and organizational characteristics. Demographic variables in this study were scaled on the nominal basis. The Managerial Ethical Profile survey is a 24-item survey identifying the importance of specific decision-making factors to the participant in their decision-making process. Items on the MEP survey were measured on the interval level, with responses ranging from one to five. Specifically, 1 = *Extremely Important*, 2 = *Very Important*, 3 = *Fairly Important*, 4 = *Not very Important*, and 5 = *Not Important at All*.

Qualitative Data Collection

The study gathered qualitative data through the interview of five survey respondents. The interview questions focused on the respondents' interpretation of specific survey questions. The interviews were audio recorded and took place over telephone. The researcher compiled transcripts of the interviews for coding and analysis.

Informed Consent and Confidentiality

Before accessing the survey questions, each participant read and acknowledged an informed consent statement to participate and complete the survey. The informed consent statement explained the purpose of the study to the participant to clarify what their involvement in the study entailed. The statement specifically stated that the survey will not collect identifying information and that all results will remain anonymous. Any participant who did not check the agree-to option did not have access to the survey questions. Once the participant agreed to the informed consent, statement they received access to complete the Demographic Survey and the MEP survey. All data collected were recorded in Microsoft Excel. The data analysis used the Statistical Package for the Social Sciences (SPSS) software program, Student Version 20.0 program.

Respondents selected for the follow-up phenomenological interviews received a separate informed consent statement, which explained the nature of the interviews, their ability to end their participation without consequence and the assurance of confidentiality. The researcher conducted the interview once the respondent submitted the informed consent form. An example of this form is contained in Appendix 4. The researcher did not reveal identity of interview participants to the other interview participants, did not use their name or identifying information in the study or any published information that results from the interviews or interview transcripts. The use of phone and Skype for a one-on-one interview ensured that identities remain confidential to the researcher only.

Data Analysis Plan

Quantitative Data Analysis

The eight research questions, with two hypotheses each, were tested using MANOVA analyses, in an attempt to answer the eight research questions. The study employed Statistical Package for the Social Sciences (SPSS) software program, Student Version 20.0 to conduct these analyses. MANOVA analysis determined any significant mean difference in the dependent variables resulting from the independent variables. This specific research determined if a difference exists among the dependent variables, (a) economic egoism, (b) reputational egoism, (c) rule utilitarianism, (d) act utilitarianism, (e) virtue of self, (f) virtue of others, (g) act deontology, and (h) rule deontology, between the two levels of the independent variable (U.S.-led chief executive officer, European-led chief executive officer). Mean differences were tested to determine if a difference exist between levels of the IV, accounted for by approximate F (as defined by Wilks' λ).

Qualitative Data Analysis

The researcher coded the transcripts from the qualitative interviews. The coding focused on emergent themes that related to the respondent's interpretation of the research questions and their specific decision-making priorities. The data analysis explored similarities in the perceptions and experiences of the participants.

Validity

Validity in research indicates how well the instrument or method measures what it was intended to measure (Zohrabi 2013). The quantitative portion of the study used the validated Managerial Ethical Profile (MEP) instrument to gather numerical data from respondents. The MEP's published validity and reliability statistics show CFI = 0.933, SRMR = 0.467, RMSEA = 0.057, $x^2 = 393.75$, $df = 161$ and $x^2/df = 2.44$ (Casali 2011). The qualitative phenomenological interviews included respondent review and an exploration of researcher bias as the means to support trustworthiness (Zohrabi 2013). The data analysis included a comparison of the identified themes in the coded interview data triangulated with the quantitative data results to support the quantitative findings.

Threats to Validity

Researchers define validity in quantitative research as the extent to which the research measures what it intends to measure (McMillan 2011). Threats to the internal validity of the study affect the quality of the evidence for causality (McMillan 2011). External validity threats negatively affect the generalizability of the results to the larger population (McMillan 2011).

There was one risk to the internal validity of the proposed study. This risk was the risk of communication or contamination of participants. This risk existed because the members of luxury goods industry are familiar with each other and, therefore, could potentially converse about the survey before recording their responses.

There were three threats to the external validity of the study. First, participation occurred on a voluntary basis. As such, there may have been inherent differences in those individuals who volunteered from those who opt out of participation. Second, the timing of the data collection may have affected the responses. The luxury goods industry is experiencing the first global contraction in over 5 years while the U.S. market is now entering an unexpected expansion. This may have influenced the decision-making priorities of U.S. SBU CEOs and may have led to a substantially different response from what have been obtained prior to this market shift. Finally, this study contained reaction risk, related to the nature of the questions in the MEP survey. Respondents did self-reporting and may have answered in a manner that reflects how they desire to be perceived by the researcher, rather than what their actual decision-making preferences were in practice.

Limitations

The study required participation from executive level leaders from both U.S.-led and non-U.S.-led SBUs. There may have been national or organizational culture factors, which may have precluded their participation in the survey. In addition, SBU CEOs may have been unwilling or unable to devote time to completing the survey. The power of a MANOVA test was a direct result of the sample size. There was a challenge to gather a sample size large enough to satisfy the minimum number of participants required. Challenges also existed in obtaining the access to survey respondents necessary to complete the qualitative portion of the research study.

The information the research participants provided included topics related to personal values and ethical choices. This information was self-reported. There may have been challenges in this process related to the research questions that focus on personal issues of ethics whereby there are no secondary sources of evidence for deeply held private beliefs (Creswell 2013).

Delimitations

The luxury goods industry has three main areas, travel, real estate, and consumer-like goods. The study focused on consumer-like goods, consulting, and media only. Within this sub-area of luxury goods, there are seven segments: watch and jewelry, wines and spirits, fashion, leather goods, perfumes and cosmetics, electronics, and furniture. This study focused only on executives within the consumer-like goods segment of the luxury goods industry. The research focus for this study was on this segment because these products have the potential for use as a form of currency in money laundering and bribe situations due to their small size, high value, or precious materials composition. Criminals can do many things with these objects to enhance their currency value such as melt them down, and sell in a manner, which is not feasible with the items included within the other areas of luxury.

This study examined U.S. subsidiaries of foreign-headquartered multinational companies only. There are cultural and legal variations between the European parent company norms and the United States business laws and cultures (Cebuc and

Iosif 2008; Etherington and Lee 2007). These variations may be prone to cause ethical dilemmas (Etherington and Lee 2007) in the subsidiary CEOs leading the U.S. organizations under the guidance of the parent company direction.

The study participants included both active and recently separated leaders. The inclusion of nonactive CEOs was to include U.S. subsidiary leaders who may have resigned or been terminated due to the ethical dilemmas or possible disagreements with the parent company which they may have faced. Within the luxury-goods industry, no evidence suggested that currently employed CEOs are more ethical than recently employed CEOs.

Summary

Chapter 3 described in detail the methodological design of the proposed research study. The study used a quantitative MANOVA analysis to determine if there are differences in the ethical profiles of luxury goods CEOs in U.S.-led and non-U.S.-led luxury organizations. The independent variable was the leader type, defined by parent company national origin, U.S. or non-U.S. The dependent variables were the eight facets of the managerial ethical profile, which the developer has based on the four school of ethical theory. The quantitative data was supplemented with qualitative data gathered through a sample of interviews with key survey respondents, which allowed for further elaboration on the survey questions.

This chapter includes a theoretical model, which captures the unique combination of ethical priorities in leadership decision-making, which describe an individual's ethical profile. This research used the Managerial Ethical Profile survey coupled with demographic profile questions, to capture the primary data via SurveyMonkey. The study analyzed quantitative data collected using Statistical Package for the Social Sciences (SPSS) software program, Student Version 20.0 program.

Chapter 4 will present the results of the data analysis. This will include the scope of the data analysis and the significance of the findings. Chapter 4 will also present the actual procedures used and to what extent they may differ from the process proposed in Chapter 3. Chapter 4 will report the results of the hypothesis testing and the implications of these results on the proposed research question. Finally, the next chapter will report any research errors or procedural shortfalls, which influence the study process or findings.

Chapter 4: Results and Findings

The results and findings of this research study are included in this chapter. After the survey and interview data were collected from the study participants, the results were reviewed and a description of the results and findings were developed and presented. The purpose of the study, data collection methodology, and the restated research questions are contained in this chapter. In addition, explanations of the results of the quantitative and qualitative data analysis contribute to the body of knowledge regarding luxury goods industry leadership, responsible leadership, conscious capitalism, and business ethics in practice.

Restatement of the Purpose

The purpose of the study was to compare the ethical decision-making processes of U.S.-led and non-U.S.-led leaders of SBUs in global luxury goods organizations operating in the U.S. Specifically, the objective of the study was to determine what, if any, differences exist in the ethical decision-making profiles of those leading U.S. SBUs of luxury goods organizations based on the home country of origin of the parent organization. The areas of potential differences focused on the moral philosophies that underpin the ethical decision-making priorities of leaders utilizing the luxury strategy business model. The study also included a comparison of U.S.-headquartered and foreign-headquartered organizations to identify possible cross-cultural differences, in the leaders, each parent company type chooses, may contain.

This analysis assessed if the nationality aspects of each parent company culture affect the ethical decision-making profiles of the leaders selected to lead these SBUs. Finally, the study evaluated the Managerial Ethical Profile of the luxury goods sector leadership to determine if responsible leadership and conscious capitalism have the potential to be compatible with the luxury goods industry's elitist nature.

Quantitative Research

Data Collection Process

The research collected data from currently practicing luxury goods SBU CEOs, general managers, and country managers and individuals who fulfilled these roles within the prior 3 years. A database of contact emails for the target population was compiled from contacts obtained through trade shows, via LinkedIn, and through referrals. The original data collection plan anticipated accessing the Luxury Marketing Council database. After an initial approval to work with the Luxury Marketing Council, the organization declined involvement stating a conflict of interest with a study they were involved with in partnership with a public university in the state of North Carolina. Using the database of potential participants' contact emails, the researcher emailed a link to the on-line survey development organization, SurveyMonkey. If the participants accepted the Informed Consent agreement, they were given access to the Demographic and MEP survey information. Responses were collected in SurveyMonkey and transferred to the researcher via an export to a secure password-protected Excel spreadsheet (Table 3).

The database contained 3004 specific contacts. One hundred eight responses arrived via email, a response rate of 3.6 %. Five-point-three percent opted out and 90.3 % did not respond. The initial invitation went out on July 1, 2015. Follow up reminders went out on July 10 and July 20, 2015. The researcher posted the link to the MEP survey on a luxury leader group listing, a consumer products group posting site and on an HR in Leadership discussion board on LinkedIn during the survey period. In addition, the researcher sought to post on three other luxury goods LinkedIn sites but the requests went unanswered. These LinkedIn postings yielded eight responses. Several days after posting the link on the luxury leaders' website, the website blocked the link because several of the members of that luxury leader group deemed it "irrelevant."

Data Analysis Procedures

The data analysis utilized inferential statistics to draw conclusions from the sample tested. The analysis process used the Statistical Package for the Social Sciences (SPSS) to code and tabulate scores collected from the survey and provide summarized values including the mean, central tendency, variance, and standard deviation. The analysis process utilized MANOVA to evaluate the eight research questions (Tabachnick and Fidell 2013). The research questions:

Research Question 1 (RQ1): Does a difference exist in economic egoism between U.S.-led and European-led chief executive officers of SBUs within luxury goods companies?

Research Question 2 (RQ2): Does a difference exist in reputational egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies?

Research Question 3 (RQ3): Does a difference exist in rule utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies?

Research Question 4 (RQ4): Does a difference exist in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies?

Research Question 5 (RQ5): Does a difference exist in virtue of self between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies?

Research Question 6 (RQ6): Does a difference exist in virtue of others between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies?

Research Question 7 (RQ7): Does a difference exist in act deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies?

Research Question 8 (RQ8): Does a difference exist in rule deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies?

The researcher completed data cleaning and data screening prior to the data analysis process, to ensure the variables of interest met appropriate statistical assumptions. The cleaning and screening process included an examination for missing data, univariate outliers, multivariate outliers, normality, linearity, homogeneity of variance, homogeneity of variance–covariance matrices, and multicollinearity (Tabachnick and Fidell 2013). Finally, the eight research questions were subject to MANOVA analyses (see Table 4).

Demographics

The researcher collected data from a valid sample of 51 U.S.-led and non-U.S.-led SBU CEOs. The majority of participants were male (72.5 %, $n = 37$) and the remaining participants were female (27.5 %, $n = 14$). Specifically, 20 of the U.S.-led CEOs were males (39.2 %) and 6 were female (11.8 %). Furthermore, 17 of the non-U.S.-led CEOs were male (33.3 %) and 8 were female (15.7 %). This indicates that in both U.S.-based and non-U.S.-based organizations, the top decision-maker roles in luxury goods organizations remain male-dominated. The gender ratio skewed towards men exists in spite of U.S. employment practices that, theoretically, offer a more even playing field for women. Count and percent statistics of participants' gender and leader type are in Table 5. In addition, count and percent statistics of participants' national origin are in Appendix 5, Table 24.

The researcher collected data from a valid sample of 51 U.S.-led and non-U.S.-led SBU CEOs. Of the 51 participants, nearly half had a bachelor's degree (45.1 %, $n = 23$), a quarter of them had a master's degree/MBA (25.5 %, $n = 13$), and four of them had a Ph.D. or other doctorate (7.8 %). Additionally, three participants' highest level of education was high school (5.9 %), five had an associate's degree (9.8 %), and three stated "other" as their highest level of education (5.9 %). This indicates that there is some preference for a minimum education level to qualify for top decision-maker positions in the luxury

Table 3 Variables and corresponding survey questions

Variable name	Type of variable	Scale	No. of items	Questions
Type of Leader (U.S.-led chief executive officer, European-led chief executive officer)	Independent variable (IV)	Nominal	1	XX
Economic egoism	Dependent variable (DV)	Interval	3	Questions 1–3
Reputational egoism	Dependent variable (DV)	Interval	2	Questions 4 and 5
Rule utilitarianism	Dependent variable (DV)	Interval	2	Questions 6 and 7
Act utilitarianism	Dependent variable (DV)	Interval	2	Questions 8 and 9
Virtue of self	Dependent variable (DV)	Interval	2	Questions 10 and 11
Virtue of others	Dependent variable (DV)	Interval	4	Questions 12–15
Act deontology	Dependent variable (DV)	Interval	3	Questions 16–18
Rule deontology	Dependent variable (DV)	Interval	3	Questions 19–21

goods industry. Count and percent statistics of participants' highest level of education are in Table 6. In addition, count and percent statistics of participants' last formal institution attended are in Appendix 5, Table 25.

The researcher collected data from a valid sample of 51 U.S.-led and non-U.S.-led SBU CEOs. Participant size of employer demonstrates a bimodality between very large and very small organizations. Of the 51 participants, just over a third work in organizations with 1–20 employees (37.3 %, $n = 19$), just under quarter of them worked in organizations with over 1000 employees (23.5 %, $n = 12$). Of the remaining participants, eight of them worked for organizations with 51–150 employees (15.7 %, $n = 8$). The composite of staff size within the sample indicative of the nature of the industry in the U.S., which is composed of several large players with complex U.S.-based operations, some small subsidiaries servicing single brands and sole proprietorship high end retailers. Count and percent statistics of participants' number of employees are in Table 7.

The researcher collected data from a valid sample of 51 U.S.-led and non-U.S.-led SBU CEOs. Of the 51 participants, just over half identified Parent Company national origin as American (51 %, $n = 26$), nine identified as Swiss (17.6 %, $n = 9$), and six identified as French (11.8 %, $n = 6$). Additionally, four identified as English (7.8 %), four identified as Italian (7.8 %), one identified as Dutch (2.0 %) and one did not provide a response (2.0 %). This reflects the make-up of the global luxury goods industry, dominated by European organizations producing in the traditional luxury product segments and U.S. organizations composed of high-end home furnishings and electronics, designer fashion, and jewelry retail. Count and percent statistics of participants' national identity of their organizations are in Table 8.

