

# **The Motivation of Mission Statements: How Regulatory Mode Influences Workplace Discrimination**

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**The Motivation of Mission Statements:  
How Regulatory Mode Influences Workplace Discrimination**

**Abstract**

Despite concerted efforts to enforce ethical standards, transgressions continue to plague US corporations. This paper investigates whether the way in which a corporation pursues its goals can influence ethical violations, manifested as involvement in discrimination. We test this hypothesis among franchises, which employ a considerable amount of low-income workers adversely affected by discrimination. Drawing upon Regulatory Mode Theory, we perform a linguistic analysis of franchise mission statements to determine their degree of *locomotion* and *assessment* language. EEOC archival data for the past decade reveals that regulatory mode predicts franchise involvement in discrimination. Discriminatory behavior is associated with franchises whose mission statements motivate employees to embrace urgent action (locomotion mode) over thoughtful consideration (assessment mode). Two experiments demonstrate that participants exposed to high locomotion mission statements tend to disregard ethical standards due to their need for expediency, making significantly more discriminatory managerial decisions than those exposed to high assessment mission statements.

**Keywords:** regulatory mode theory; locomotion; assessment; ethical standards; workplace discrimination; mission statements; linguistic analysis; regulatory mode dictionary; archival study; experiment

## **Introduction**

In 2016, Casey Crothers worked as a stocker for 7-Eleven in Oklahoma. When his doctor placed him on short-term work restrictions due to a disability, Crothers asked for temporary transfer to a position that met his restrictions. 7-Eleven told Crothers that because his restrictions were not related to an on-the-job injury, the company was not required to accommodate him. 7-Eleven then fired Crothers because he was going to miss more than three days of work. The US Equal Employment Opportunity Commission “EEOC” filed a discrimination lawsuit against 7-Eleven Stores on Friday, September 30, 2016. But 7-Eleven already had a code of ethics, encompassing nondiscrimination standards, in place. Why do franchises like 7-Eleven continue to commit EEOC violations, despite their familiarity with ethical standards of conduct?

Organizations have made a concerted effort to reduce workplace discrimination, defined as denying equal treatment of employees based on group membership (Allport, 1954). Since 2010, the percentage of US companies with nondiscrimination policies in place has grown from approximately 70% to an estimated 90% today ([www.americanprogress.org](http://www.americanprogress.org)). During this time frame, the EEOC has launched initiatives like E-RACE, LEAD, Youth@Work and ADR to enhance awareness, identify contributing factors and facilitate resolution. Despite private and public sector reforms, annual discrimination cases have increased 37% over the past decade to 99,109 resolutions during 2017, while retaliation charges are 110% higher than they were in 2007 ([www.eeoc.gov](http://www.eeoc.gov)).

According to the EEOC, employers paid \$506 million in monetary benefits to victims of discrimination across private and public workplaces last year. Aside from this direct cash disbursement of benefits—as well as separate medical care, emotional damages, and counsel fees to the victims—companies must contend with the indirect consequences of discrimination violations. These include lost productivity, decreased morale, tarnished reputation, diminished retention, deteriorated service and product quality, as well as increased recruiting and severance costs (Baumann-Pauly & Posner, 2016; Nygaard & Biong, 2010; Paludi, DeSouza, & Paludi Jr, 2010). The Level Playing Institute has estimated that the employer cost of workplace discrimination due to employee turnover alone is \$64 billion a year

(Burns, 2012).

Policymakers, media outlets and academic researchers continue to document both the prevalence and detrimental consequences of workplace discrimination related to hiring, firing, promotion, harassment, training, wages and benefits (Triana, Jayasinghe, & Pieper, 2015). Economists and sociologists have focused on its implications for employers and the labor market (Becker, 2010; Lang & Lehmann, 2012), while organizational psychologists and public health scholars have examined how discrimination erodes employee well-being (Deitch, Barsky, Butz, Chan, Brief, & Bradley, 2003; Williams, Neighbors, & Jackson, 2003). Aside from quantifying the extent and effects of discrimination, academics across disciplines have also sought to understand its antecedents (Dipboye & Colella, 2013).

In terms of the literature on predicting discrimination, there appear to be several prominent streams examining the cognitive, affective and social influences on the perpetrators (Dovidio, Gaertner, Kawakami, & Hodson, 2002; Lai & Babcock, 2013), the victims (Aquino & Bommer, 2003; Barbulescu & Bidwell, 2013) and the companies for which they work (Ashforth & Anand, 2003; Brown & Treviño, 2006; Cortina, 2008; Harris & Bromiley, 2007; Mayer, Kuenzi, & Greenbaum, 2010; Ordóñez, Schweitzer, Galinsky, & Bazerman, 2009). This third stream of predictive research has primarily been concerned with the efficacy of deliberate policies that corporations undertake to *inhibit* discrimination (Castilla, 2015; Day & Schoenrade, 2000; McKay, Avery, Liao, & Morris, 2011; Ragins & Cornwell, 2001). But work in the tradition of bounded ethicality (Sezer, Gino, & Bazerman, 2015) has not exhaustively explored the unintended consequences of leadership choices that may *enable* discrimination (Dipboye & Colella, 2005; Ghosh, 2008; Gino & Margolis, 2011; Green, 2003; Moore & Gino, 2013).