The researcher collected data from a valid sample of 51 U.S.-led and non-U.S.-led SBU CEOs. Of the 51 participants over half traded in watch and jewelry or leather goods, with nearly 40 % primarily traded in watches and/or jewelry (39.2 %, $n = 20$) and six traded in leather goods (11.8 %, $n = 6$). In addition, five traded in fashion (9.8 %, $n = 5$), five in home furnishings and goods 9.8 %, $n = 5$), three in perfumes and cosmetics (5.9 %, $n = 3$), three in electronics (5.9 %, $n = 3$) and one in wines and spirits (2.0 %, $n = 1$). Eight additional participants identified with product lines other than watches and jewelry, leather goods, fashion, home décor or furnishings, perfumes and cosmetics, electronics or wines and spirits (15.7 %). The participants who responded from organizations trading in product lines outside of traditional luxury goods have adopted the luxury strategy as a means to market their products or services to high-end market, wealthy clientele or other luxury goods organizations. This broad descriptions of organizational types within the sample is indicative of the spread of The Luxury Marketing Strategy business model to other segments of the U.S. economy. Count and percent statistics of participants' number of employees are in Table 9.

Analysis of Research Questions 1–8

Research questions 1–8 were evaluated using MANOVA analysis to determine if any significant differences in ethical decision-making processes, based on ethical or moral paradigms, existed between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies (Tabachnick and Fidell 2013). The dependent variables for research questions 1–8 were the eight ethical paradigms including economic egoism, reputational egoism, rule utilitarianism, act utilitarianism, virtue of self, virtue of others, act deontology, and rule deontology as measured by the 21-item Managerial Ethical Profile (MEP)—see Appendix 3 for the MEP survey questions. Specifically, economic egoism measured in questions 1–3, reputational egoism measured in questions 4 and 5, rule utilitarianism measured in questions 6 and 7,

Table 4 Variables and statistical tests used to evaluate research questions 1–8

Research questions	Dependent variable	Independent variable	Analysis
RQ1	Economic egoism	Leader type	MANOVA
RQ2	Reputational egoism	Leader type	MANOVA
RQ3	Rule utilitarianism	Leader type	MANOVA
RQ4	Act utilitarianism	Leader type	MANOVA
RQ5	Virtue of self	Leader type	MANOVA
RQ6	Virtue of others	Leader type	MANOVA
RQ7	Act deontology	Leader type	MANOVA
RQ8	Rule deontology	Leader type	MANOVA

and act utilitarianism measured in questions 8 and 9. Virtue-of-self measured in questions 10 and 11, virtue-of-others measured in questions 12–15, act deontology measured in questions 16–18, and rule deontology measured in questions 19–21. Each survey question served as a dependent variable for the applicable research question. Response parameters were measured on a 5-point Likert-type scale where 1 = *not important at all*, 2 = *not very important*, 3 = *fairly important*, 4 = *very important*, and 5 = *extremely important*. The independent variable for research questions 1–8 was participants' leadership type: U.S.-led chief executive officer and European-led chief executive officer.

Table 5 Cross tabulation of participants' gender and leader type

Gender	Leader type		Total
	U.S.-led	Non-U.S.-led	
Female	6	8	14
Male	20	17	37
Total	26	25	51

Total $N = 51$

Table 6 Count and percent statistics of participants' level of education

Level of education	Count (n)	%
High school graduate	3	5.9
Associates degree/certificate	5	9.8
Bachelor's degree	23	45.1
Master's degree/MBA	13	25.5
Ph.D./other doctorate	4	7.8
Other	3	5.9
Total	51	100.0

Data Cleaning

A sample of 51 CEOs or Country Managers of luxury good organizations participated in the study. The analysis included the identification of missing data, univariate outliers, and multivariate outliers prior to the actual analytical computations (Tabachnick and Fidell 2013). Frequency counts identified nine cases of missing data. Specifically, two cases did not respond to all the survey questions for research question 1 (survey questions 1–3), two cases did not respond to all survey questions for research question 2 (survey questions 4 and 5), and three cases did not respond to all the survey questions for research question 3 (survey questions 6 and 7). Three cases did not respond to all survey questions for research question 4 (survey questions 8 and 9) and four cases did not respond to all survey questions for research question 5 (survey questions 10 and 11). Six cases did not respond to all survey questions for research question 6 (survey questions 12–15), and six cases did not respond to all survey questions for research question 7 (survey questions 16–18). Finally, 40 participants did not respond to survey questions 20 and 21. The analysis excluded each of these cases from the analyses of the associated research questions.

The data were screened for univariate outliers by transforming raw scores to z-scores and comparing z-scores to a critical range between -3.29 and $+3.29$, $p < 0.001$ (Tabachnick and Fidell 2013). Z-scores that exceed this critical range are more than three standard deviations away from the mean and thus represent outliers. Six cases with univariate outliers, located in survey questions 1, 2, 7, 8, 15, and 16 were removed from the analyses.

Multivariate outliers were evaluated using Mahalanobis distance (Tabachnick and Fidell 2013). The analysis computed Mahalanobis distances for each variable and compared them to a critical value from the χ^2 distribution table (Tabachnick and Fidell 2013). Mahalanobis distance for two dependent variables indicates a critical value of 13.82; three dependent variables = 16.27, and four dependent variables = 18.47 (Tabachnick and Fidell 2013). Results indicated that there were no cases where multivariate outliers, within the distributions, exceeded these values (Tabachnick and Fidell 2013). Based on this analysis, 51 total responses from participants were received and 49 were evaluated by the MANOVA model for research questions 1 and 2 ($N = 49$) and 48 were evaluated

Table 7 Count and percent statistics of participants' number of employees

Number of employees	Count (n)	%
1–20 employees	19	37.3
21–50 employees	5	9.8
51–150 employees	8	15.7
151–500 employees	1	2.0
501–1000 employees	4	7.8
1000+ employees	12	23.5
Missing	2	3.9
Total	51	100.0

Table 8 Count and Percent statistics of participants' national identity of their organization

National identity of organization	Count (n)	%
American	26	51.0
English	4	7.8
French	6	11.8
Italian	4	7.8
Swiss	9	17.6
Other (please specify)		
Classified	1	2.0
Dutch	1	2.0
Total	1	100.0

Total $N = 51$

by research questions 3 and 4 ($N = 48$). In addition, 47 were evaluated by research question 5 ($N = 47$); 45 were evaluated by research questions 6 and 7 ($N = 45$); and 46 were evaluated by research question 8 ($N = 46$). Descriptive statistics for each survey question by leader types (U.S.-led CEOs, non-U.S.-led CEOs) participants are in Appendix 5, Tables 26, 27, 28, 29, 30, 31, 32 and 33.

Normality

Before each research question analysis, the researcher examined the basic parametric assumptions. For each dependent variable (survey questions 1–19) assumptions of normality, homogeneity of variance, homogeneity of variance–covariance matrices, and multicollinearity were tested. The test for normal distribution came from results of skew and kurtosis coefficients divided by the skew/kurtosis standard errors, z-skew/z-kurtosis coefficients. Tabachnick and Fidell (2013) suggest this technique as a means to identify outliers. Specifically, z-skew/z-kurtosis coefficients exceeding the critical range between -3.29 and $+3.29$ ($p < 0.001$) may indicate nonnormality (Tabachnick and Fidell 2013). Based on the evaluation of the z-skew/z-kurtosis coefficients, several distributions were found to be significantly skewed (survey questions 3, 10, 11, and 14) and the same four were found to be significantly kurtotic (survey questions 3, 10, 11, and 14). Skewness and kurtosis statistics of survey questions 1–19 are displayed in Appendix 5, Tables 34, 35, 36, 37, 38, 39, 40 and 41 by leader types (U.S.-led CEOs, non-U.S.-led CEOs). Although the two aforementioned distributions violated the assumption of normality, Tabachnick and Fidell (2013) posit that the MANOVA model is robust against modest violations of normality. However, to affirm the results of the MANOVA analyses, the researcher conducted non-parametric Kruskal–Wallis tests, with violations considered limitations of the study (Tabachnick and Fidell 2013).

Table 9 Count and percent statistics of participants' primary product lines traded

Primary products lines traded	Count (n)	%
Watches and/or jewelry	20	39.2
Leather goods	6	11.8
Couture/fashion/apparel	5	9.8
Home furnishings/home decor	5	9.8
Perfume and/or cosmetics	3	5.9
Electronics	3	5.9
Wines and/or spirits	1	2.0
Other (please specify)		
Air conditioning	1	2.0
Consulting	1	2.0
Consulting and research—energy	1	2.0
Culinary consulting	1	2.0
Diamonds, gold, platinum metals, and special needs of clients in the jewelry business	1	2.0
Durable goods	1	2.0
Education	1	2.0
Finance	1	2.0
Giftware collectibles	1	2.0
Golf Marketing	1	2.0
High fashion, beauty and philanthropy magazine	1	2.0
Higher Education	1	2.0
Leadership and development	1	2.0
Luxury Media	1	2.0
Media	1	2.0
Media Communications News PR	1	2.0
Precious metals chemicals	1	2.0
Real estate development	1	2.0
Recruitment, education	1	2.0
Sustainable and clean energy projects	1	2.0
Technology	1	2.0
We are developers of regional shopping malls	1	2.0
Total	51	100.0

Total $N = 51$

For the remaining distributions, there were no violations related to the assumption of normality and the analysis presumed the distributions were normal.

Homogeneity of Variance Levene's Test of Equality of Error Variance was run to determine if the error variances of the dependent variables (survey questions 1–19) were equal across levels of the independent variable (leader type; Tabachnick and Fidell 2013). Results indicated that two distributions violated the assumption of homogeneity of variance (survey question 7 $p = 0.017$ and survey question 8 $p = 0.025$). These results suggest that the error variances show unequal distribution across levels of the independent variable (U.S.-led CEOs, non-U.S.-led CEOs). Thus, nonparametric Kruskal–Wallis tests affirmed the results of the MANOVA analyses (Tabachnick and Fidell 2013). The remaining distributions (survey questions 1–6 and 9–19) did not violate the assumption of homogeneity ($p > 0.05$). A summary Levene's test for research questions 1–8 are in Table 10.

Homogeneity of Variance–Covariance Matrices To examine the assumption of homogeneity of variance–covariance matrices, Box's *M* Test of Equality of Covariance Matrices was conducted (Tabachnick and Fidell 2013). The test was run to determine if the distributions of the dependent variables (survey questions 1–18) were equal across the levels of the independent variable (leader type). The critical value determining violation of the assumption is $p < 0.001$ (Tabachnick and Fidell 2013). Results from the test found that the distributions were equal across the dependent variables. Therefore, the assumption of homogeneity of variance–covariance matrices is not violated, based on these results. Summary statistics of the Box's *M* tests conducted for research questions 1–7 are in Table 11.

Multicollinearity The assumption of multicollinearity was tested by calculating correlations between dependent variables (survey questions 1–19) using collinearity statistics (correlations, tolerance, and variance inflation factor; Tabachnick and Fidell 2013). Correlations between dependent variables did not exceed 0.80. In addition, tolerance was calculated using the formula $T = 1 - R_2$ and variance inflation factor (VIF) was the inverse of Tolerance (1 divided by *T*; Tabachnick and Fidell 2013). $T < 0.10$ and $\text{VIF} > 10$ are commonly used cut-off points for determining the presence of multicollinearity (Tabachnick and Fidell 2013). These results indicated that tolerance and VIF coefficients did not exceed the critical values. Therefore, the presence of multicollinearity was not assumed. Displayed in Appendix 5, Tables 42, 43, 44, 45, 46, 47 and 48 are summary statistics of the correlation analyses conducted to test the assumption of multicollinearity.

Results of Hypothesis 1

> *Null Hypothesis 1* ($H1_0$): There is no difference in economic egoism between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies.
> *Alternative Hypothesis 1* ($H1_A$): There is a difference in economic egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Using SPSS 23.0, multivariate analysis of variance (MANOVA) determined if any significant differences in economic egoism (survey questions 1–3) existed between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing three dependent variables (survey questions 1–3), Wilks' $\lambda = 0.921$, $F(3, 45) = 1.289$, $p = 0.290$, $\eta^2 = 0.079$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in economic egoism scores (survey questions 1–3) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 1 was retained. Displayed in Table 12 are summary statistics of the MANOVA analysis. Furthermore, a model summary of the individual between-subject effects is in Appendix 5, Table 50.

Results of Hypothesis 2

> *Null Hypothesis 2* ($H2_0$): There is no difference in reputational egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
> *Alternative Hypothesis 2* ($H2_A$): There is a difference in reputational egoism between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies.

Multivariate analysis of variance (MANOVA) was used to determine if any significant differences in reputational egoism (survey questions 4 and 5) existed between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing two dependent variables (survey questions 4 and 5), Wilks' $\lambda = 0.984$, $F(2, 46) = 0.374$, $p = 0.690$, $\eta^2 = 0.016$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in reputational egoism scores (survey questions 4 and 5) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 2 was retained. Displayed in Table 13 are summary statistics of the MANOVA analysis. Furthermore, a model summary of the individual between-subject effects is in Appendix 5, Table 51.

Results of Hypothesis 3

Null Hypothesis 3 ($H3_0$): There is no difference in rule utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
Alternative Hypothesis 3 ($H3_A$): There is a difference in rule utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Multivariate analysis of variance (MANOVA) was used to determine if any significant differences in rule utilitarianism (survey questions 6 and 7) existed between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing two dependent variables (survey questions 6 and 7), Wilks' $\lambda = 0.905$, $F(2, 45) = 2.350$, $p = 0.107$, $\eta^2 = 0.095$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in rule utilitarianism scores (survey questions 6 and 7) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 3 was retained. Displayed in Table 14 are summary statistics of the MANOVA analysis. Furthermore, a model summary of the individual between-subject effects is in Appendix 5, Table 52.

Results of Hypothesis 4

Null Hypothesis 4 ($H4_0$): There is no difference in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.
Alternative Hypothesis 4 ($H4_A$): There is a difference in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Multivariate analysis of variance (MANOVA) was used to determine if any significant differences in act utilitarianism (survey questions 8 and 9) existed between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing two dependent variables (survey questions 8 and 9), Wilks' $\lambda = 0.977$, $F(2, 45) = 0.541$, $p = 0.586$, $\eta^2 = 0.023$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in act utilitarianism scores (survey questions 8 and 9) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for

Table 10 Summary of Levene's tests for research questions 1–8

Research question	Dependent variable	*N*	*F*	*df*1	*df*2	Sig. (*p*)
RQ1	Question 1	49	0.428	1	47	0.516
	Question 2	49	0.464	1	47	0.499
	Question 3	49	0.215	1	47	0.645
RQ2	Question 4	49	0.232	1	47	0.632
	Question 5	49	0.644	1	47	0.426
RQ3	Question 6	48	2.853	1	46	0.098
	Question 7	48	6.135	1	46	0.017[a]
RQ4	Question 8	48	5.374	1	46	0.025[a]
	Question 9	48	2.665	1	46	0.109
RQ5	Question 10	47	0.001	1	45	0.980
	Question 11	47	0.032	1	45	0.858
RQ6	Question 12	45	0.039	1	43	0.844
	Question 13	45	0.021	1	43	0.885
	Question 14	45	0.062	1	43	0.805
	Question 15	45	0.556	1	43	0.460
RQ7	Question 16	45	0.004	1	43	0.950
	Question 17	45	0.147	1	43	0.704
	Question 18	45	0.010	1	43	0.920
RQ8	Question 19	46	0.125	1	44	0.726

[a] Distribution violated the assumption of homogeneity of variance

Table 11 Summary of Box's *M* tests conducted for research questions 1–7

Research question	N	Box's M	df1	df2	F	Sig. (p)
RQ1	49	7.694	6	15,927.499	1.193	0.306
RQ2	49	1.674	3	421,556.136	1.674	0.660
RQ3	48	7.874	3	380,880.000	2.501	0.057
RQ4	48	5.958	3	380,880.000	1.893	0.128
RQ5	47	2.595	3	388,569.544	0.823	0.481
RQ6	45	7.583	10	8796.788	0.682	0.743
RQ7	45	13.423	6	13,319.259	2.067	0.054

research question 4 was retained. Displayed in Table 15 are summary statistics of the MANOVA analysis. Furthermore, a model summary of the individual between-subject effects is in Appendix 5, Table 53.

Results of Hypothesis 5

Null Hypothesis 5 ($H5_0$): There is no difference in virtue of self between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies.

Alternative Hypothesis 5 ($H5_A$): There is a difference in virtue of self between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Multivariate analysis of variance (MANOVA) was used to determine if any significant differences in virtue of self (survey questions 10 and 11) existed between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing two dependent variables (survey questions 10 and 11), Wilks' $\lambda = 0.998$, $F(2, 44) = 0.045$, $p = 0.956$, $\eta^2 = 0.002$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in virtue of self-scores (survey questions 10 and 11) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 5 was retained. Displayed in Table 16 are summary statistics of the MANOVA analysis. Furthermore, a model summary of the individual between-subject effects is in Appendix 5, Table 54.

Results of Hypothesis 6

Null Hypothesis 6 ($H6_0$): There is no difference in virtue of others between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Alternative Hypothesis 6 ($H6_A$): There is a difference in virtue of others between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Multivariate analysis of variance (MANOVA) was used to determine if any significant differences in virtue of others (survey questions 12–15) existed between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing four dependent variables (survey questions 12–15), Wilks' $\lambda = 0.919$, $F(4, 40) = 0.876$, $p = 0.487$, $\eta^2 = 0.081$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in virtue of others scores (survey questions 12–15) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for

Table 12 Summary of MANOVA analysis for Hypothesis 1

Effect	Wilks' λ	F	Hypothesis df	Error df	Sig. (p)	Partial eta squared (η^2)
Intercept	0.010	1470.097	3	45	<0.001	0.990
Leader type	0.921	1.289	3	45	0.290	0.079

Dependent variables = economic egoism (survey questions 1–3); total $N = 49$

Table 13 Summary of MANOVA analysis for Hypothesis 2

Effect	Wilks' λ	F	Hypothesis df	Error df	Sig. (p)	Partial eta squared (η^2)
Intercept	0.016	1413.971	2	46	<0.001	0.984
Leader type	0.984	0.374	2	46	0.690	0.016

Dependent variables = reputational egoism (survey question 4 and 5); total $N = 49$

research question 6 was retained. Displayed in Table 17 are summary statistics of the MANOVA analysis. Furthermore, a model summary of the individual between-subject effects is in Appendix 5, Table 55.

Results of Hypothesis 7

Null Hypothesis 7 ($H7_0$): There is no difference in act deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Alternative Hypothesis 7 ($H7_A$): There is a difference in act deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Multivariate analysis of variance (MANOVA) was used to determine if any significant differences in act deontology (survey questions 16–18) existed between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing three dependent variables (survey questions 16–18), Wilks' $\lambda = 0.988$, $F(3, 41) = 0.161$ $p = 0.922$, $\eta^2 = 0.012$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in act deontology scores (survey questions 16–18) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 7 was retained. Displayed in Table 18 are summary statistics of the MANOVA analysis. Furthermore, a model summary of the individual between-subject effects is in Appendix 5, Table 56.

Results of Hypothesis 8

Null Hypothesis 8 ($H8_0$): There is no difference in rule deontology between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies.

Alternative Hypothesis 8 ($H8_A$): There is a difference in rule deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury watch and jewelry companies.

Using SPSS 23.0, hypothesis 8 was evaluated using analysis of variance (ANOVA) to determine if a significant difference in rule deontology existed between U.S.-led and European-led chief executive officers of SBUs within luxury watch and jewelry companies. Results indicated there was no significant difference in participants' rule deontology scores between leader types (U.S.-led CEOs, non-U.S.-led CEOs), $F(1, 44) = 2.007$, $p = 0.164$, $\eta^2 = 0.044$. That is, U.S. CEOs did not have significantly higher rule deontology scores on survey question 19 ($M = 4.435$, $SD = 0.843$) as compared to non-U.S. CEOs ($M = 4.044$, $SD = 1.022$). Thus, the null hypothesis for research question 8 was retained. Displayed in Table 19 are summary statistics from the ANOVA analysis of hypothesis 8.

Summary of Results of Hypothesis 1–8 The quantitative analysis for hypotheses 1–8 are shown in Table 20. For each hypothesis, the results of the analysis support the null hypothesis. Hypotheses H3 and H8 have p values approaching 0.10.

Qualitative Research Findings

Data Collection Process

The data gathering process was originally designed to include participants from both U.S.-based and non-U.S. based luxury goods organizations. Participants were drawn from volunteers who declared interest in engaging in the interview process during their completion of the quantitative survey. The goal was to have six to ten participants from each group, U.S.-based luxury organizations and non-U.S. based luxury goods organizations. Participants were contacted via email using the contact information they each

Table 14 Summary of MANOVA analysis for Hypothesis 3

Effect	Wilks' λ	F	Hypothesis *df*	Error *df*	Sig. (p)	Partial eta squared (η^2)
Intercept	0.014	1585.856	2	45	<0.001	0.986
Leader Type	0.905	2.350	2	45	0.107	0.095

Dependent variables = rule utilitarianism (survey questions 6 and 7); total $N = 48$

Table 15 Summary of MANOVA analysis for Hypothesis 4

Effect	Wilks' λ	F	Hypothesis *df*	Error *df*	Sig. (p)	Partial eta squared (η^2)
Intercept	0.028	770.225	2	45	<0.001	0.972
Leader Type	0.977	0.541	2	45	0.586	0.023

Dependent variables = act utilitarianism (survey questions 8 and 9); total $N = 48$

provided in the survey. Five leaders agreed to participate in the study; however, all of those who agreed to participate were from non-U.S.-led luxury goods organizations. Although the sample size was smaller than expected and not as robust as planned, the participants' demographic characteristics varied significantly, providing insight into the shared phenomenon of ethical decision-making, leader values and organizational leadership and business practices within the non-U.S.-led luxury goods organizations.

The qualitative research involved a two-step process. First, the participants were contacted and sent the interview informed consent document. Second, once the informed consent document was signed and returned, the participant was sent the list of questions and the interview was scheduled based on mutually agreed upon dates and times. Participants were interviewed individually over the phone at their scheduled time. The interviews were recorded using an iPhone 6 and the TapeACall app. Participants were informed that their call was being recorded and steps were taken to ensure no identifying information was captured on the call recording. The interview recording averaged approximately 25 min. The interview recordings were transcribed and recorded for further coding.

Participant Demographics

The participant names and associated luxury goods organization were protected in accordance with the approved IRB procedures. Five individuals participated in the study, two women and three men. The participant ages range from late 20s to the mid-70s and their years as leaders within luxury goods ranged from 3 to over 25 years. Participant education levels ranged from no college degree to earned MBAs. The participants included two Americans, one Australian, one French national, and one Russian national. The parent company national organizations included Swiss, French, German and English companies. The variation in the sample demographics provides enough variation in characteristics to offer some validity in the common shared experiences expressed during the interview process. Characteristics of the participants are presented in Table 21.

Categories and Themes

One of the objectives of the research was to determine the principles of conscious capitalism and responsible leadership are compatible with the luxury strategy and business practices inherent in organizations within the luxury goods industry. Each interview was individually analyzed, followed by a search for common themes crossing multiple participants' interviews. These common categories and themes are presented in Table 22.

Category: Reputational Protection In the category, "Reputational Protection," participants made statements regarding the importance of protecting the organization's public reputation. The themes in this category are *Public Image,* and *Insincerity and Lack of Character.*

Theme—Public Image The theme, public image, is composed of participants' perceptions of the importance that public perception plays in luxury goods decision-making. Three participants discussed how reputation is

Table 16 Summary of MANOVA analysis for Hypothesis 5

Effect	Wilks' λ	F	Hypothesis *df*	Error *df*	Sig. (p)	Partial eta squared (η^2)
Intercept	0.016	1386.856	2	44	<0.001	0.984
Leader Type	0.998	0.045	2	44	0.956	0.002

Dependent variables = virtue of self (survey question 10 and 11); total $N = 47$

Table 17 Summary of MANOVA analysis for Hypothesis 6

Effect	Wilks' λ	F	Hypothesis *df*	Error *df*	Sig. (p)	Partial eta squared (η^2)
Intercept	0.015	651.443	4	40	<0.001	0.985
Leader Type	0.919	0.876	4	40	0.487	0.081

Dependent variables = virtue of others (survey questions 12–15); total $N = 45$

Table 18 Summary of MANOVA analysis for Hypothesis 7

Effect	Wilks' λ	F	Hypothesis *df*	Error *df*	Sig. (p)	Partial eta squared (η^2)
Intercept	0.020	682.567	3	41	<0.001	0.980
Leader Type	0.988	0.161	3	41	0.922	0.012

Dependent variables = act deontology (survey questions 16–18); total $N = 45$

important to consumers and employees. Examples of representative quotes are displayed in Table 22.

Theme—Insincerity and Lack of Character The theme, insincerity and lack of character, is composed of participants' perceptions of how luxury good organizations are focused on projecting the image of a Responsible or Conscious company while engaging in practices which are inconsistent with the image these organizations portray. Three participants discussed how luxury goods companies are insincere in the image they portray or ignore issues of organizational character. Examples of representative quotes are displayed in Table 22.

Category: People are the Most Valuable Resource In the category, "People are the Most Valuable Resource," participants made statements regarding the importance of the employees in ensuring the organization is successful. The themes in this category are *Teamwork and Collaboration* and *Luxury Misuses People.*

Theme—Teamwork and Collaboration The theme, teamwork and collaboration, is composed of participants' perceptions of the importance of engaging employees in decision-making and using a team approach to ensure organizational objectives are met while employee satisfaction is enhanced. Four participants discussed how employees are the most value resource the organization accesses. Examples of representative quotes are displayed in Table 22.

Theme—Luxury Misuses People The theme, luxury misuses people, is composed of participants' perceptions of how luxury good organizations place unnecessary pressure on people and overwork them in order to meet objectives. Four participants discussed how luxury goods companies do not utilize their people in a manner that enhances employee satisfaction or provides a fair exchange for employee contributions. Examples of representative quotes are displayed in Table 22.

Category: Decision-Making In the category, "Decision-making," participants made statements regarding the personal and organizational process of decision-making within luxury goods organizations. The themes in this category are *Consensus for Buy-in* and *HQ Drives Decision-making.*

Theme—Consensus for Buy-in The theme, consensus for buy-in, is composed of participants' perceptions of the value in making decision in a consensus building manner, in order to ensure all parties are have bought into the decision. Three participants discussed how they use consensus in their leadership decision-making process. Examples of representative quotes are displayed in Table 22.

Theme—HQ Drives Decision-Making The theme, HQ drives decision-making, is composed of participants' perceptions of how the headquarters leadership makes the decisions and there is limited power in decision-making at the subsidiary level. Three participants discussed how luxury goods headquarters want and have decision control. Examples of representative quotes are displayed in Table 22.

Table 19 Summary of ANOVA analysis for Hypothesis 8

Source	Type III sum of squares	*df*	Mean square	*F*	Sig. (*p*)	Partial eta squared (η^2)
Corrected model	1.761	1	1.761	2.007	0.164	0.044
Intercept	826.630	1	826.630	942.061	<0.001	0.955
Leader type	1.761	1	1.761	2.007	0.164	0.044
Error	38.609	44	0.877			
Total	867.000	46				
Corrected total	40.370	45				

Dependent variable = rule deontology (survey question 19); total $N = 46$

Table 20 Summary of results for Hypotheses 1–8

Hypothesis	Dependent variable	Independent variable	*N*	Analysis	Sig. (*p*)	Results
H1	Economic egoism	Leader type	49	MANOVA	0.290	Support null
H2	Reputational egoism	Leader type	49	MANOVA	0.690	Support null
H3	Rule utilitarianism	Leader type	48	MANOVA	0.107	Support null
H4	Act utilitarianism	Leader type	48	MANOVA	0.586	Support null
H5	Virtue of self	Leader type	47	MANOVA	0.956	Support null
H6	Virtue of others	Leader type	45	MANOVA	0.487	Support null
H7	Act deontology	Leader type	45	MANOVA	0.922	Support null
H8	Rule deontology	Leader type	46	ANOVA	0.164	Support null

Table 21 Summary of participant demographics

Participant	Age range	Highest education	Gender	Years in luxury	Parent Co nationality	Participant nationality
P1	50–59	MBA	F	25+	Swiss/French	French
P2	25–34	MBA	F	3	Swiss	Russian
P3	40–49	No degree	M	13	Swiss/French	Australian
P4	70–79	BS	M	18	English/German	American
P5	50–59	AA	M	21	Swiss	American

Category: Personal Values of the Leaders In the category, "Personal Values of the Leader", participants made statements regarding their personal core values. The themes in this category are *Integrity* and *Personal Growth.*

Theme—Integrity The theme, integrity, is composed of participants' perceptions of integrity as a core value. Four participants discussed how personal integrity is their most important core value. Examples of representative quotes are displayed in Table 22.

Theme—Personal Growth The theme, personal growth, is composed of participants' perceptions of personal growth as a core value. Three participants discussed how personal growth is one of their key personal core values. Examples of representative quotes are displayed in Table 22.

Category: Luxury Values in Practice In the category, "Luxury Values in Practice," participants made statements regarding the values those luxury goods organizations demonstrate through their actions. The themes in this category are *Luxury is not Socially Conscious* and *Profit Above All Else.*

Theme—Luxury is not Socially Conscious The theme, luxury is not socially conscious, is composed of participants' perceptions of luxury goods organizations alignment with principles of responsible leadership. Three participants discussed the low priority luxury goods organizations place on socially conscious actions. Examples of representative quotes are displayed in Table 22.

Theme—Profit Above All Else The theme, profit above all else, is composed of participants' perceptions of the priority that luxury goods organizations place on profit making at the possible expense of other noneconomic factors. Three participants discussed how luxury goods organizations hold profit making as their top and singular priority. Examples of representative quotes are displayed in Table 22.

Emergent Findings

Emergent findings are findings that occur during the research that were not anticipated. These included viewpoints of the participants other than the questions asked in the interview tool. These include the need for luxury goods companies to support their employees' desire to volunteer and offer charitable support in their communities. In addition, the interviews revealed the higher level of professionalism in U.S. organizations as compared to European organization leading to a more frequent occurrence of sexism and sexual harassment present in European luxury goods organizations; the limited understanding luxury goods organizations have about the U.S. market and their unwillingness to recognize this weakness. Participants expressed the need for a high level of emotional intelligence needed to survive in the industry given the emotionally manipulative tactics commonly used in luxury goods organizational politics and the benefit that leaders may gain when their own dishonorable actions and the underlying motivations for these actions are effectively questioned or challenged. In addition, interview respondents discussed the potential to build employee loyalty by ensuring leaders suffer along with their employees in a visible manner. Finally, one participant offered an important caveat to these organizations by noting that building too much efficiency into a human system, to save money, will lead the team to succeed where it is easy for them to succeed but fail in areas they cannot predict.

Shortfalls and Research Errors

Shortfalls in this study resulted from having a small sample size due to the number of survey responses and the low number of survey participants willing to engage in the additional interview. The nonresponse error possibly resulted from the nature of the research, with focused on personal ethics and the potential participants' unwillingness to expose their ethics through their survey response. This may be due to suspicion of the research itself, in spite of assurances of safety, or the unwillingness to examine the disconnect between their values and their decision-making practices. It is also possible that participants, even though they were contacted as individuals, were asked not to participate by their employers. Some non-response may have resulted from time constraints and the belief that ethics are not a priority or are irrelevant, as expressed by the luxury leader group on LinkedIn indicated. The

Table 22 Categories, themes, no. of participants and representative quotes

Category	Theme	No. of participants	Representative quotes
Reputation protection			
	Public Image	3	P1: More and more the reputation of the company is important in the mind of the consumer
			P5: You want employees to be proud of where they work and to think they have not only the best interest of the customer but the best interest of the employee in the community at heart
	Insincerity and Lack of Character	3	P1: A company might have a good reputation with Wall Street but bad character
			P2: Some luxury companies hire outside firms to place false reviews on-line
			P3: many luxury organizations now have environmentally conscious PR departments and propagate the myth that these companies are environmentally sound and yet we all know…
People are the most valuable resource			
	Teamwork and Collaboration	4	P3: …means getting the most out of the people you've got and drawing upon their unique skills sets to ensure the business can meet its objectives
			P4: the greatest benefit is when you bring everyone into the tent so that everybody is putting into it and giving input…everyone feels they own a part of the boat
	Luxury Misuses People	4	P2: Everyone in my peer group is living under a 10 (scale of 1–10) in pressure. …One was so stressed out at Basel world because was worried he didn't have enough meetings with retails that he ended up in the hospital and almost died
			P3: …the way I've seen it used is to get people to do lots of work for the same money…putting the driver
			for profitability above all else is not going to ensure long term success and that I why I think we see a lot of them floundering now
Decision-making			
	Consensus for Buy-In	3	P1: the word is consensus, you might not be able to please everybody but if you please 90 % that's a win–win
			P5: I have allowed people to make decisions that I may not agree with simply because it gives them the ability to buy into it
	HQ Drives Decision-Making	3	P2: …you can't make any decisions without the CEO sitting at the parent company. So to be honest with
			(continued)
Personal values of the leaders			
	Integrity	4	P1: Number one word is Integrity and treating people the way you want to be treated
			P4: I think it's when you get up in the morning and you have responsibility for people and budgets, with integrity you can look at yourself in the mirror
			P5: Well you know it's basically honesty and integrity
	Personal Growth	3	P2: My values are to be better today than I was yesterday so I could always grow and be a better person
			P5: You never actually reach your full actualization but you are always working on it
Luxury values in practice			
	Luxury not Socially Conscious	3	P1: honing in on social welfare I find that luxury goods gets a big fat *F*
			P2: So its' really about generating revenue and opposed to really caring about the mission and giving money to the (nonprofit) organization
	Profit above all else	3	P2: luxury goods is all about creating the profits
			P3:..it's really about ensuring that the bottom line of the business unit is satisfies and it's a complete one way street

researcher anticipated difficulty in obtaining a large sample size but did not anticipate being blocked or ignored by luxury goods industry groups on LinkedIn. Those who responded may have done so as a means to expand their own views on various priorities in ethical decision-making or they may have wanted to ensure that the industry in which they are leaders is seen in a good light, and may have operated from the priority of protecting the brand reputation.