Our study examines how decisions undertaken by an organization's leadership, operationalized in the language of corporate mission statements, can supersede intentional nondiscriminatory policies instituted by organizations. Mission statements help align the day-to-day decision-making processes of an organization around a common goal, guiding employees as to which goals to pursue and how to pursue them (Ledford, Wendenhof, & Strahley, 1995). We examine how these motivational messages shape workplace discrimination outcomes by applying a social psychological theory of the goal pursuit process

known as Regulatory Mode Theory “RMT” (Higgins, Kruglanski, & Pierro, 2003; Kruglanski, Thompson, Higgins, Atash, Pierro, Shah, & Spiegel, 2000). According to RMT, individuals can be motivated to pursue goals in several ways; more specifically, the goal pursuit process involves two distinct functions of self-regulation—locomotion and assessment—that relate to concerns for exerting control and for establishing truth, respectively (Higgins, 2012; Kruglanski et al, 2000).<sup>1</sup>

Locomotion is concerned with effecting change by managing smooth, uninterrupted movement, whereas assessment is concerned with making the right choices by critically evaluating and comparing goal options and the plans for achieving them (Chen, Rossignac-Milon, & Higgins, 2018; Kruglanski et al, 2000). In light of their concerns for establishing the truth of a given matter, individuals in assessment mode should be willing to dedicate the requisite time and effort to fully consider nondiscriminatory policies and other ethical standards (Gino, Schweitzer, Mead, & Ariely, 2011). Due to their concerns for controlling exactly what happens as quickly as possible, those in locomotion mode do not want to “waste time” (Kruglanski, Pierro, & Higgins, 2016) by devoting attention to a firm’s nondiscriminatory policies and ethical standards (Kruglanski, Pierro, Mannetti, & Higgins, 2013). Given this distinction in goal pursuit concerns, we predict that managers in high (*vs. low*) locomotion mode—motivated to pursue goals by taking urgent action—are more likely to engage in discrimination by disregarding ethical standards, whereas those in high (*vs. low*) assessment mode—motivated to pursue goals with thoughtful consideration—are less likely to do so.

In support of our predictions involving goal pursuit and ethical behavior, we set out to observe and then manipulate mission statements as a reliable and widely disseminated expression of an organization’s goal pursuit, and we chose to examine EEOC violations as an important, unambiguous,

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<sup>1</sup> Locomotion and assessment can be studied as chronic individual dispositions measured using a 30-item questionnaire (Kruglanski et al 2000) but each mode can also be situationally induced (Avnet & Higgins, 2003). In this paper, we are interested in the effects of organizationally-induced regulatory mode, above and beyond an employee population’s heterogeneous regulatory mode dispositions. As such, we explore the impact of locomotion and assessment on central workplace outcomes using situational inductions of these independent states. We test situational RM predictions by observing the effects of organizational primes through mission statements in the archival study, then by manipulating organizational primes through mission statements in the experimental study.

and generalizable manifestation of unethical behavior. We investigated our predictions via archival and experimental studies, both of which focused on discrimination perpetrated by franchises. These large nationwide organizations have a significant labor market impact, employing over 6% of the workers in the US labor force (Franchise Business Economic Outlook, 2017). Using the EEOC's publicly available repository of litigation settlements for the full ten-year period from Q4 2007 through Q3 2017, we identified 148 US franchises accused of workplace discrimination, which contributed 14% of the total EEOC-enforced suits during the past ten years. When linguistically analyzing the mission statements of these franchises against the 411 franchises in Entrepreneur Magazine's 2017 Franchise 500 List that were not accused of discrimination, we discovered that discriminating franchises exhibited a significantly higher frequency of locomotion words and lower frequency of assessment words. In fact, we found that the predominant regulatory mode (locomotion minus assessment frequencies) score of a franchise mission statement predicted both the franchise's likelihood to engage in discrimination and the frequency with which the franchise discriminated.

To complement the archival study's correlational findings, we conducted a series of experiments that uncovered a causal relationship between the regulatory mode of franchise mission statements and discriminatory decisions. Using actual franchise scenarios from real-world EEOC violations, we instructed participants to act as managers of franchises with randomly assigned mission statements either high in locomotion (no assessment) or high in assessment (no locomotion) wording. Our experiment demonstrated that participants exposed to mission statements high in locomotion (no assessment) were significantly more likely to make managerial decisions that violated EEOC discrimination policies than those high in assessment (no locomotion); furthermore, they engaged in a significantly higher number of discriminatory acts. This result was particularly striking, considering the fact that the vast majority of participants confirmed they had prior knowledge of workplace nondiscrimination policies. Lastly, we went on to find that the relationship between regulatory mode and discriminatory behavior was mediated by participants' consideration of ethical standards due to a differential need to proceed with minimal time and effort.

Across our studies, we identified a tension between employers' explicit nondiscrimination policies and the implicit influence of motivational messaging expressed in their mission statements, which serves to perpetuate workplace discrimination in the face of ongoing ethical reform and best efforts. As companies employ more workers over time, they probabilistically increase their exposure to employment discrimination lawsuits. However, our results suggest a way in which companies can grow conscientiously and reduce their vulnerability. These findings inform the literature that lies at the intersection of organizational ethics, motivation, and decision making, while presenting practical implications for corporate managers.