The number of survey participants who did not complete all of the survey questions was unexpected. Many respondents opted to end their survey participation without answering the last four questions, which appeared on page 8 of the survey instrument. This limited the ability to complete a MANOVA analysis on Hypothesis 8. These incomplete responses may have resulted from the instrument being too lengthy to retain their attention or the specific nature of the questions that probed the more developed areas of an individual's moral development.

The participants who chose to engage in the interview process were representing non-U.S.-based parent companies only. This may be due to the widespread belief that in order to be truly considered a luxury goods organization, the company must be European and therefore leaders in American companies did not feel they were qualified to add insights into the qualitative research process. Many of the survey participants who initially indicated a willingness to do a follow-up interview chose not to do the interview when contacted. This may be the result of their discomfort with the ethical nature of the survey questions, an unwillingness to express unfavorable views about their employer or a fear of exposing their own ethics to a researcher school in ethical philosophies.

These shortfalls in the data collection could have influenced the results, indeed probably did have a direct effect on the outcomes, as will be found in commentary under implications and conclusions in Chapter 5. There is a sense that the prevalence of the nonresponses was exculpatory and material in its circumstantial nature, which reveals more about the luxury goods leaders on both the American and European sides of the equation that it may seem. Examining who did not respond and what the nonresponders did not say demonstrates as much, if not more than what they did say and who did respond. This conjecture is suitable to expostulate and excogitate about in Chapter 5. Thus, if the sample size were larger, the quantitative analysis may have been more conclusive In addition, if U.S.-led leaders had participated in the interview process, different themes from that leader-type may have offered more basis for comparing the two leader-type groups. However, what might be said, in the lack of evidence is a compelling thing to review at a later point in the dissertation conclusion.

What is clear is that, from a scientific perspective, the shortfalls and errors experienced in this study may have clearly driven different outcomes in the empirical portion of the study. While this may be true in fact, one must note that positive, definitive or inconclusive outcomes and findings may still be viable to review in the next chapter as suitable fodder for commissionable future research, at later date, in a renewed effort to pierce the "wall of silence" experienced by this researcher.

Conclusion

The study was a mixed methods approach. The results of the quantitative analysis covering all eight research questions provide no evidence that there is any difference in any of the eight facets of the Managerial Ethical Profile between U.S.-led and non-U.S.-led luxury goods leaders operating subsidiaries in the U.S. Both Hypothesis H3, a difference in Rule Deontology, and Hypothesis H8, a difference in Rule Utilitarianism, produced p values approaching 0.1, indicating that these are questions that warrant additional exploration. The small sample size obtained during the data collection process influenced the results and a larger sample size may have produced a different result.

On the qualitative side of the methodology, the overarching purpose of the research was to assess if principles of conscious capitalism and responsible leadership are compatible with the luxury marketing strategy and if leaders in the luxury goods industry have the capacity to adopt these philosophies. The categories and themes, which emerged during the qualitative coding process, offer an initial indication that those luxury goods organizations do not operate in a manner that would be compatible with conscious capitalism nor responsible leadership principles. The leaders who offered their insight during the qualitative research process portrayed themselves as values of integrity and personal growth, indicating the potential seeding ground for these leadership models to grow should their parent company adopt these principles. Yet, perhaps providing a behavioral example of the paradox of luxury goods image over substance culture, these same leaders seemed unaware that their choice to gain from organizations that do not align with the personal values they espouse, itself indicates a potential breach of personal ethics or integrity.

Further to this, the nonresponses and active blocking of the MEP survey on established LinkedIn luxury leader and marketing groups, which exist to stimulate industry related dialog, hints at an institutionalized code of silence that goes beyond the ethics of the individual. This speaks to unwelcome nature in which the luxury goods industry greets any discussion or examination of ethics, with moral considerations deemed unimportant at best or "off limits or else" at worst. This, coupled with the evidence of those who expressed every interest in sharing their viewpoints, subsequently withdrawing their desire to participate, raises natural questions. One wonders what this group of leaders has to hide and what they were at risk of losing if they chose to share viewpoints on their industry and personal morality on an individual basis in an anonymous and protected setting.

Summary

This chapter presented the results of the research study in context of the study's purpose and the research questions proposed. Results, displayed in a table format, offer a summary of both the quantitative and qualitative portions of the research. The research questions addressed the difference is the ethical profiles of leaders in U.S.-led and non-U.S.-led luxury goods organizations operating business units in the United States and the implications that organizational national culture and the luxury strategy have on responsible leadership and conscious capitalism adoption in luxury goods organizations.

The information provided from the quantitative analysis implied that in all aspects of the managerial ethical profile, the null hypothesis was supported, indicating no significant differences between the two leader types; U.S.-led and non-U.S.-led. The qualitative interview analysis resulted in five categories and ten themes that offer some insight into the image management, character, and organizational practices within the luxury goods industry, which may support or detract from the adoption of responsible leadership and conscious capitalism principles and practices.

Chapter 4 also introduced some emergent findings that were not expected along with some shortfalls of the research. Emergent findings from the study included the need for charitable involvement and community volunteerism in luxury goods organizations and a perceived lower level of professionalism and U.S. market expertise in European-based organizations. In addition, the participants expressed the need for leaders to be willing to suffer along with their team to build loyalty and the benefit a leader experiences in their own development when questionable actions are confronted in a constructive manner.

Chapter 5 will examine the study methods, limitations and ethical dimensions of the research. In addition, the chapter presents conclusions drawn from the results present in Chapters 2 and 4 and the implications of these conclusions. Finally, the next chapter offers recommendations for leaders, practitioners, and the profession along with suggestions for future research.

Chapter 5: Conclusions and Recommendations

This chapter reviews the overall aim of the study, including the problem, purpose, and rationale of the study addressed in Chapter 1. In addition, the methods, limitations ethical dimensions, research questions and correlating hypotheses, results, and conclusions are presented. The conclusions integrate the results and finding from this study, presented in Chapter 4, with the previous literature exhibited in Chapter 2. The implications of these comparisons are provided, along with subsequent practical recommendations for suggestions in the workplace, the researcher's individual reflections on the research process, and outcome and suggestions for further research complete Chapter 5.

Problem Statement

Successful European luxury brands have developed a segment-specific marketing strategy, which espouses values often associated with social distance, elitism, and hedonism. Leaders utilizing the luxury strategy routinely interact with the world's wealthiest, most powerful, or famous people, trading in rare and expensive products. This combination of power, money, and socially exclusive attitude can become fertile ground for corrupt behaviors. The luxury goods industry has proven to be highly profitable, showing out of the norm growth rates during the global stagnation resulting from the financial crisis of 2008. This was due, in large part, to their heavy entrenchment in the common corrupt practices undertaken in China and other emerging markets. Recently, the anti-corruption crackdown in China, coupled with currency challenges affecting emerging markets, has ceased this growth, placing luxury goods organizations at risk for contraction. They are now seeking growth in other markets to sustain them through this unplanned revenue disruption (Transparency Market Research 2015).

Luxury goods CEOs leading U.S. subsidiaries are being challenged to replace this shortfall by their parent company headquarters (Transparency Market Research 2015). They must do this while respecting the laws and business practices of the United States, which may not necessarily be the cultural norms, methods, or priorities of the parent organization. Theoretically, these leaders must possess the ethical decision-making capability and authority to operate effectively (Hackett and Wang 2012).

Purpose Statement

The purpose of the study was to compare the ethical decision-making processes of U.S.-led and non-U.S.-led chief executive officers of SBUs in global luxury goods organizations. Specifically, this study sought to determine what, if any differences exist in ethical decision-making profiles of CEOs leading U.S. SBUs of luxury goods organizations based on the home country of origin of the parent organization. The identified differences focused on different moral philosophies, which underpin their ethical decision-making priorities. The study also included a comparison of U.S.-headquartered and foreign-headquartered organizations to identify possible cross-cultural differences. This analysis was to assess if the nationality aspects of each parent company culture affected the ethical decision-making profiles of the leaders, which they select. Finally, the study evaluated the managerial ethical profile of the luxury goods sector leadership to determine if responsible leadership and conscious capitalism have the potential to be compatible with the luxury goods industry's elitist nature.

Summary of Literature

A review of the literature indicated that differences between these two types of leaders exist in the facets of economic egoism, reputational egoism, rule utilitarianism, act utilitarianism, virtue of others, act deontology, *and* rule deontology. The secondary research did not support the presence of a difference between these two leader types in virtue of self. The variation in the empirical research outcomes versus what the secondary research has as expected results are explored in greater depth later in this chapter when the results of the exigent literature review are synthesized with the empirical data gathered in this study. Scant literature exists, which addresses or compares ethical decision priorities of leaders based on personal or organizational national origin. In addition, some research demonstrated that social culture influences individual levels of ethical sensitivity and the deciphering of ethical dilemmas in business settings. There was evidence that cultural variation in values, variations in the legal, national, or organizational business context, and the stress one is under will influence the ethical nature of one's decisions.

While some research that articulates the values and practices present within the luxury strategy business model exists, there is minimal literature addressing the effect the luxury-strategy business model has on the ethical behaviors of leaders. Researchers are developing a growing body of literature addressing the marketing and consumer behavior aspects of the luxury goods industry. Yet, there is a gap in the exploration of the impact of the high control, elitist luxury strategy and European headquarter context on leader ethics and behaviors.

Methods

The study employed a mixed method research design to examine the moral philosophy difference among the ethical decision making process of SBU CEOs. These constructs included eight subconstructs: (a) economic egoism, (b) reputational egoism, (c) rule utilitarianism, (d) act utilitarianism, (e) virtue of self, (f) virtue of others, (g) act deontology, and (h) rule deontology, between types of leader (U.S.-led chief executive officer, European-led chief executive officer).

The population was composed of CEOs, country managers, or commercial leaders of luxury good organizations. These individuals had P&L responsibly and generally report directly to the brand headquarters. The population included both acting SBU CEOs and brand general managers provided they had a direct reporting line to the International Headquarters. The population also included individuals who performed in these roles but have left employment or changed organizations within the prior 3 years. The researcher made contact with potential participants through LinkedIn, personal contacts, and through the referrals. The study employed a nonprobability purposive sampling selection process. Purposive sampling is a nonprobability sampling technique, which requires the researcher to select subjects based on the characteristics of the respondents (McMillan 2011). The sample included luxury goods SBU CEOs leading U.S. SBUs. It excluded hospitality, real estate sales, and travel SBU CEOs and focused on consumer or home goods-type luxury organizations. These organization types included marketers of electronics, furniture, watch and jewelry, wines and spirits, fashion, cosmetics and leather goods, or provided media or consulting services within these sectors. The sample included both currently practicing SBU leaders and leaders that were in practice within a U.S. SBU during the prior 3 years.

Limitations

The study required participation from executive level leaders from both U.S.-led and non-U.S.-led SBUs. There may have been national or organizational culture factors, which may have precluded their participation in the survey. In addition, SBU CEOs may have been unwilling or unable to devote time to completing the survey. The power of a MANOVA test is a direct result of the sample size. There were challenges to gather a sample size large enough to satisfy the minimum number of participants required. Challenges also presented in obtaining the access to survey respondents necessary to complete the qualitative portion of the research study.

The information the research participants provided included topics related to personal values and ethical choices. This information was self-reported. There were challenges in this process related to the research questions that focus on personal issues of ethics whereby there are no secondary sources of evidence for deeply held private beliefs (Creswell 2013). In addition, by adopting an instrument validated in Australia, some of the differences that presented from comparing the U.S. and non-U.S. types may have been the result of using an Australian baseline.

Ethical Dimensions

This study was conducted in strict adherence to the guidelines of the Institutional Research Board (IRB) in surveying human participants. Participants were recruited through their LinkedIn profiles and through personal contacts and referrals. Survey participants were provided an Informed Consent page on the survey, which they must have agreed to before accessing the survey questions (See Appendix 4). Interview participants were chosen from those who indicated a willingness to participate in an additional interview on their survey responses. Interview participants were provided a specific interview Informed Consent document (See Appendix 4) which they signed and returned before being sent a copy of the interview questions. The Informed Consent forms reminded participants that their involvement was voluntary and that there would be no negative consequences if they chose to forgo or withdraw their participation.

Interview responses were given codes in order to ensure their anonymity. The interview tapes and transcripts have been secured on a USB stick, along with the password-protected survey results. The disk will be destroyed in 3 years via a shredder, as per IRB guidelines.

Summary of Outcomes on Research Questions

Quantitative Research

The quantitative analysis addressed the eight specific research questions as follows:

Research Question 3 (RQ3): Does a difference exist in rule utilitarianism between U.S.-led and European-led chief executive officers of SBUs within luxury goods companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing two dependent variables (survey questions 6 and 7), Wilks' $\lambda = 0.905$, $F(2, 45) = 2.350$, $p = 0.107$, $\eta^2 = 0.095$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in rule utilitarianism scores (survey questions 6 and 7) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 3 was retained. This result does not support recent peer-reviewed literature that asserts that culture differences correlate with values differences (Schwartz 1999; Connerley and Pedersen 2005; Husted and Allen 2008; Center for Creative Leadership 2012).

Research Question 8 (RQ8): Does a difference exist in rule deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies. Results indicated there was no significant difference in participants' rule deontology scores between leader types (U.S.-led CEOs, non-U.S.-led CEOs), $F(1, 44) = 2.007$, $p = 0.164$, $\eta^2 = 0.044$. That is, U.S. CEOs did not have significantly higher rule deontology scores on survey question 19 ($M = 4.435$, $SD = 0.843$) as compared to non-U.S. CEOs ($M = 4.044$, $SD = 1.022$). Thus, the null hypothesis for research question 8 was retained. This result does not support recent peer-reviewed literature, which asserts that culture differences correlate with values differences (Schwartz 1999; Connerley and Pedersen 2005; Husted and Allen 2008; Center for Creative Leadership).

Research Question 1 (RQ1): Does a difference exist in economic egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing three dependent variables (survey questions 1–3), Wilks' $\lambda = 0.921$, $F(3,45) = 1.289$, $p = 0.290$, $\eta^2 = 0.079$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in economic egoism scores (survey questions 1–3) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 1 was retained. The study limitations may have affected the results more than initially indicted during the research design process. The low response rate and small sample size most likely affected the outcome and results may have been different if the response rate were sufficient to reach the target sample size of 64 members per leader type.

Research Question 2 (RQ2): Does a difference exist in reputational egoism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing two dependent variables (survey questions 4 and 5), Wilks' $\lambda = 0.984$, $F(2, 46) = 0.374$, $p = 0.690$, $\eta^2 = 0.016$. Furthermore, 45 results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in reputational egoism scores (survey questions 4 and 5) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 2 was retained. The study limitations may have affected the results more than initially indicted during the research design process. The low response rate and small sample size most likely affected the outcome and results may have been different if the response rate were sufficient to reach the target sample size of 64 members per leader type.

Research Question 4 (RQ4): Does a difference exist in act utilitarianism between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing two dependent variables (survey questions 8 and 9), Wilks' $\lambda = 0.977$, $F(2, 45) = 0.541$, $p = 0.586$, $\eta^2 = 0.023$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in act utilitarianism scores (survey questions 8 and 9) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 4 was retained. The study limitations may have affected the results more than initially indicted during the research design process. The low response rate and small sample size most likely impacted the outcome and results may have been different if the response rate were sufficient to reach the target sample size of 64 members per leader type.

Research Question 5 (RQ5): Does a difference exist in virtue of self between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing two dependent variables (survey questions 10 and 11), Wilks' $\lambda = 0.998$, $F(2, 44) = 0.045$, $p = 0.956$, $\eta^2 = 0.002$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in virtue of self-scores (survey questions 10 and 11) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 5 was retained. The study limitations may have affected the results more than initially indicted during the research design process. The low response rate and small sample size most likely influenced the outcome and results may have been different if the response rate were sufficient to reach the target sample size of 64 members per leader type. The study limitations may have affected the results more than initially indicted during the research design process. The low response rate and small sample size most likely affected the outcome and results may have been different if the response rate were sufficient to reach the target sample size of 64 members per leader type.

Research Question 6 (RQ6): Does a difference exist in virtue of others between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing four dependent variables (survey questions 12–15), Wilks' $\lambda = 0.919$, $F(4, 40) = 0.876$, $p = 0.487$, $\eta^2 = 0.081$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in virtue of others scores (survey questions 12–15) between leader types—see Table 49 in Appendix 5. The study limitations may have affected the results more than initially indicted during the research design process. The low response rate and small sample size most likely influenced the outcome and results may have been different if the response rate were sufficient to reach the target sample size of 64 members per leader type.

Research Question 7 (RQ7): Does a difference exist in act deontology between U.S.-led and European-led chief executive officers of strategic business units within luxury goods companies. Results indicated that there were no significant multivariate differences between leader types (U.S.-led CEOs and non-U.S.-led CEOs) on a model containing three dependent variables (survey questions 16–18), Wilks' $\lambda = 0.988$, $F(3, 41) = 0.161$ $p = 0.922$, $\eta^2 = 0.012$. Furthermore, results from the nonparametric Kruskal–Wallis test indicated that there were no significant differences in act deontology scores (survey questions 16–18) between leader types—see Table 49 in Appendix 5. Thus, the null hypothesis for research question 7 was retained. The study limitations may have affected the results more than initially indicted during the research design process. The low response rate and small sample size most likely affected the outcome and results may have been different if the response rate were sufficient to reach the target sample size of 64 members per leader type.

Qualitative Research

The intention of the qualitative research in this study was to support the results from the quantitative data analysis. The research design included a plan to interview a sample of participants from each leader type. No participants from the U.S.-led leader type agreed to an interview during the data-gathering phase. Accordingly, the data analysis for the qualitative research includes only viewpoints from non-U.S.-led leader types. While the findings do not address the hypotheses regarding the presence of differences in the eight aspects of the ethical decision-making profiles between the two groups, the themes do shed light on the overarching question of the practical compatibility of the luxury strategy values with principles of responsible leadership and conscious capitalism within the luxury goods industry.

The literature examined for this study indicated that the elitist values within the luxury strategy would be incompatible with the more socially conscious principles of responsible leadership and conscious capitalism. The interviews offered a deeper exploration of the shared experience of luxury goods leaders who had leadership responsibilities in the U.S. market while working for European parent companies. Five leaders were interviewed and an analysis of the transcripts revealed ten themes: public image, insincerity and lack of character, teamwork and collaboration, luxury misuses people, consensus for buy-in, HQ drives decision-making, integrity, personal growth, luxury not socially conscious, and profit above all else.

Category: Reputational Protection In the category, "Reputational Protection" participants made statements regarding the importance of protecting the organization's public reputation. The themes in this category are *Public Image* and *Insincerity and Lack of Character.*

Theme—Public Image The theme, public image, is composed of participants' perceptions of the importance that public perception plays in luxury goods decision-making. Three participants discussed how reputation is important to consumers and employee*s*. Examples of representative quotes are displayed in Table 22. These statements support the Kapferer and Bastien (2009) and Dion and Arnould (2011) description of the management and mastery of client perceptions through art and magic as a means to tightly control brand image.

Theme—Insincerity and Lack of Character The theme, insincerity and lack of character, is composed of participants' perceptions of how luxury good organizations are focused on projecting the image of a Responsible or Conscious company while engaging in practices which are inconsistent with the image these organizations portray. Three participants discussed how luxury goods companies are insincere in the image they portray or ignore issues of organizational character. Examples of representative quotes are displayed in Table 22. These statements portray luxury organizations to be operating in a manner counter to the principles of responsible leadership, which includes a foundation of practices grounded in authentic adherence to responsible core values in words and actions (Freeman and Auster 2011).

Category: People are the Most Valuable Resource In the category, "People are the Most Valuable Resource" participants made statements regarding the importance of the employees in ensuring that the organization is successful. The themes in this category are *Teamwork and Collaboration* and *Luxury Misuses People.*

Theme—Teamwork and Collaboration The theme, teamwork and collaboration, is composed of participants' perceptions of the importance of engaging employees in decision-making and using a team approach to ensure organizational objectives are met while employee satisfaction is enhanced. Four participants discussed how employees are the most valued resource, which the organization can access. Examples of representative quotes are displayed in Table 22. These statements support the notion that the leaders chosen by these European Luxury Goods Organizations expressed personal core values which align to the core values of openness and concern for others associated with ethical decision-making (Lindeman and Verkasalo 2005). This implies a consistency with both responsible leadership (Pless and Maak 2011) and conscious capitalism (Sisodia 2009).

Theme—Luxury Misuses People The theme, luxury misuses people, is composed of participants' perceptions of how luxury good organizations place unnecessary pressure on people and overwork them in order to meet objectives. Four participants discussed how luxury goods companies do not utilize their people in a manner that enhances employee satisfaction or provides a fair exchange for employee contributions. Examples of representative quotes are displayed in Table 22. These statements show that these Luxury Goods Companies have cultures which align more closely to the concern for self-values which are frequently associated with poor ethical decision-making (Lindeman and Verkasalo 2005).

Category: Decision-making In the category, "Decision-making" participants made statements regarding the personal and organizational process of decision-making within luxury goods organizations. The themes in this category are *Consensus for Buy-in* and *HQ Drives Decision-making.*

Theme—Consensus for Buy-in The theme, consensus for buy-in, is composed of participants' perceptions of the value in making decision in a consensus building manner, in order to ensure all parties are have bought into the decision. Three participants discussed how they use consensus in their leadership decision-making process. Examples of representative quotes are displayed in Table 22. This group input to decision-making is counter to the high decision-making control which in a mainstay in the luxury strategy (Kapferer and Bastien 2009).

Theme—HQ Drives Decision-Making The theme, HQ drives decision-making, is composed of participants' perceptions of how the headquarters leadership makes the decisions and there is limited power in decision-making at the subsidiary level. Three participants discussed how luxury goods headquarters want and have decision control. Examples of representative quotes are displayed in Table 22. This high control by the parent company headquarters in decision-making control supports the presence of high control culture required by the luxury strategy (Kapferer and Bastien 2009).

Category: Personal Values of the Leaders In the category, "Personal Values of the Leader" participants made statements regarding their personal core values. The themes in this category are *Integrity* and *Personal Growth.*

Theme—Integrity The theme, integrity, is composed of participants' perceptions of integrity as a core value. Four participants discussed how personal integrity is their most important core value. Examples of representative quotes are displayed in Table 22. This theme portrays the leaders as virtuous (Levine and Boaks 2014), possessing internal ethics which support responsible leadership (Pless 2007).

Theme—Personal Growth The theme, personal growth, is composed of participants' perceptions of personal growth as a core value. Three participants discussed how personal growth is one of their key personal core values. Examples of representative quotes are displayed in Table 22. These statements support the concept of human teleology at working within the participants (Culham and Bai 2011).

Category: Luxury Values in Practice In the category, "Luxury Values in Practice" participants made statements regarding the values that many luxury goods organizations demonstrate through their actions. The themes in this category are *Luxury is not Socially Conscious* and *Profit Above All Else.*

Theme—Luxury is not Socially Conscious The theme, luxury is not socially conscious, is composed of participants' perceptions of luxury goods organizations alignment with principles of responsible leadership. Three participants discussed the low priority luxury goods organizations place on socially conscious actions. Examples of representative quotes are displayed in Table 22. These statements demonstrate that these luxury goods organizations do not demonstrate the practice of considering the needs of others required in responsible leadership (Pless and Maak 2011) or consideration for society as a stakeholder, a foundation tenet of conscious capitalism (Sisodia 2009).

Theme—Profit Above All Else The theme, profit above all else, is composed of participants' perceptions of the priority that luxury goods organizations place on profit making at the possible expense of other noneconomic factors. Three participants discussed how luxury goods organizations hold profit making as their top and singular priority. Examples of representative quotes are displayed in Table 22. These statements provide insight into one of the barriers to the introduction of values-based leadership into Luxury Goods organization, a focus on the result, profit, as the singular objective (Viinamäki 2012).

In addition to these findings, some additional insight not anticipated during the planning of the study surfaced during the interviews. These emergent findings included a need for luxury organizations to offer charitable community support via their employees, supporting Pedraza's (2009) assertion that members of the luxury goods industry must begin the process of enlightened change or they will fail in their endeavors. Participants also highlighted that there is a lower level of professionalism and U.S. market understanding in these European companies and a higher level of manipulative organizational dynamics. These statements offer some validation of the presences of organizational cultural difference based on parent company national origin (Schwartz 1999; Connerley and Pedersen 2005; Husted and Allen 2008; Center for Creative Leadership 2012). The interviews also indicated that these organizations, in their drive for efficiency and resulting profit, actually hinder their workforce and put operations at risk.

Conclusions

Luxury goods manufacturers and other organizations that operate using the luxury strategy model are engaging in a very specific set of marketing actions, which support social stratification, as a means to benefit from transactions with wealthy or near-wealthy individuals. Wherever there is a concentration of money and power, there potential for corruption or abuse is present. Luxury goods leaders operate in these rarified environments as a matter of course, therefore the personal ethics of the leader and the ethical practices of the organizations matter as these organizations can have a much greater impact on society. Yet, the luxury goods industry members and organizations do not place an emphasis on ethical practices. In some cases, active dialog on the subject is openly discouraged. This leaves no space for a meaningful conversation regarding business ethics, responsible leadership and concern for all members of society, precluding the luxury goods industry from reaching their potential as powerful drivers of social advancement dynamics on a global level.

Some leaders within the industry demonstrate the inner makings of responsible leaders and conscious capitalists. Yet even these portraits create some skepticism given that these leaders are entrenched in a business model that focuses on image over substance and character as a matter of course. The overarching profile of the few luxury goods leaders willing to engage in a dialog regarding ethics is one of an ethical leader trapped by the selfish and evil ways of an oppressive parent company. Yet these same individuals have successfully risen through the ranks, demonstrating enough skill in delivering the luxury strategy while being compliant enough to follow orders in a manner sufficient to remain on an upward career trajectory. The image portrayed and the realities do not align.

Implications

The results of this study have direct implications for the luxury goods industry and any organization adopting the luxury strategy into their business model. This study adds to the body of knowledge on luxury goods organizational leadership and ethical practices. Specifically, this work adds to the body of knowledge on how the specific attributes of luxury product marketing may affect how luxury goods CEOs effectively lead in a responsible manner. In addition, this study provides some insight into the impact of European commercial practices on U.S. leaders and U.S. markets in the luxury goods wholesale and retail sectors. This study serves to illuminate some of the organizational culture aspects and philosophies within the luxury goods industry, which prevent a migration to a set of conscious capitalism values and practices within the sector. Given the possibility that image-management is not really the leaders' primary objective, the results of the study indicate that the ethical profile held by some of these leaders may offer the fertile ground to seed responsible leadership and conscious capitalism practices into the luxury goods industry.

Recommendations

At the writing of this chapter, headlines continue to link society-eroding acts of corruption in International Sports organizations and governments with direct sponsorship and other relational ties to key members of the luxury goods industry. As these public investigations dig deeper, questions regarding who knew what and when continue to dominate the news. At the same time, organizations such as Transparency International and People for the Ethical Treatment of Animals (PETA) are taking direct public awareness action, which indicts the money launder support and anticonservation actions rampant in luxury. These converging forces demand a genuine response from the luxury goods industry. To ignore the growing call to action sent, the industry will quickly erode the precious reputation and high consumer brand-association scores they rely upon, rending them ever more vulnerable to the market forces working against near-term global growth.

Top leaders within the industry must remove the ingrained taboo that makes speaking about ethics by members of their own community a risky action. These leaders, boards of directors, and shareholders should seek actions, which surface support of or nonreporting of illegal actions in a manner, which supports detection. Individual luxury goods organizations should launch proactive ethics committees and codes of conduct that create an environment where ethical dialog is a part of all decision-making processes. Luxury goods industry trade organizations should support this effort with industry-wide public service actions which raise the bar for member organizations and offer education and plug-and-play ethics and conduct programs, expertise and resources which can offer rapid deployment into organizations.

Human resources professionals and executive recruiters should include aspects of ethical decision-making and core values in their recruitment and succession planning activities to ensure leaders who have both the technical skills and a morally sound ethical profile are identified, groomed and selected for these ethically sensitive leadership roles. In addition, organizations that may be in need of an adjustment to ethical thought processes within their current culture should ensure negative employee actions stem from performance only, not driven through manipulative political tactics designed to maintain cultural status quo by those personally benefiting from the current ethically underdeveloped business environment.

Organizations utilizing the luxury strategy should take specific actions to ensure the business model's culture of domination and social distance does not become the blue print for business as usual. Luxury goods organizations can head off elitism and exploitation by active encouragement of employee involvement in charitable work, chosen based on employee preference and not based on value offered to the brand. These organizations should also invest some small part of their profits into charitable activities that develop social fairness and have no direct link to revenue generation for the brand.

Researcher Reflections

Reflection about the study includes the how the luxury strategy, a rapidly expanding business model designed to capture affluent consumers, and its corresponding values may be counterproductive to ethical practices, responsible leadership and conscious capitalism used by organizations who are good corporate citizens. The luxury strategy reinforces social stratification, ensuring the haves clearly delineate from the have-nots, using image management techniques to foster elitist attitudes. Not surprisingly, this study reinforced the dichotomy between the practices and values of the luxury strategy organizations with principles responsible leadership and conscious capitalism.

One of the most unexpected aspects of the study was the unwillingness of many of members of the luxury industry to engage in a dialog regarding ethics for the study. This went so far as to have the survey link removed from a LinkedIn Luxury Leaders group discussion board, having been deemed "irrelevant" by a critical mass of the membership. In addition, several leaders matching the criteria for inclusion in the study, who initially expressed a desire to participate, failed to respond to multiple requests once the research was under way. This provided an important lesson in recognizing that those who excel at image management may make false assurances to appear interested in ethical practices at a surface level only.

Another area of surprise was the lack of research on the impact of non-U.S. parent company cultures on U.S. subsidiary practices and business cultures. Given the rapid expansion of globalization, this area appears ripe for exploration. In addition, the lack of research on the effect of the luxury strategy values on leader behavior was unexpected. Given the powerful nature these organizations have, through access to power, wealth and the world's elite, more research would have been helpful in understanding if the luxury strategy culture has more influence on a leader than national culture.

This dissertation process was most challenging from a psychological perspective. Having worked in the luxury goods industry, the discomfort arising as the researcher made reconnection in the industry was unexpected. The entire doctoral journey has been a quest to understand the fundamental disconnect between the researcher's personal values and the values of that industry in which she worked for over a decade. The need to reconnect to complete the study brought forward anxieties and psychological safety concerns unanticipated during the development of the research proposal. With the data collection process complete, a renewed confidence that comes with greater understanding replace these anxieties.