Although scholars have explored the relationship between regulatory mode and individual- and group-level outcomes like risk-taking (Panno, Lauriola, & Pierro, 2015), time management (Amato, Pierro, Chirumbolo, & Pica, 2014), multi-tasking (Pierro, Giacomantonio, Pica, Kruglanski, & Higgins, 2013), leadership styles (Kruglanski, Pierro, & Higgins, 2007) and social support (Cavallo, Zee, & Higgins, 2016), "the extent to which regulatory mode influences organizational phenomena is mostly unknown at this point" (Bélanger, Pierro, Kruglanski, Vallerand, De Carlo, & Falco, 2015, p. 326). Likewise, mission statements have been analyzed to determine their influence on a number of corporate outcomes, including financial performance and stakeholder management (Bart, Bontis, & Taggar, 2001; Bartkus & Glassman, 2008), but scholars have not extensively studied their impact on ethical considerations and discrimination. Separately, research on goals has investigated the ethical ramifications of goal *setting* (Barsky, 2008; Ordóñez et al, 2009; Schweitzer, Ordóñez, & Douma, 2004) and goal *orientation* (promotion vs. prevention, per Gino & Margolis, 2011), but not goal *pursuit*.

Perhaps most importantly, the business ethics literature has demonstrated that attention to ethical standards can promote ethical behavior (Lau, 2010), but less is known about the specific motivational factors that influence whether or not employees pay attention to those standards when making decisions. By examining the motivation to consider ethical standards via inductions as subtle and pervasive as the regulatory mode of corporate mission statements, we help fill this void in the literature. Notably, we observe the impact of ethical standard considerations on workplace discrimination, the most prevalent

type of ethical misconduct (National Business Ethics Survey of the U.S. Workforce, 2014). Applications of this work can answer recent calls for understated, research-based interventions addressing organizational triggers of unethical behavior (Moore & Gino, 2013, 2015) that stand to benefit marginalized populations (Leana, Mittal, & Stiehl, 2012) adversely affected by workplace discrimination.

## **Theory and Hypothesis Development**

### ***Mission Statements and Decision-Making Behaviors***

The mission statement—defined as “an enduring statement of purpose that distinguishes one organization from other similar enterprises” (David, 1989, p. 90)—has been linked to a variety of decision-making behaviors, including human and other resource allocation decisions (Ireland & Hitt, 1992; King & Cleland, 1979). Inherent in mission statements is the intention to “motivate (and in so doing, control) the behaviors of organizational members toward common organizational goals” (Bart, Bontis & Taggar, 2001, p. 19). In fact, Bart and colleagues demonstrate that mission statements’ influence on employee behavior exerts the strongest direct impact on organizational performance, serving as a key mediating element. Cortina (2008) connects mission statements to ethical decision making, highlighting the benefits of “proactive, preventative, and educational approaches” and specifying that “senior management can model appropriate, respectful workplace behavior and clearly state expectations of civility in mission statements and policy manuals” (Cortina, 2008, p. 71).

Similarly, Bartkus and Glassman (2008) find that diversity-related mentions in mission statements are associated with corresponding diversity-minded behaviors. Likewise, Bart’s 75-organization study reveals that the very presence of mission statement language with regard to “behavioral standards” correlates with actual practice of these behaviors (Bart, 1996a; Bart & Taggar, 1998). As such, Dobbin and Kalev (2015) note that affirmative action plans have effectively been supplanted over the past several decades by diversity-oriented mission statements in the push for ethical reforms such as equal opportunity. Although scholars have shown that mission statements can explicitly motivate a variety of individual behaviors enacted by management—including those deliberately designed to promote ethical behavior—less attention has been devoted to implicit motivational factors in



the organizational environment (see Banaji, Bazerman, & Chugh, 2003; Haidt, 2007; Kouchaki, Smith-Crowe, Brief, & Sousa, 2013 for exception). Specifically absent is an investigation into the inadvertent enabling (vs. disabling) effect of corporations' primary (*non-diversity oriented*) mission statements on unethical decision making in the form of discriminatory behavior (Dipboye & Colella, 2005).

### ***Antecedents of Discriminatory Behavior***

Our studies explore how the language of these mission statements can exert a significant influence on individual employee cognition, motivating (*compelling vs. dissuading*) the consideration of ethical standards that affect discriminatory decision making. In doing so, we build on extant literature that explores the social psychological mechanisms underlying discrimination, namely joint cognitive and motivational research in this area of study that investigates both contextual and individual factors related to goal motivation (Fiske, 2000). Where “generations of researchers have alternated individual versus contextual levels of analysis” (Fiske, 2000, p. 300), our work demonstrates the process by which a contextual force, exerted at the organizational level, can motivate individual behavior.<sup>2</sup> As Fiske (2000, p. 303) goes on to note, such “...immediate social contexts do shape individual responses to individual outgroup members” to “influence an individual’s stereotyping, prejudice and discrimination.”

This “cognitive-motivational” approach recognizes that behavioral responses are goal dependent, with goals either emphasizing variations of decisiveness or accuracy (Fiske, 2000; Goodwin, Gubin, Fiske, & Yzerbyt, 2000; Kruglanski & Webster, 1996; Snyder, 1992). In effect, accuracy becomes subservient to stereotypical and simplistic judgments that serve as precursors to discrimination when the perception of excessive time constraints and the concern for decisiveness are present (Dijker & Koomen, 1996; Fiske, 2000; Kruglanski & Webster, 1996; Neuberg & Newsom, 1993). We explore how locomotion and assessment concerns reflected in an organization’s mission statement can differentially

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<sup>2</sup> In this case, mission statement language serves as the contextual force that motivates decision-making behavior, per Moore & Gino (2013, p. 63): “...language signals how a decision ought to be understood, which in turn changes the appropriate choice in that particular context.”

emphasize urgency versus accuracy motivations that impact discriminatory behavior through the regard for the organization's ethical standards.