The motivation to embark on the doctoral journey and the experiences, growth, and insight gained along the way are unique to each individual. The seeds for motivation to embark on this particular journey formed 40 years ago when the researcher set a goal to attend medical school, addressing her inner calling to become a healer. Family issues, including maternal mental illness and the collapse of her nuclear family erased any option to proceed with a pre-med college program, yet the dream of becoming a doctor never entirely faded. When the unexpected opportunity to attend the Argosy program arose through her current work assignment, she recognized it as the chance to fulfill a soul-level desire to become a doctor, healing social systems and organizations and joyfully took up the challenge.

The Argosy University academic counselor, residency programs, and instructors were quite clear regarding the nature of the program, particularly instilling the understanding that ABD is essentially a failure. They communicated this not in a shaming way but in a manner that made finishing the dissertation as the singular goal, with ABD never presented as any type of viable outcome for one who entered the program. The researcher, armed with her inner drive, set out with the end in mind. Because the researcher works in higher education, her employer offered much more support than

other doctoral students receive. It is important that anyone considering a doctoral program ensure that their environment, including employer climate and support, be conducive for the time, effort, and emotional-energy swings any doctoral candidate will encounter during the arduous process. It may not be possible to be maximizing career goals and doctoral ambitions simultaneously.

Future doctoral students will benefit by keeping a few things in mind. First, the program is a marathon, not a sprint, and requires the dedication of daily action. During the course work, the student should maintain a constant effort to complete every assignment, moving immediately on to the next. Within four courses, this researcher was able to complete all required assignments, in a quality manner, halfway through the course. This built-in buffer alleviated stress, created a 3 week rest period between courses and made doubling up to gain time towards the end of the program easier. Because the dissertation process needs time cushions to account for delays in IRB and chair availability, doctoral students must make dissertation work a daily focus. The one and only frustration in the dissertation process was the delay in the IRB process. While the University made clear that delays would occur, watching precious time tick by, knowing the window of time for participant access was closing, was maddening.

Second, one of the most valuable parts of the doctoral journey is the relationship-partnership that develops with the committee chair. Anyone who makes it to the dissertation phase has heard horror stories about poor chairs or poor relationships with their chair. Doctoral candidates will benefit from understanding that their chair is there as expert, mentor, coach, and take the time to listen carefully to the feedback provided. The chair offering guidance on this dissertation offered gentle hints, which ensured that blind alleys or the student's personal fears did not derail the timing or quality of the work. Every extra bit of feedback and additional iteration suggested and implemented in this work, improved the quality of the product and the learning for the researcher.

Finally, future researchers will relax once they embrace the concept that the dissertation research may not prove or disprove any of the researcher's preconceived hypotheses. The value of the work is the scientific process used to explore these preconceived notions in an unbiased manner. Often it takes a burning passion surrounding an issue to offer the motivational fuel for an individual to reach the dissertation phase. That same passion may instill fear in a doctoral candidate if they feel they must be right or that their research must prove some predetermined point. One of the most profound moments during this researcher's process occurred when the chair asked during the proposal defense "what happens if you have no results." This ignited a dialog regarding the nature of research and the objectivity in evaluating outcomes, including the potential for no statistically significant results. That was, in fact, the outcome of the quantitative portion of this study. Even in the absence of significant results, the researcher gained insights and a foundation for future research by this researcher and others formed.

Recommendation for Further Research

It is recommended that future researchers follow up on this study based on the results and findings. Specific recommendations include replicating the study in a manner that expands the response rate and reduces the effect of non-response error on the quantitative results. This may be accomplished by securing a recognized sponsor in the industry or by making in-person requests for participation while attending trade shows or other industry-sponsored events. The personal touch nature of the luxury goods industry may be more responsive to a personal request for involvement by potential participants, essentially speaking to them in their language. Additional research areas that are a natural extension of this study are studies, which compare the ethical profiles of leader types in other geographical locations and other industries. In addition, a study, which compares the managerial ethical profile of luxury goods leaders to industries and organizations that are currently practicing responsible leadership and conscious capitalism, would add to the body of knowledge on leadership practices and ethics.

Summary

The purpose of this study was to address the problem, which occurs at the intersection of the luxury goods industry and global corruption, predominately in the areas of bribes and money laundering. The luxury goods industry thrives on environments that are rife with money and power. These organizations used the luxury marketing strategy to secure profits, often without regard to where those profits came from and what negative impact their own actions or actions of their clients are having on the greater community or society overall. The overarching purpose of this work was to explore the ethical profiles of leaders in the industry to determine any differences between U.S.-led and non-U.S. leaders.

The study used a mixed method design to capture both quantitative data, through the Managerial Ethical Profile survey, and qualitative data via recorded phone interviews. The quantitative analysis used MANOVA and ANOVA analysis of group differences and the qualitative analysis was a phenomenology. The quantitative analysis yielded no differences between the ethical profiles of the two leader group types. The qualitative analysis produced themes painting a picture of ethical leaders encumbered by unethical employers. Whether the image of leader and employer described by the interviewees is reality or active image management by those interviewed is an area in need of further exploration.

Based on the discoveries made during this research process, both in the data gathering and analysis phases, there are some sound recommendations offered to professionals and academics operating in these fields. Industry leaders and professionals will benefit from taking actions removing the fear of discussing ethics in the luxury goods industry while instilling code of conduct and ethics programs within industry members. In addition, this group of professional practitioners should ensure the identification, selection, development and protection of leaders who are technically skilled to be effective in the luxury goods industry while maintaining the higher ethics required in navigating the morally gray areas an excess of money and power creates. Academics should continue research in the areas of managerial ethical profiles and the impact of national culture, industry and leadership and business model on these profiles and leader actions.

While this particular study is reaching its conclusion, the intention of the researcher is to continue working in this area. The times we live in require rapid actions to reverse the devastating impacts which greed has unleashed upon the less fortunate and most vulnerable in the world. The power and influence contained within the luxury goods industry can and should be used as a fulcrum for the heavy lifting in order to level the playing field, reversing the perverse levels of wealth accumulation in the top 1 %.

This study set out as a scientific inquiry to understand the mind and collective philosophy of a particular segment of the population (as most social research studies do). It based itself on open and honest goals and a neutral process in the scientific procedure. It assumed honesty and willingness of respondents to offer clear insights to their world: the luxury goods retail and marketing world of business. The goal was to seek understanding, as all science has as its goal. That understanding was muted against nonresponse, against strained answers and against a prevailing culture, it would seem, to disallow direct access to knowledge of a rather curious world. In so attempting to obfuscate, the world did reveal itself in some very important ways. First, evidence presented indicating a denial that culture and ethics are any different between American and foreign luxury good leaders. Second, actions and nonactions affirming the known reluctance to reveal the secret handshakes that allegedly pervade that level and sector of capitalism on a global basis. Finally, a confirmation of the reality that profits at the obscene level of achievements are reflected in perverse and obscene behavior on the parts of people who both pander to the rich and famous as well as those customers/consumers who fashion themselves as beyond accountability living lives singularly disinhibited, whose lusts for power and added riches goes insatiate.

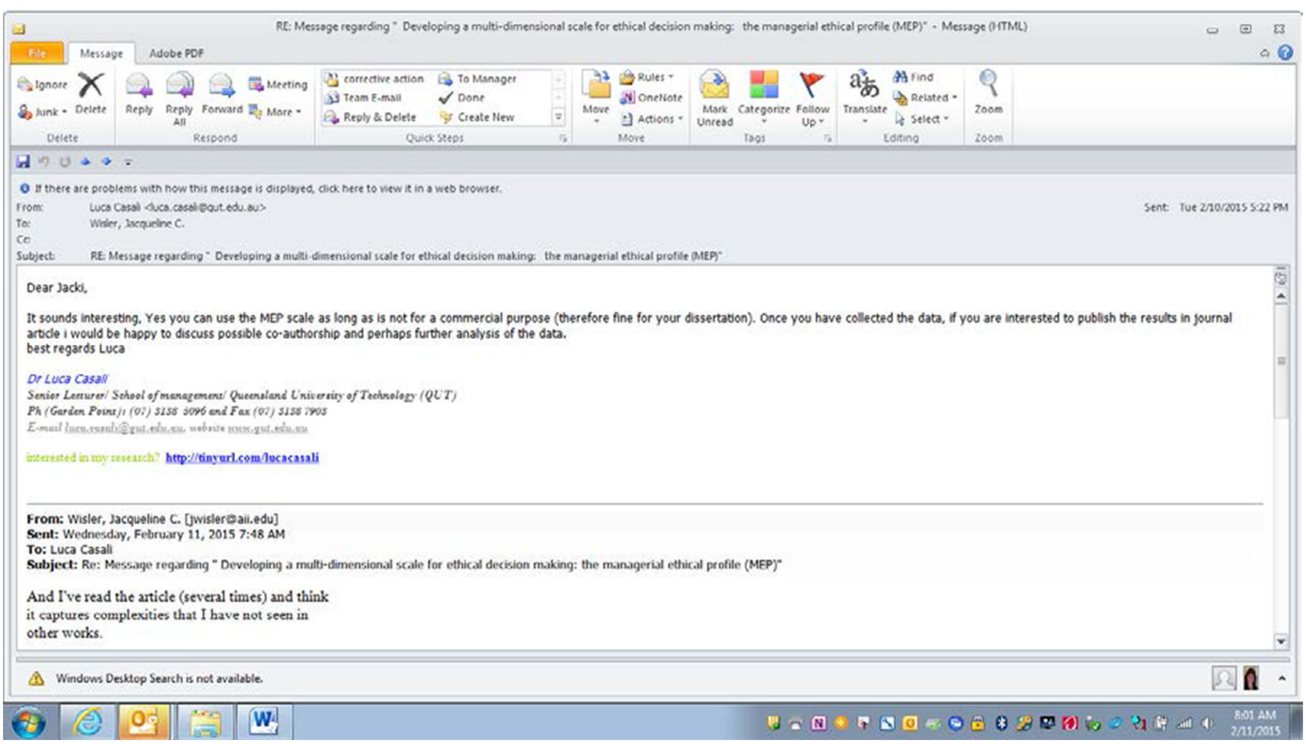
When luxury goods industry leaders embrace the understanding that their own future survival depends up on them making a shift away from the support of a perverse wealth disparity, things may change. This ever-widening gap, which renders all wealth into the hands of a few dozen individuals, will never sustain the demand for products required to keep these luxury goods purveyors commercially viable. We may begin to see their true power and capacity for doing good, currently contained as potential energy within this sector, released and expressed for the positive benefit of all members of society when this power and wealth-driven industry recognizes its current course of action, the luxury strategy, only speeds the arrival of its own demise. Until then, the work goes on.

Acknowledgments I would like to express my sincerest gratitude to Dr. Tom Kemp, whose unending patience and ongoing interest in the topic made the dissertation process a rewarding intellectual experience as it fostered enormous personal healing and growth. I further extend to my sister, Jamie Boles, the deepest appreciation for her ongoing, loving support for me during a difficult period, which offered the strength and stability needed to complete this work. I also wish to thank the interview participants who opened themselves to offer their personal experiences and perspectives on a complicated and often politically challenging industry. Their insights shed much-needed light on delicate topics, which may lead to evolution in a creative and powerful industry.

Appendix 1: Eight Facets of Managerial Ethical Profile

	Item
Economic egoism	1. Providing the highest economic return (profit) for the organization
	2. Minimizing costs for the organization
	3. Optimizing resources of the organization
Reputational egoism	4. Protecting the reputation of the organization
	5. Being in line with the organizational mission
Rule utilitarianism	6. Not harming the clients
	7. Respecting organizational rules and regulations that have been created for the greatest benefit for all stakeholders
Act utilitarianism	8. Creating the greatest overall benefit for the local community
	9. Creating the greatest overall benefit for the wider community
Virtue of self	10. Being most in line with your core personal values
	11. Being most in line with the person you want to be
Virtue of others	12. Respecting dignity of those affected by the decision
	13. Being able to empathize with clients
	14. Acting openly when making decision
	15. Making 'care for the sick' paramount in determining decision alternatives
Act deontology	16. Giving the opportunity to all affected parties or their representatives to have input into the decision making process
	17. Treating others as you want others to treat you
	18. Treat people as ends not as means
Rule deontology	19. Ensuring that confidentiality is maintained at all times
	20. Maintaining a fair process at all times
	21. Ensuring that the organization 'duty of care' is maintained at all times

Appendix 2: Permission to Use the Managerial Ethical Profile


RE: Message regarding " Developing a multi-dimensional scale for ethical decision making: the managerial ethical profile (MEP)" - Message (HTML)

If there are problems with how this message is displayed, click here to view it in a web browser.

From: Luca Casali <luca.casali@qut.edu.au>
To: Wisler, Jacqueline C.
Cc:
Subject: RE: Message regarding " Developing a multi-dimensional scale for ethical decision making: the managerial ethical profile (MEP)"
Sent: Tue 2/10/2015 5:22 PM

Dear Jacki,

It sounds interesting, Yes you can use the MEP scale as long as is not for a commercial purpose (therefore fine for your dissertation). Once you have collected the data, if you are interested to publish the results in journal article i would be happy to discuss possible co-authorship and perhaps further analysis of the data.
best regards Luca

Dr Luca Casali
Senior Lecturer/ School of management/ Queensland University of Technology (QUT)
Ph (Garden Point): (07) 3138 5096 and Fax (07) 3138 7903
E-mail luca.casali@qut.edu.au, website www.qut.edu.au

interested in my research? http://tinyurl.com/lucacasali

From: Wisler, Jacqueline C. [jwisler@aii.edu]
Sent: Wednesday, February 11, 2015 7:48 AM
To: Luca Casali
Subject: Re: Message regarding " Developing a multi-dimensional scale for ethical decision making: the managerial ethical profile (MEP)"

And I've read the article (several times) and think
it captures complexities that I have not seen in
other works.

Windows Desktop Search is not available.

Appendix 3: Demographic and Managerial Ethical Profile Survey Questions

Demographic Questions

D-1	What is your gender?	Male	Female						
D-2	What is the highest level of education you have obtained?	High School Graduate	Associates/ Certificate	Bachelors Degree	Masters Degree/MBA	PhD/Other Doctorate	Other		
D-3	What was the last educational institution you attended?								
D-4	In the past three year have you held a position as top decision-maker with a US based business unit of a multinational organization?	Yes	No						
D-5	Please provide your title								
D-6	What is your national origin (ex: French, American…)								
D-7	In this role do you or did you have profit and loss responsibility for the business unit?	Yes	No						
D-8	In this role did you have a reporting line to a headquarters supervisor? (supervisor located at parent company-outside of US subsidiary?	Yes	No						
D-9	What were the primary product lines your organization traded?	Leather Goods	Watch & Jewelry	Couture/Fashion	Home Furnishings	Perfumes & Cosmetics	Electronics	Wines & Spirits	Other
D-10	What is the nature of the commercial activities of the referenced business unit where you carry or carried these responsibilities	wholesale	Retail	Distributor	wholesale and retail	Other			
D-11	National Identity of Parent Company	US	French	Swiss	Italian	German	Japanese	Other	
D-12	How many employees were employed in the references business unit where you carries these responsibilities?	1-20 employees	21-50 employees	51-150 employees	151-500 employees	501-1,000 employees	1001+ employees		

Managerial Ethical Profile Questions

	When fulfilling the requirements of the position referenced above, please indicate the importance of the following in your decision-making process.					
M-1	Providing the highest economic return (profit) for the business unit	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-2	Minimizing costs for the business unit	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-3	Protecting the reputation of the business unit/brand	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-4	Optimizing resources of the business unit	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-5	Meeting annual business unit budget objective	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-6	Being in line with the organizational mission	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-7	Generating the greatest overall benefits for the business unit	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-8	Not harming clients or customers	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-9	Respecting organizational rules and regulations that have been established for the greatest benefits for all stakeholders	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-10	Obeying State and Federal laws	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*

	When fulfilling the requirements of the position referenced above, please indicate the importance of the following in your decision-making process.					
M-11	Creating the greatest overall benefit for the local community	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-12	Creating the greatest overall benefit for the wider community	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-13	Being most in line with your own core personal values	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-14	Being most in line with the person you want to be	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-15	Respecting the dignity of those impacted by the decision	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-16	Being able to empathize with clients or customers	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-17	Acting openly when making a decision	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-18	Making "care for the consumer" paramount in determining decision-alternatives	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-19	Given the opportunity for all parties impacted by the decision have input into the decision process	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-20	Treating others as you want others to treat you	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-21	Treating people as ends and not means	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-22	Ensuring appropriate confidentiality is maintained	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-23	Maintaining a fair decision-making process	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*
M-24	Ensuring that the organization's responsibility towards the well-being of customers, clients and employees is maintained at all times	*Extremely Important*	*Very Important*	*Fairly Important*	*Not Very Important*	*Not Important At All*

Appendix 4: Informed Consent Releases

Informed Consent—Interview

This study is being conducted by Jacqueline Wisler who is a student working on a dissertation in the Graduate School of Business and Management at Argosy University-Online. This study is a requirement to fulfill the researcher's degree and will not be used for decision-making by any organization.

The title of this study is **U.S. CHIEF EXECUTIVE OFFICERS OF STRATEGIC BUSINESS UNITS IN GLOBAL LUXURY GOODS ORGANIZATIONS: A MIXED METHODS COMPARISON OF U.S. AND FOREIGN LED ETHICAL DECISION-MAKING PROFILES**

- The purpose of the study is to compare the ethical decision-making processes of U.S.-led and non-U.S.-led chief executive officers of strategic business units (SBUs) in global luxury goods organizations.
- I have been asked to be a part of this study because I am considered to be or have been in a Chief Executive role in the last 3 years working in a United States (U.S.) based Strategic Business Unit of a Luxury Goods Organization.

- A total of 12–20 people have been asked to participate in this study.
- If I agree to be in this study, I will be asked to agree to this *informed consent form*, sign the document indicating my consent, then participate in a *one-on-one telephone or videophone interview* with the Principle researcher, Jacqueline Wisler.
- This study will take between 15 and 30 min to complete.
- The risks associated with this study are the time it takes to complete the interview and the remote possibility that the completion of the survey poses some threat to temporary increased stress levels.
- The potential benefits of participation are: Participants may derive intrinsic rewards by being asked their thoughts and opinions on a subject for which they may have interest and appreciate an opportunity to offer their views. The questions could also prompt the participant to think more deeply about ethical decision-making. Potential benefits could also extend into the leadership identification and development within the luxury goods industry.
- I will receive no monetary compensation for participating in the interview.
- The information I provide will be treated confidentially, which means that nobody other than the Principal Researcher, Jacqueline Wisler, will be able to tell who I am.
- The records of this study will be kept private. No words linking me to the study will be included in any sort of report that might be published.
- The records will be stored securely and only the Principal Researcher, Jacqueline Wisler, will have access to the records.
- I have the right to get a summary of the results of this study if I would like to have them. I can get the summary by contacting the Principal Researcher, Jacqueline Wisler.
- I understand that my participation is strictly voluntary. If I do not participate, it will not harm my relationship with Argosy University—Online or Jacqueline Wisler. If I decide to participate, I can refuse to answer any of the questions that may make me uncomfortable. I can quit at any time without my relations with the university, job, benefits, etc., being affected.
- I can contact Jacqueline Wisler at jwisler@aii.edu.edu or Dr. Thomas Kemp at tkemp@argosy.edu with any questions about this study.
- I understand that this study has been reviewed and Certified by the Institutional Review Board, Argosy University—Online. For problems or questions regarding participants' rights, I can contact the Institutional Review Board Chair, Dr. Nancy Hoover, at nhoover@argosy.edu.

I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study. By signing this form, I consent to participate in the study.

Name of Participant (printed) ______________________________

Signature: ______________________ Date: ____________

Signature of Principal Investigator: ______________Date: ___

Principal Investigator Contact Information:

Jacqueline Wisler 6107 Raisin Tree Lane Charlotte, NC 28215 201-207-5518

Informed Consent-Survey

Thank you for participating in our survey. Your input is valuable

This study is being conducted by Jacqueline Wisler who is a student working on a dissertation in the Graduate School of Business and Management at Argosy University-Online. This study is a requirement to fulfill the researcher's degree and will not be used for decision-making by any organization.

The title of this study is U.S. CHIEF EXECUTIVE OFFICERS OF STRATEGIC BUSINESS UNITS IN GLOBAL LUXURY GOODS ORGANIZATIONS: A MIXED METHODS COMPARISON OF U.S. AND FOREIGN LED ETHICAL DECISION-MAKING PROFILES.

- The purpose of the study is to compare the ethical decision-making processes of U.S.-led and non-U.S.-led chief executive officers of strategic business units (SBUs) in global luxury goods organizations.
- I have been asked to be a part of this study because I am considered to be or have been in a Chief Executive role in the last 3 years working in a United States (U.S.)-based Strategic Business Unit of a Luxury Goods Organization.
- A total of one hundred and fifty people have been asked to participate in this study
- If I agree to be in this study, I will be asked to agree to this informed consent form, check the on-line box indicating my consent, then participate in an on-line survey administered via the U.S.-based research company SurveyMonkey.
- This study will take between 4 and 8 min to complete.
- The risks associated with this study are the time it takes to complete the survey and the remote possibility that the completion of the survey poses some threat to temporary increased stress levels.
- The potential benefits of participation are: Participants may derive intrinsic rewards by being asked their

thoughts and opinions on a subject for which they may have interest and appreciate an opportunity to offer their views. The questions/could also prompt the participant to think more deeply about ethical decision-making. Potential benefits could also extend into the leadership identification and development within the luxury goods industry.

- I will receive no monetary compensation for participating in the survey.
- The information I provide will be treated confidentially, which means that nobody including the Principal Researcher, Jacqueline Wisler, will be able to tell who I am by person or name unless I choose to reveal it.
- The records of this study will be kept private. No words linking me to the study will be included in any sort of report that might be published.
- The records will be stored securely and only the Principal Researcher, Jacqueline Wisler, will have access to the records.
- I have the right to get a summary of the results of this study if I would like to have them. I can get the summary by contacting the Principal Researcher, Jacqueline Wisler.
- I understand that my participation is strictly voluntary. If I do not participate, it will not harm my relationship with Argosy University—Online or Jacqueline Wisler. If I decide to participate, I can refuse to answer any of the questions that may make me uncomfortable. I can quit at any time without my relations with the university, job, benefits, etc., being affected.

I can contact Jacqueline Wisler at jwisler@aii.edu.edu or Dr. Thomas Kemp at tkemp@argosy.edu with any questions about this study.

I understand that this study has been reviewed and Certified by the Institutional Review Board, Argosy University—Online. For problems or questions regarding participants' rights, I can contact the Institutional Review Board Chair, Dr. Nancy Hoover, at nhoover@argosy.edu

I have read and understand the explanation provided to me. I have had all my questions answered to my satisfaction, and I voluntarily agree to participate in this study. By checking the accept box on the survey, I consent to participate in the study.

1. I have read the statement above and consent to participate in the survey
   - Accept
   - Do Not Accept

Appendix 5: Quantitative Research Tables

Demographics

See Tables 23, 24, 25.

Table 23 Count and percent statistics of participants' business unit's commercial activities

Responsibilities of business unit commercial activities	Count (n)	%
Distributorship	1	2.0
Retail	16	31.4
Wholesale	9	17.6
Wholesale and retail	8	15.7
Other		
Advising	1	2.0
Ecommerce	1	2.0
Branding and marketing	1	2.0
Consulting	1	2.0
Diamond, gold, platinum metals trader, jewelry manufacturer with a partner company	1	2.0
Education	1	2.0
Educational and consulting	1	2.0
Energy	1	2.0
General management	1	2.0
IT	1	2.0
Manufacturing	1	2.0
Media	1	2.0
R&D and Project establishment and management	1	2.0
Residential and hospitality development	1	2.0
Services	1	2.0
Trading	1	2.0
Training	1	2.0
Total	51	100.0

Total $N = 51$

Table 24 Count and percent statistics of participants' national origin

National origin	Count (n)	%
American	31	60.8
Argentinian	1	2.0
Asian American	1	2.0
Australia	1	2.0
British	1	2.0
British, Canadian & Turkish	1	2.0
Canadian	3	5.9

Table 24 continued

National origin	Count (*n*)	%
English	1	2.0
French/American	1	2.0
Georgian	1	2.0
Italian	1	2.0
Italian-American	1	2.0
Italy	1	2.0
Mexican	1	2.0
Russian American	1	2.0
Swedish	1	2.0
Swiss	1	2.0
USA	1	2.0
N/A	1	2.0
Total	51	100.0

Table 25 Count and percent statistics of participants' last formal educational institute attended

Last formal educational institute attended	Count (*n*)	%
Argosy university	1	2.0
Arizona State	1	2.0
Bryant University	1	2.0
Business Economist	1	2.0
City of London University	1	2.0
Drexel	1	2.0
Duke University	1	2.0
EM Lyon	1	2.0
Felician	1	2.0
Florida State University	1	2.0
FSU	1	2.0
GIA	2	3.9
GWU	1	2.0
International Business Law	1	2.0
International University of Monaco	1	2.0
Johnson & Wales University	1	2.0
LA Salle University	1	2.0

Table 25 continued

Last formal educational institute attended	Count (*n*)	%
Long Island University	1	2.0
Loyola Collage	1	2.0
Mankako State University	1	2.0
Master black belt	1	2.0
Miami University	1	2.0
Moscow Open University	1	2.0
NYU	1	2.0
Pennsylvania State University	1	2.0
Post-graduate certificate in Academic Practice, MMU, UK, 2014	1	2.0
Ruprecht-Karls-Universität Heidelberg	1	2.0
Schiller International University, Paris France	1	2.0
St Thomas University, Miami, Florida 33054	1	2.0
Stanford	1	2.0
Suffolk University	1	2.0
Swedish Tennis Federation	1	2.0
Swinburne University	1	2.0
Syracuse University	1	2.0
Temple University	1	2.0
The Art Institute of Pittsburgh (on-line)	1	2.0
UNC Cordoba Argentina	1	2.0
University	1	2.0
University of California	1	2.0
University of Connecticut	1	2.0
University of Findlay	1	2.0
University of Louisville	1	2.0
University of Missouri-Columbia School of Journalism	1	2.0
University of WA	1	2.0
UW	1	2.0
Wayne State University	1	2.0
West Chester University of Pennsylvania	1	2.0
WOSTEP	1	2.0
Missing	2	3.9
Total	51	100.0

Descriptive Statistics

See Tables 26, 27, 28, 29, 30, 31, 32, 33.

Table 26 Descriptive statistics of survey questions 1–3 by leader types

Economic egoism	n	Min	Max	Mean	SD	Skewness	Kurtosis
U.S.-led CEO							
Question 1	25	3	5	4.640	0.569	−1.343	1.036
Question 2	25	4	5	4.480	0.510	0.085	−2.174
Question 3	25	2	5	4.640	0.907	−2.455	4.868
Non-U.S.-led CEO							
Question 1	24	3	5	4.417	0.584	−0.365	−0.678
Question 2	24	3	5	4.167	0.702	−0.244	−0.812
Question 3	24	2	5	4.417	0.830	−1.456	1.807

Total $N = 49$

Table 27 Descriptive statistics of survey questions 4 and 5 by leader types

Reputational egoism	*n*	Min	Max	Mean	SD	Skewness	Kurtosis
U.S.-led CEO							
Question 4	24	3	5	4.500	0.659	−0.993	0.000
Question 5	24	2	5	4.333	0.817	−1.239	1.449
Non-U.S.-led CEO							
Question 4	25	3	5	4.400	0.707	−0.769	−0.538
Question 5	25	3	5	4.440	0.651	−0.747	−0.353

Total $N = 49$

Table 28 Descriptive statistics of survey questions 6 and 7 by leader types

Rule utilitarianism	*n*	Min	Max	Mean	SD	Skewness	Kurtosis
U.S.-led CEO							
Question 6	24	4	5	4.583	0.504	−0.361	−2.048
Question 7	24	2	5	4.125	0.947	−0.602	−0.876
Non-U.S.-led CEO							
Question 6	24	3	5	4.417	0.654	−0.683	−0.424
Question 7	24	3	5	4.458	0.588	−0.525	−0.586

Total $N = 48$

Table 29 Descriptive statistics of survey questions 8 and 9 by leader types

Act utilitarianism	*n*	Min	Max	Mean	SD	Skewness	Kurtosis
U.S.-led CEO							
Question 8	24	2	5	4.250	1.113	−1.161	−0.163
Question 9	24	2	5	4.125	0.947	−0.602	−0.876
Non-U.S.-led CEO							
Question 8	24	3	5	4.500	0.722	−1.133	−0.012
Question 9	24	3	5	4.333	0.702	−0.579	−0.696

Total $N = 48$

Table 30 Descriptive statistics of survey questions 10 and 11 by leader types

Virtue of self	*n*	Min	Max	Mean	SD	Skewness	Kurtosis
U.S.-led CEO							
Question 10	24	2	5	4.458	0.779	−1.656	3.097
Question 11	24	2	5	4.542	0.833	−1.867	2.913
Non-U.S.-led CEO							
Question 10	23	2	5	4.391	0.783	−1.474	2.640
Question 11	23	2	5	4.522	0.790	−1.894	3.747

Total $N = 47$

Table 31 Descriptive statistics of survey questions 12–15 by leader types

Virtue of others	*n*	Min	Max	Mean	SD	Skewness	Kurtosis
U.S.-led CEO							
Question 12	23	2	5	3.783	0.951	−0.218	−0.831
Question 13	23	2	5	3.652	1.027	−0.037	−1.114
Question 14	23	2	5	4.478	0.898	−1.992	3.606
Question 15	23	3	5	4.522	0.665	−1.100	0.194
Non-U.S.-led CEO							
Question 12	22	1	5	3.500	1.012	−0.607	0.473
Question 13	22	1	5	3.546	1.101	−0.833	0.960
Question 14	22	1	5	4.364	0.902	−2.547	8.962
Question 15	22	3	5	4.591	0.590	−1.149	0.514

Total $N = 45$

Table 32 Descriptive statistics of survey questions 16–18 by leader types

Act deontology	*n*	Min	Max	Mean	SD	Skewness	Kurtosis
U.S.-led CEO							
Question 16	23	3	5	4.478	0.665	−0.928	−0.124
Question 17	23	2	5	4.130	0.815	−0.807	0.618
Question 18	23	2	5	4.087	0.900	−0.591	−0.527
Non-U.S.-led CEO							
Question 16	22	3	5	4.455	0.671	−0.860	−0.242
Question 17	22	3	5	4.000	0.756	0.000	−1.151
Question 18	22	2	5	3.955	0.899	−0.338	−0.764

Total $N = 45$

Table 33 Descriptive statistics of survey question 19 by leader types

Rule deontology	*n*	Min	Max	Mean	SD	Skewness	Kurtosis
U.S.-led CEO							
Question 19	23	2	5	4.435	0.843	−1.519	1.885
Non-U.S.-led CEO							
Question 19	23	1	5	4.044	1.022	−1.214	1.989

Total $N = 46$

Skewness and Kurtosis Statistics

See Tables 34, 35, 36, 37, 38, 39, 40, 41.