### ***Regulatory Mode and Ethical Standards***

Behavior that is aligned with ethical standards, such as an organization's nondiscrimination policies, requires a willingness to exert time and effort (Gino et al, 2011; Shalvi, Eldar, & Bereby-Meyer, 2012). This requirement represents a marked distinction along the functional dimensions of locomotion and assessment according to RMT (Higgins et al, 2003; Kruglanski et al, 2000). As locomotion favors urgent action where assessment favors thoughtful consideration, these divergent concerns should influence the extent to which individuals attend to ethical standards. Per RMT, individuals in assessment mode are compelled to find the truth of a given matter at hand, a motivation that prompts them to expend the requisite time and effort to sufficiently consider alternatives before making any given decision. Conversely, RMT dictates that individuals in locomotion mode are compelled to control what happens as smoothly and swiftly as possible when making any given decision, dissuading them from investing the time and effort required to consider all alternatives.

Previous research has demonstrated that the allocation of time and effort is crucial for individuals to follow ethical standards pertaining to such acts as dishonesty (Kern & Chugh, 2009; Shalvi et al, 2012), cheating (Gino et al, 2011), and bystander intervention (Darley & Batson, 1973). Gino and colleagues (2011) discovered that depleted participants were unable to exert the requisite effort to resist the temptation to impulsively cheat. Darley and Batson (1973) found that manipulated "hurriedness" induced time-pressed participants to literally step over needy victims on their way to deliver a Good Samaritan sermon. Other experiments have similarly shown that time constraints contribute to a reliance upon stereotypes and belief biases, which serve as precursors to discriminatory behavior (Dijker & Koomen, 1996; Evans & Curtis-Holmes, 2005).

One experiment revealed that participants who made swift punishment decisions (within seconds) were biased towards punishing outgroup members, whereas those who engaged in rational deliberation (reflecting on the decision) were unbiased in their punishment (Yudkin, Rothmund, Twardawski, Thalla,

& Van Bavel, 2016). Similarly, Moore and Tenbrunsel (2014) found a positive relationship between reasoning (embraced by those in assessment mode) and moral decision making. As locomotive goal pursuit induces urgent action, those concerned with locomotion are likely averse to consideration-related delays and motivated to make decisions as swiftly as possible (Higgins et al, 2003; Kruglanski et al, 2000, 2016; Mauro, Pierro, Mannetti, Higgins, & Kruglanski, 2009). In such haste, individuals in locomotion mode may succeed in saving time, but their sense of urgency can also leave them vulnerable to violating codes of ethics.

In contrast, the desire for expediency—proceeding with minimal time, effort, and difficulty<sup>3</sup>—is not important to those in assessment mode, so assessors are not similarly susceptible to committing such code violations (Amato et al, 2014; Kruglanski et al, 2016). Concerned with doing things correctly, individuals engaged in assessing focus on making the right choice rather than a fast one, patiently and thoroughly reflecting upon a variety of factors (such as ethical rules) involved in a given decision (Kruglanski et al, 2000; Mauro et al, 2009). In fact, neuroimaging studies reveal that temporal discounting is negatively correlated with assessment but positively correlated with locomotion, another indication that assessors and locomotors differ along the dimension of time sensitivity (Guo & Feng, 2015; Kruglanski et al, 2016). Consistent with time pressure experiments, assessors have also been established to be better helpers than locomotors, taking the time and effort to tailor their social support to meet others' specific needs (Cavallo et al, 2016). It is no surprise that impulsivity—or the tendency to act without prior reflection or thought—has conversely been linked to unethical corporate conduct and the diminished ability to identify ethical dilemmas (Kelly & Worrell, 1978; Mowchan, Lowe, & Reckers, 2015).

The practice of broadly evaluating alternatives before acting has also been tied to more ethical decision-making behavior (Rokeach, 1951; Schurr, Ritov, Kareev & Avrahami, 2012). When deliberating among various options, those in assessment mode consider the potential consequences of alternative avenues before pursuing a given course of action (Higgins et al, 2003; Kruglanski et al, 2000; Kruglanski,

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<sup>3</sup> Also see expedient: (of an action) convenient and practical (involving little time and effort), <https://en.oxforddictionaries.com>.

Orehek, Higgins, Pierro, & Shalev, 2010). Where assessors compare themselves and their decisions to alternative standards (Kruglanski et al, 2000) and display sensitivity to any discrepancies from those standards (Higgins et al, 2003; Kruglanski et al, 2000), locomotors do not engage in self-evaluation or consider their degree of alignment with standards. In fact, locomotors possess a strong desire to manage what happens without surrendering control to any external entity, lacking sensitivity to the social norms that are observed by assessors (Kruglanski et al, 2013).

In order to control their environments and essentially “just get on with it,” individuals in locomotion mode perceive ancillary considerations as obstacles in their way (Cornwell, Franks, & Higgins, 2014; Higgins, 2012). An organization’s nondiscrimination rules may represent impediments to taking urgent action and not wasting time. In contrast, those in assessment mode welcome the opportunity to consider the aspect of their decision-making processes relating to ethical best practices so they can arrive at the right choice in their tireless pursuit of the truth. As such, we expect the following distinct associations that reflect two separate and opposing forces affecting discriminatory behavior:

*Hypothesis 1a. Discriminatory behavior is associated with stronger locomotion concerns.*

*Hypothesis 1b. Nondiscriminatory behavior is associated with stronger assessment concerns.*

Prior studies have demonstrated that increasing attention to standards for ethical behavior (Dobbin & Kalev, 2015; Lau 2010; Mazar, Amir, & Ariely, 2008) and considering the moral implications of an act (Wright, 1995) enhance the likelihood to behave ethically. The aforementioned research collectively points to a tendency of assessors but not locomotors to consider the ethical codes of conduct dictated by a given entity. Taken together, we reason that the differential degree of ethical standard considerations induced by locomotion and assessment concerns will significantly predict the decision to discriminate by violating EEOC regulations. Ethical standard consideration thus emerges as a potential mechanism through which discrimination behavior is high for locomotors relative to assessors.<sup>4</sup>

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<sup>4</sup> Similarly, yet distinctly, a shift in moral standards (vs. consideration of them here) was recently found to mediate the relationship between another factor –financial deprivation– and moral conduct (Sharma, Mazar, Alter, & Ariely, 2014).

We delve one step further to explore the relationship between patient effort and thoughtful consideration as factors contributing to ethical behavior. Ethics research suggests that the degree of perceived expediency can significantly inhibit ethical decision making due to the lack of time and effort expended. The RMT research allows us to link locomotion to both a concern for expediency and a lack of consideration for such standards as ethics, with the opposite association holding for assessment. These collective literatures point to the fact that a locomotive (over assessor) mode will increase the extent to which expediency is a factor in a given decision, which will decrease the extent to which ethical standards are considered in that decision, thus increasing discriminatory behavior:

*Hypothesis 2a. The consideration of ethical standards will mediate the relationship between regulatory mode concerns and discriminatory behavior.*

*Hypothesis 2b. The relationship between regulatory mode concerns and discriminatory behavior will be mediated by a serial relationship between perceived expediency and ethical standard considerations.*

As locomotion and assessment are independent and orthogonal, an individual in a given situation can be strongly or weakly concerned with both or strongly concerned with one and weakly concerned with the other (Kruglanski et al, 2000). We theorize that these motivations work in opposition to one another with regards to discrimination. In other words, similar goal pursuit intensities can serve to neutralize discriminatory proclivities within an organization and its organizationally-induced employees. For instance, a high degree of locomotion can augment discrimination, while a high degree of assessment can simultaneously attenuate discrimination—cancelling one another—with a similar end result for low locomotion and low assessment. For this reason, we expect that the most pronounced discrimination lies at the extreme combination of high locomotion and low assessment.

As in this case where locomotion and assessment are expected to influence preferences and choices in opposing directions, research has tested hypotheses by creating an index of difference scores (Camacho, Higgins, & Luger, 2003; Cesario & Higgins, 2008; Molden & Higgins, 2004). Predominant locomotion mode has been computed by subtracting assessment from locomotion scores (Higgins, Pierro, & Kruglanski, 2008; Orehek, Mauro, Kruglanski, & van der Bles, 2012; Webb, Coleman, Tomasulo, Rossignac-Millon, & Higgins, 2017). We hypothesize that higher positive values on this index—

characterized by greater locomotion than assessment scores—will increase the likelihood of discrimination. In such imbalanced cases, expediency prevails over patient effort, resulting in a disregard for nondiscrimination policies and other ethical standards.

Even after a company has already been disciplined for discriminating, locomotors (but not assessors) will be inclined to continue making discriminatory decisions. Although the probability of being caught and penalized dissuades most individuals from engaging in unethical behavior (Buckley, Wiese, & Harvey, 1998), those induced into locomotion will likely continue to disregard both the rules of conduct and the consequences of their actions—seeking to make the expedient choice. The opposite is true for thoughtful and thorough assessors (Kruglanski et al, 2000; Panno et al, 2015) who are likely to consider the ramifications of their actions even more deeply after becoming aware of an initial violation—having made the wrong choice (Chen et al, 2018). Such concerns will thus prevent those in a locomotive but not assessor mode from considering the unique ethical needs of subsequent situations. Therefore, predominant regulatory mode will not only predict the likelihood but also the frequency of discrimination:

*Hypothesis 3a. Regulatory mode predominance (Locomotion – Assessment) predicts the likelihood to engage in discriminatory behavior.*

*Hypothesis 3b. Regulatory mode predominance (Locomotion – Assessment) predicts the frequency of discriminatory behavior.*

### **Empirical Approach to Hypothesis Testing**

In an effort to test these hypotheses concerning the influence of regulatory mode on discriminatory behavior, we employed a multi-method approach utilizing data obtained from both an archival study and series of controlled experiments. The first study is correlational, determining whether there is evidence of a relationship between motivational language in franchise mission statements and franchise involvement in EEOC discrimination settlements. Despite the archival study's ability to identify patterns of franchise discrimination, this field data cannot confirm whether there is a true causal relationship between motivational messaging and discrimination behavior. As such, our second and third study rely upon a controlled environment to experimentally test the direct impact of franchise mission statements on immediate managerial decisions to discriminate. Notably, our studies examine EEOC

discrimination as but one manifestation of unethical behavior that we predict is influenced by regulatory mode. We elaborate on the key empirical reasons to examine EEOC discrimination as emblematic of unethical decision making, given its importance, lack of ambiguity, and high degree of generalizability.