Table 34 Skewness and Kurtosis statistics of economic egoism (survey questions 1–3) by leader types

Economic egoism	n	Skewness	Skew SE	z-skew	Kurtosis	Kurtosis SE	z-kurtosis
U.S.-led CEO							
Question 1	25	−1.343	0.464	−2.894	1.036	0.902	1.149
Question 2	25	0.085	0.464	0.183	−2.174	0.902	−2.410
Question 3	25	−2.455	0.464	−5.291[a]	4.868	0.902	5.397[a]
Non-U.S.-led CEO							
Question 1	24	−0.365	0.472	−0.773	−0.678	0.918	−0.739
Question 2	24	−0.244	0.472	−0.517	−0.812	0.918	−0.885
Question 3	24	−1.456	0.472	−3.085	1.807	0.918	1.968

[a] Distribution is significantly skewed/kurtotic (z-skew/z-kurtosis <-3.29 or >3.29); total $N = 49$

Table 35 Skewness and Kurtosis statistics of reputational egoism (survey questions 4 and 5) by leader types

Reputational egoism	n	Skewness	Skew SE	z-skew	Kurtosis	Kurtosis SE	z-kurtosis
U.S.-led CEO							
Question 4	24	−0.993	0.472	−2.104	<0.001	0.918	<0.001
Question 5	24	−1.239	0.472	−2.625	1.449	0.918	1.578
Non-U.S.−led CEO							
Question 4	25	−0.769	0.464	−1.657	−0.538	0.902	−0.596
Question 5	25	−0.747	0.464	−1.610	−0.353	0.902	−0.391

Total $N = 49$

Table 36 Skewness and Kurtosis statistics of rule utilitarianism (survey questions 6 and 7) by leader types

Rule utilitarianism	n	Skewness	Skew SE	z-skew	Kurtosis	Kurtosis SE	z-kurtosis
U.S.-led CEO							
Question 6	24	−0.361	0.472	−0.765	−2.048	0.918	−2.231
Question 7	24	−0.602	0.472	−1.275	−0.876	0.918	−0.954
Non-U.S.-led CEO							
Question 6	24	−0.683	0.472	−1.447	−0.424	0.918	−0.462
Question 7	24	−0.525	0.472	−1.112	−0.586	0.918	−0.638

Total $N = 48$

Table 37 Skewness and Kurtosis statistics of act utilitarianism (survey questions 8 and 9) by leader types

Act utilitarianism	n	Skewness	Skew SE	z-skew	Kurtosis	Kurtosis SE	z-kurtosis
U.S.-led CEO							
Question 8	24	−1.161	0.472	−2.460	−0.163	0.918	−0.178
Question 9	24	−0.602	0.472	−1.275	−0.876	0.918	−0.954
Non-U.S.-led CEO							
Question 8	24	−1.133	0.472	−2.400	−0.012	0.918	−0.013
Question 9	24	−0.579	0.472	−1.227	−0.696	0.918	−0.758

Total $N = 48$

Table 38 Skewness and Kurtosis statistics of virtue of self (survey questions 10 and 11) by leader types

Virtue of self	*n*	Skewness	Skew SE	*z*-skew	Kurtosis	Kurtosis SE	*z*-kurtosis
U.S.-led CEO							
Question 10	24	−1.656	0.472	−3.508[a]	3.097	0.918	3.374
Question 11	24	−1.867	0.472	−3.956[a]	2.913	0.918	3.173
Non-U.S.-led CEO							
Question 10	23	−1.474	0.481	−3.064	2.640	0.935	2.824
Question 11	23	−1.894	0.481	−3.938[a]	3.747	0.935	4.007[a]

[a] Distribution is significantly skewed/kurtotic (z-skew/z-kurtosis <-3.29 or >3.29); total $N = 47$

Table 39 Skewness and Kurtosis statistics of virtue of others (survey questions 12–15) by leader types

Virtue of others	*n*	Skewness	Skew SE	*z*-skew	Kurtosis	Kurtosis SE	*z*-kurtosis
U.S.-led CEO							
Question 12	23	−0.218	0.481	−0.453	−0.831	0.935	−0.889
Question 13	23	−0.037	0.481	−0.077	−1.114	0.935	−1.191
Question 14	23	−1.992	0.481	−4.141[a]	3.606	0.935	3.857[a]
Question 15	23	−1.100	0.481	−2.287	0.194	0.935	0.207
Non-U.S.-led CEO							
Question 12	22	−0.607	0.491	−1.236	0.473	0.953	0.496
Question 13	22	−0.833	0.491	−1.697	0.960	0.953	1.007
Question 14	22	−2.547	0.491	−5.187[a]	8.962	0.953	9.404[a]
Question 15	22	−1.149	0.491	−2.340	0.514	0.953	0.539

[a] Distribution is significantly skewed/kurtotic (z-skew/z-kurtosis <-3.29 or >3.29); total $N = 45$

Table 40 Skewness and Kurtosis statistics of act deontology (survey questions 16–18) by leader types

Act deontology	*n*	Skewness	Skew SE	*z*-skew	Kurtosis	Kurtosis SE	*z*-kurtosis
U.S.-led CEO							
Question 16	23	−0.928	0.481	−1.929	−0.124	0.935	−0.133
Question 17	23	−0.807	0.481	−1.678	0.618	0.935	0.661
Question 18	23	−0.591	0.481	−1.229	−0.527	0.935	−0.564
Non-U.S.-led CEO							
Question 16	22	−0.860	0.491	−1.752	−0.242	0.953	−0.254
Question 17	22	0.000	0.491	<0.001	−1.151	0.953	−1.208
Question 18	22	−0.338	0.491	−0.688	−0.764	0.953	−0.802

Total $N = 45$

Table 41 Skewness and Kurtosis statistics of rule deontology (survey question 19) by leader types

Rule deontology	*n*	Skewness	Skew SE	*z*-skew	Kurtosis	Kurtosis SE	*z*-kurtosis
U.S.-led CEO							
Question 19	23	−1.519	0.481	−3.158	1.885	0.935	2.016
Non-U.S.-led CEO							
Question 19	23	−1.214	0.481	−2.524	1.989	0.935	2.127

Total $N = 46$

Multicollinearity

See Tables 42, 43, 44, 45, 46, 47, 48.

Table 42 Correlations between survey questions 1–3

Dependent variable	Survey question		
	Q1	Q2	Q3
Question 1 (Q1)	1.000	0.369	0.219
Question 2 (Q2)		1.000	0.191
Question 3 (Q3)			1.000

Total $N = 49$

Table 43 Correlations between survey questions 4 and 5

Dependent variable	Survey question	
	Q4	Q5
Question 4 (Q4)	1.000	0.457
Question 5 (Q5)		1.000

Total $N = 49$

Table 44 Correlations between survey questions 6 and 7

Dependent variable	Survey question	
	Q6	Q7
Question 6 (Q6)	1.000	0.331
Question 7 (Q7)		1.000

Total $N = 48$

Table 45 Correlations between survey questions 8 and 9

Dependent variable	Survey question	
	Q8	Q9
Question 8 (Q8)	1.000	0.436
Question 9 (Q9)		1.000

Total $N = 48$

Table 46 Correlations between survey questions 10 and 11

Dependent variable	Survey question	
	Q10	Q11
Question 10 (Q10)	1.000	0.164
Question 11 (Q11)		1.000

Total $N = 45$

Table 47 Correlations between survey questions 12–15

Dependent variable	Survey question			
	Q12	Q13	Q14	Q15
Question 12 (Q12)	1.000	0.613	0.462	0.197
Question 13 (Q13)		1.000	0.547	0.190
Question 14 (Q14)			1.000	0.359
Question 15 (Q15)				1.000

Total $N = 45$

Table 48 Correlations between survey questions survey questions 16–18

Dependent variable	Survey question		
	Q16	Q17	Q18
Question 16 (Q16)	1.000	0.525	0.623
Question 17 (Q17)		1.000	0.490
Question 18 (Q18)			1.000

Total $N = 46$

Kruskal–Wallis Tests

See Tables 49, 50, 51, 52, 53, 54, 55, 56.

Table 49 Summary statistics of Kruskal–Wallis tests conducted for survey questions 1–19

Dependent variable	N	Chi squared (χ^2)	df	Sig. (p)
Question 1	49	2.169	1	0.141
Question 2	49	2.453	1	0.117
Question 3	49	2.803	1	0.094
Question 4	49	0.245	1	0.621
Question 5	49	0.084	1	0.772
Question 6	48	0.639	1	0.424
Question 7	48	1.162	1	0.281
Question 8	48	0.184	1	0.668
Question 9	48	0.374	1	0.541
Question 10	47	0.148	1	0.700
Question 11	47	0.081	1	0.776
Question 12	45	0.716	1	0.398
Question 13	45	0.014	1	0.905
Question 14	45	0.714	1	0.398
Question 15	45	0.078	1	0.780
Question 16	45	0.016	1	0.898
Question 17	45	0.504	1	0.478
Question 18	45	0.279	1	0.598
Question 19	46	2.235	1	0.135

Table 50 Model summary of the tests of between-subjects effects for Hypothesis 1

Source	Dependent variable	Type III sum of squares	*df*	Mean square	*F*	Sig. (*p*)	Partial eta squared (η^2)
Corrected model	Question 1	0.611	1	0.611	1.841	0.181	0.038
	Question 2	1.202	1	1.202	1.841	0.079	0.064
	Question 3	0.611	1	0.611	3.215	0.374	0.017
Intercept	Question 1	1004.366	1	1004.366	3027.268	<0.001	0.985
	Question 2	915.488	1	915.488	2448.479	<0.001	0.981
	Question 3	1004.366	1	1004.366	1326.237	<0.001	0.966
Leader type	Question 1	0.611	1	0.611	1.841	0.181	0.038
	Question 2	1.202	1	1.202	3.215	0.079	0.064
	Question 3	0.611	1	0.611			
Error	Question 1	15.593	47	0.332			
	Question 2	17.573	47	0.374			
	Question 3	35.593	47	0.757			
Total	Question 1	1022.000	49				
	Question 2	936.000	49				
	Question 3	1042.000	49				
Corrected total	Question 1	16.204	48				
	Question 2	18.776	48				
	Question 3	36.204	48				

Dependent variables = economic egoism (survey questions 1–3); total $N = 49$

Table 51 Model summary of the tests of between-subjects effects for Hypothesis 2

Source	Dependent variable	Type III sum of squares	*df*	Mean square	*F*	Sig. (*p*)	Partial eta squared (η^2)
Corrected model	Question 4	0.122	1	0.122	0.262	0.611	0.006
	Question 5	0.139	1	0.139	0.257	0.615	0.005
Intercept	Question 4	969.918	1	969.918	2072.098	<0.001	0.978
	Question 5	942.507	1	942.507	1737.623	<0.001	0.974
Leader	Question 4	0.122	1	0.122	0.262	0.611	0.006
Type	Question 5	0.139	1	0.139	0.257	0.615	0.005
Error	Question 4	22.000	47	0.468			
	Question 5	25.493	47	0.542			
Total	Question 4	992.000	49				
	Question 5	969.000	49				
Corrected total	Question 4	22.122	48				
	Question 5	25.633	48				

Dependent variables = reputational egoism (survey questions 4 and 5); total $N = 49$

Table 52 Model summary of the tests of between-subjects effects for Hypothesis 3

Source	Dependent variable	Type III sum of squares	*df*	Mean square	*F*	Sig. (*p*)	Partial eta squared (η^2)
Corrected model	Question 6	0.333	1	0.333	0.979	0.328	0.021
	Question 7	1.333	1	1.333	2.146	0.150	0.045
Intercept	Question 6	972.000	1	972.000	2853.957	<0.001	0.984
	Question 7	884.083	1	884.083	1422.781	<0.001	0.969
Leader type	Question 6	0.333	1	0.333	0.979	0.328	0.021
	Question 7	1.333	1	1.333	2.146	0.150	0.045
Error	Question 6	15.667	46	0.341			
	Question 7	28.583	46	0.621			
Total	Question 6	988.000	48				
	Question 7	914.000	48				
Corrected total	Question 6	16.000	47				
	Question 7	29.917	47				

Dependent variables = rule utilitarianism (survey questions 6 and 7); total $N = 48$

Table 53 Model summary of the tests of between-subjects effects for Hypothesis 4

Source	Dependent variable	Type III sum of squares	*df*	Mean square	*F*	Sig. (*p*)	Partial eta squared (η^2)
Corrected model	Question 8	0.750	1	0.750	0.852	0.361	0.018
	Question 9	0.521	1	0.521	0.750	0.391	0.016
Intercept	Question 8	918.750	1	918.750	1043.519	<0.001	0.958
	Question 9	858.521	1	858.521	1235.733	<0.001	0.964
Leader type	Question 8	0.750	1	0.750	0.852	0.361	0.018
	Question 9	0.521	1	0.521	0.750	0.391	0.016
Error	Question 8	40.500	46	0.880			
	Question 9	31.958	46	0.695			
Total	Question 8	960.000	48				
	Question 9	891.000	48				
Corrected total	Question 8	41.250	47				
	Question 9	32.479	47				

Dependent variables = act utilitarianism (survey questions 8 and 9); total $N = 48$

Table 54 Model summary of the tests of between-subjects effects for Hypothesis 5

Source	Dependent variable	Type III sum of squares	*df*	Mean square	*F*	Sig. (*p*)	Partial eta squared (η^2)
Corrected model	Question 10	0.053	1	0.053	0.087	0.770	0.002
	Question 11	0.005	1	0.005	0.007	0.933	<0.001
Intercept	Question 10	919.797	1	919.797	1508.601	<0.001	0.971
	Question 11	964.771	1	964.771	1461.899	<0.001	0.970
Leader type	Question 10	0.053	1	0.053	0.087	0.770	0.002
	Question 11	0.005	1	0.005	0.007	0.933	<0.001
Error	Question 10	27.437	45	0.610			
	Question 11	29.697	45	0.660			
Total	Question 10	948.000	47				
	Question 11	995.000	47				
Corrected total	Question 10	27.489	46				
	Question 11	29.702	46				

Dependent variables = virtue of self (survey questions 10 and 11); total $N = 47$

Table 55 Model summary of the tests of between-subjects effects for Hypothesis 6

Source	Dependent variable	Type III sum of squares	*df*	Mean square	*F*	Sig. (*p*)	Partial eta squared (η^2)
Corrected model	Question 12	0.898	1	0.898	0.932	0.340	0.021
	Question 13	0.128	1	0.128	0.113	0.738	0.003
	Question 14	0.148	1	0.148	0.182	0.671	0.004
	Question 15	0.054	1	0.054	0.136	0.714	0.003
Intercept	Question 12	596.365	1	596.365	619.218	<0.001	0.935
	Question 13	582.528	1	582.528	514.644	<0.001	0.923
	Question 14	879.081	1	879.081	1085.284	<0.001	0.962
	Question 15	933.743	1	933.743	2353.884	<0.001	0.982
Leader type	Question 12	0.898	1	0.898	0.932	0.340	0.021
	Question 13	0.128	1	0.128	0.113	0.738	0.003
	Question 14	0.148	1	0.148	0.182	0.671	0.004
	Question 15	0.054	1	0.054	0.136	0.714	0.003
Error	Question 12	41.413	43	0.963			
	Question 13	48.672	43	1.132			
	Question 14	34.830	43	0.810			
	Question 15	17.057	43	0.397			
Total	Question 12	640.000	45				
	Question 13	632.000	45				
	Question 14	915.000	45				
	Question 15	951.000	45				
Corrected total	Question 12	42.311	44				
	Question 13	48.800	44				
	Question 14	34.978	44				
	Question 15	17.111	44				

Dependent variables = virtue of others (survey questions 12–15); total $N = 45$

Table 56 Model summary of the tests of between-subjects effects for Hypothesis 7

Source	Dependent variable	Type III sum of squares	*df*	Mean square	*F*	Sig. (*p*)	Partial eta squared (η^2)
Corrected model	Question 16	0.006	1	0.006	0.014	0.906	<0.001
	Question 17	0.191	1	0.191	0.309	0.581	0.007
	Question 18	0.197	1	0.197	0.244	0.624	0.006
Intercept	Question 16	897.251	1	897.251	2010.130	<0.001	0.979
	Question 17	743.302	1	743.302	1201.186	<0.001	0.965
	Question 18	727.130	1	727.130	898.966	<0.001	0.954
Leader type	Question 16	0.006	1	0.006	0.014	0.906	<0.001
	Question 17	0.191	1	0.191	0.309	0.581	0.007
	Question 18	0.197	1	0.197	0.244	0.624	0.006
Error	Question 16	19.194	43	0.446			
	Question 17	26.609	43	0.619			
	Question 18	34.781	43	0.809			
Total	Question 16	917.000	45				
	Question 17	771.000	45				
	Question 18	763.000	45				
Corrected total	Question 16	19.200	44				
	Question 17	26.800	44				
	Question 18	34.978	44				

Dependent variables = act deontology (survey questions 16–18); total $N = 45$

Appendix 6: Quantitative Research Interview Questions

1. When you are protecting the reputation of the organization what are you protecting it from and what types of actions or decisions do you make to ensure this?
2. What does the phrase "optimizing organizational resources" mean to you and what types of actions and decisions does it entail?
3. What does the phrase "greatest overall benefit for the organization" mean to you, what does it look like?
4. What does the phrase "greatest overall benefit for the local community" mean to you/how do you define the local community?
5. What does the phrase "greatest overall benefit for the wider community" mean to you/how do you define the wider community?
6. What are your core personal values?
7. Describe how you interpreted "the person you would like to be when you answered question 14 on the survey.
8. How do you allow for others who will be impacted by a decision to have input into the decision-making process?
9. What does "ensuring you treat people as ends and not means" mean to you/how do you define that phrase?
10. How do you ensure there is fairness in your decision-making process?
11. What question should I have asked you that I did not?

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