### ***Discriminatory Behavior as Manifestation of Ethical Misconduct***

A recent study by the Ethics Resource Center or “ERC” reveals EEOC discrimination constitutes the most common type of ethical misconduct in the workplace, with the top five types encompassing: 1) abusive behavior (including legally-protected abuse like EEOC Discrimination and non-legally protected like bullying), 2) lying to employees, 3) conflicts of interest, 4) violations of company Internet policies, and 5) violations of health or safety regulations. Not only is this type of misconduct common, but it is also one of the most likely to be ongoing and frequent in nature (National Business Ethics Survey of the U.S. Workforce, 2014). Of the five most prevalent types of ethical misconduct that emerge in the ERC study, legally-protected abusive behavior is perhaps the least disputable and most readily observable form of ethical misconduct. Many of the other types operate in a grey area; they are not readily tracked and reported, nor are all their cases definitively confirmed as violating ethical standards by a court of law.

The archival data we use is comprised of actual suits filed by the EEOC in various US courts against employers and associated with litigation, offering incontrovertible evidence of ethical standard violations key to our hypotheses. Other types of ethical misconduct lack a high volume of consistent and definitive longitudinal records of annual cases and their crucial details that are accessible in the EEOC archives. Nondiscrimination cases are not only well documented, but their policies are widely adopted and readily available in employee handbooks, business' "Code of Conduct," on employers' websites and in career and diversity-related materials. As such, workplace discrimination satisfies our empirical conditions of a) the dissemination of ethical standards to employees and b) the unambiguous and observable decisions of employees that violate those standards. Lastly, discrimination is reliably observed by a consistent source (the EEOC) to affect both white and blue collar workers employed by companies both large and small operating across a multitude of industry types throughout all US states over time—a generalizable form of ethical misconduct.

## Study 1

For our first study, we explored how franchises' involvement in discrimination is influenced by their motivational messaging, operationalized as franchise mission statements. In doing so, we utilized all available EEOC litigation settlement data drawn over a period of the most recent ten years (Q4 2007 – Q3 2017) and then obtained publicly available information from company and industry websites for the franchise mission statements and set of controls. As such, all analyses and results are nested at the firm (aka franchise) level.

### Empirical Setting

We examined discriminatory behavior perpetrated by franchises, which involve “a manufacturer or marketer of a product or service (‘franchisor’) that grants exclusive rights to local, independent entrepreneurs (‘franchisees’) to conduct business in a prescribed manner in a certain place over a specified period” (Preble & Hoffman, 1999, p. 240). US franchises are particularly vulnerable to employment discrimination, given the significant amount of workers they employ (Preble & Hoffman, 1999), which is estimated at 8.9 million as of 2017 (Washington Post, 2017). As the franchise industry is a driver of overall US employment growth—with an average annual increase of over 3% since 2012 that has outpaced overall job market growth—discrimination activity in this sector hinders otherwise healthy job market potential (dol.gov).

According to the International Trade Administration, these franchise workers yield \$890 billion of direct economic output for the US economy, contributing three percent of US GDP in nominal dollars. In addition to the sheer volume of employees and employee output at risk, franchise locations are spread out across a vast footprint that affects the majority of US states. Given their geographic breadth of coverage, franchises offer the opportunity to disentangle the antecedents of discrimination from any variance in state-specific protections<sup>5</sup>. Likewise, franchises serve 100 unique business categories across

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<sup>5</sup> Welch's t-tests reveal no significant differences in the distribution of our discriminating vs. non-discriminating franchise samples with regards to franchise coverage of states identified as “weak” vs. “good” and “strong” by the Center for American Progress Action Fund (2012), which identifies the degree of protection against workplace discrimination at state, as opposed to federal, discretion (e.g. sexual orientation, gender identity).



11 industry classifications. Franchise discrimination touches all areas of the US nation and economy, thereby ameliorating concerns related to geographic and industry concentration (franchise.org).

The franchise industry serves as a strategic setting to examine discrimination due not only to the *number* of workers they employ but the *composition* of those workers. Per the inverse hazard law, evidence points to entry and other low-level workers being susceptible as targets of discrimination (Krieger, Kaddour, Koenen, Kosheleva, Chen, Waterman, & Barbeau, 2010). Since franchises employ a higher percentage of minimal wage workers than non-franchised employers, it is no surprise that a considerable portion of EEOC settlements involve franchises (Employment Policies Institute, 2016). According to EEOC District Director Spencer H. Lewis, Jr., the consequences of discrimination are particularly stark for these lower-tier employees who risk relegation to the ranks of the unemployed and stand to dip below the poverty line (www.eeoc.gov).

Franchise workers are not the only constituents impacted by the adverse consequences of discrimination. The stakes are also considerable for individual franchisees as they outlay their own capital in the form of an initiation fee to start these small businesses (Litz & Stewart, 1998). Depending on the industry served, franchisee startup costs can range anywhere from \$20,000 to well over \$1 million, with an average of \$350,000-\$400,000 required to get started (franchise.org). Franchisees also pay significant ongoing royalty and marketing fees as a fixed percentage of sales for the right to do business under the franchisor's name. These franchisees operate on razor-thin profit margins that are as low as two percent, so any given discrimination settlement threatens to thrust their franchises into bankruptcy and loss of their personal investment (Investors.com, 2016).

Aside from these high stakes inherent in the archival context, our study benefits from the consistent, centralized messaging disseminated by franchisors who indoctrinate all of their franchisees and managers through extensive headquarter and onsite training (Nygaard & Biong, 2010). In fact, researchers have observed that franchises grow through multi-unit replication of a franchisor template (Winter, Szulanski, Ringov, & Jensen, 2012). A franchisor gives the franchisee a high-level guide for managing and operating an establishment and, “...*anticipating most management problems, provides a*

*complete matrix for management decisions confronted by the franchisees. The major advantage of buying a franchise is that the ‘system,’ the means for distributing goods and or services, has been developed, tested, and associated with the trademark”* (Franchise.org/faqs-about-franchising). Corporate mission statements and nondiscrimination policies both play crucial roles in this “system,” allowing for consistent empirical observation.

Dating as far back as 1999, the academic literature has documented that franchises provide extensive guidance on, and enforcement of, ethical codes affecting key stakeholders like franchisors, franchisees and employees.<sup>6</sup> Among the best practices imparted to franchisees is the US version of the International Franchising Association Code of Principles and Standards of Conduct, which encompasses ethical principles governed by equal employment opportunity laws and fair labor standards (Preble & Hoffman, 1999). In fact, Preble and Hoffman (1999) find that the US is one of several countries whose franchises explicitly detail responsibilities towards minorities, women, disabled and disadvantaged current and potential employees. Guided by franchisor training, franchisees possess the ultimate discretion in human resource-related decisions, including those that involve hiring, firing, training, staffing and pay. As such, franchises offer the ideal opportunity: To observe the direct impact of uniform franchisor message dissemination, namely franchise mission statements, on franchisee decisions in the face of clearly delineated franchise nondiscrimination policies.

## **Data**

Our discrimination data set originates from the US Equal Employment Opportunity Commission, which enforces federal laws in violation of the Equal Pay Act of 1963, the Civil Rights Act of 1964, The Age Discrimination in Employment Act of 1967, The Americans with Disabilities Act of 1990, and the Genetic Information Nondiscrimination Act of 2008 that collectively make it illegal to discriminate in the workplace on the basis of age, disability, gender, genetic information, national origin, pregnancy,

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<sup>6</sup> Franchises prominently display explicit verbiage on Equal Employment Policy and Practice, including EEOC guidelines, as part of the parent companies’ Company Code of Business Conduct and Ethics. View example: <https://www.wendys.com/code-conduct>.

race/color, religion, sexual orientation and sexual harassment. The EEOC's public archive of litigation settlements provides a comprehensive repository of press releases on individual incidents for the past ten years, disclosing a number of crucial case details, including: the company involved, the basis for discrimination, the number of counts of discrimination, whether or not retaliation occurred, the dollar amount of the settlement, the location where the offense occurred, and characteristics of the individual perpetrators and victims. Many of these press releases also contain information on the franchise itself, including the number of employees, locations, and states of operation at the time of the settlement. Recent discrimination research recognizes that such settlements where the EEOC directly sues corporations reflect the most "clear-cut" cases in which there is "overwhelming evidence" of employment discrimination (McDonnell & King, 2017, p. 16). This uniquely-compiled archival data set allowed for the identification of 148 unique franchise discriminators involved in 259 litigation settlements (51 including retaliation) for \$215,818,947 in disclosed fines.

We then supplemented this EEOC data with rich and consistent information on the franchises themselves from *Entrepreneur Magazine*, comparing EEOC-violating franchises against the 411 franchises in *Entrepreneur's* Annual Franchise 500 List for 2017 that were not involved in discrimination settlements<sup>7</sup>. *Entrepreneur* data includes a) company profiles: founding year, corporate address, CEO name, parent company, operating status; b) financials: initial investment, net worth and liquid cash requirements, ongoing fees; c) location: unit locations, change in units; and d) operations: on-site vs. headquarter training days, additional training, ongoing and marketing support, number of employees required to run.

Lastly, we systematically obtained publicly available, clearly labeled and static<sup>8</sup> mission

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<sup>7</sup> To arrive at a total of 500 franchises: 7 franchises in the Entrepreneur 2017 list were subsidiaries (e.g. DoubleTree is part of Hilton) and thus rolled into the 411 non-EEOC franchise count, 32 were included in our EEOC violators list, while an additional 50 were removed due to non-publicly available mission statements; see Supplemental Analyses section for robustness checks.

<sup>8</sup> See David (1989, p. 90) definition of mission statements as enduring, a sentiment echoed by practitioners, e.g. "A mission statement is usually an enduring message that remains constant throughout an organization's existence," Scott Stuecher, Manager, Veralon Healthcare Management Advisors. Also note, "Mission and vision statements describe the foundation of an organization or business. Unless your business or organization changes its focus completely, you won't need to change the mission or vision statement" ([Chron.com](http://Chron.com)). Given our data set consists of large, well-established franchise companies, we assume the mission statements to be static during the lifetime of the analysis.

statement verbiage for all EEOC vs. non-EEOC violators directly from their franchise websites as the basis for analyzing the regulatory mode of franchise motivational messaging. Given franchisees are trained in parent franchise mission statements and prominently display these mission statements on their websites, we match the wording of a single franchise-level mission statement for our Independent Variable to aggregated measures of EEOC violations across franchise locations as our Dependent Variable. For example, the wording of 7-Eleven’s single franchise mission statement will be associated with a binary measure of “1” for 7-Eleven discrimination (“0” otherwise) and a continuous (integer) measure of two EEOC violations across multiple 7-Eleven franchise locations in several states. See Table 1 for sample statistics.

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Insert Table 1 Here  
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## **Independent Variable**

***Franchise Regulatory Mode.*** We operationalized motivational messaging at the franchise firm-level as the regulatory mode score of the language used in the franchise’s mission statement ( $M_{words} = 117.24$ ). To obtain this score, we constructed and validated a regulatory mode dictionary, which we uploaded into the Linguistic Inquiry and Word Count “LIWC” software to determine regulatory mode frequencies (Pennebaker, Booth, & Francis, 2007). With the exception of any summary variables and word counts, all LIWC2015 output variables reflect the number of regulatory mode words as a percentage of total words in text. As a procedural guide, we patterned our procedure for creating this dictionary on Gamache and colleagues’ regulatory focus dictionary creation, which these scholars applied to CEO shareholder letters to determine their motivational influence on acquisition activity (Gamache, McNamara, Mannor, & Johnson, 2015).

In doing so, we followed the recommended steps for validating a new measurement of an existing construct (Nunnally & Bernstein, 1994). The resultant process consisted of four main steps: 1) we created lists of word stems using key verbs and nouns from the regulatory mode questionnaire (Kruglanski et al, 2000) and locomotion and assessment inductions (Avnet & Higgins, 2003); 2) we established content

validity by presenting the nascent dictionary to a comprehensive collection of subject matter experts; 3) we established divergent validity by demonstrating that our measure produced relevant group differences; and 4) we established parity of locomotion versus assessment term usage in the English language.

We began our process by assembling a list of all words that have been associated with locomotion and assessment in the motivation science and organizational behavior literatures. Our primary source for this step was the regulatory mode questionnaire, commonly used in regulatory mode experiments (Kruglanski et al, 2000). For instance, after examining a question probing assessment, “*When I meet a new person I usually evaluate how well he or she is doing on various dimensions,*” we selected the key verb “evaluate” for the assessment terms. Conversely, “can’t wait” and “get started” were added to the locomotion list after examining a question probing locomotion, “*When I decide to do something, I can’t wait to get started.*” We applied this process to each of the 12 locomotion and 12 assessment items from the questionnaire.

The seminal regulatory mode paper by Kruglanski and colleagues (2000) was another crucial source for the initial terms. Scrutiny of the theoretical underpinnings of locomotion and assessment in this paper yielded more key terms. For instance, where those authors posited that locomotion is concerned with movement from state to state and with removing obstacles, we added word stems “mov\_” and “obstacle\_” to the locomotion list, reflecting words that both facilitate and impede movement. And where assessment is described as having concern for comparisons, we added a stem “compar\_” to assessment.

Delving further into the regulatory mode literature, we sought more theoretical associations with these states of goal pursuit, summarizing important findings into additional words for consideration. For instance, research relating assessors’ proclivity to procrastinate and ruminate spurred the addition of these terms to the assessment list (Pierro, Giacomantonio, Pica, Kruglanski, & Higgins, 2011; Pierro, Leder, Mannetti, Higgins, Kruglanski, & Aiello, 2008). Similarly, research on work performance showed evidence for locomotors as effective leaders, so we added “lead\_” to the locomotion list (Pierro, Giacomantonio, Mannetti, Higgins, & Kruglanski, 2012). The result of this theoretical alignment was a list of 112 words associated with regulatory mode, with 56 words related to locomotion and 56 to

assessment. The next step was to verify the content validity of this new measure of regulatory mode.

In order to establish content validity of this measure, we turned to 11 of the foremost regulatory mode experts. Each of these subject matter consultants had published on RMT's basic tenets or applications of locomotion and assessment as a first author. Collectively, these experts have co-authored 42 academic papers on regulatory mode that have garnered 80% of the 4,832 citations on the topic. These experts provided input and judged without prior categorization each of the initial 112 words as a locomotion word, an assessment word, or neither. We retained the 34 locomotion and 34 assessment words that at least 80%<sup>9</sup> of our expert panel agreed were exclusively related to either locomotion or assessment for an average of 92.1% agreement on the resulting 68-word dictionary. Notably, all of those 68 words were agreed upon for the specific goal pursuit state in accordance with our *a priori* list. Agreement among these potential users of the regulatory mode dictionary points to its aptness in capturing what is known about the distinct motivational states of locomotion and assessment. See Appendix A for the dictionary of terms.

Having established content validity, we turned to strict quantitative analyses in order to establish divergent validity, defined as "*the ability of a measure to produce relevant group differences*" (Nunnally & Bernstein, 1994, p. 93). The relevant group differences we aimed to judge are the linguistic markers of locomotion and assessment. Therefore, the regulatory mode dictionary should yield a high locomotion score and a low assessment score when analyzing text written by a predominant locomotor. Conversely, the dictionary should yield a high assessment score and a low locomotion score when analyzing text written by a predominant assessor. Using two separate corpora of essays from previous unrelated research, we tested the 68-word regulatory mode dictionary. These essays were written responses to the *behavior-over-time* tasks that induce either locomotion or assessment, obtained from our regulatory mode expert consultants (Avnet & Higgins, 2003).

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<sup>9</sup> "Smooth" was the only exception to agreement, likely due to the fact that this word was not explicitly used in the RM questionnaire. We relied upon seminal regulatory mode papers to evaluate its importance and found this word played a critical role in establishing locomotion as a useful construct, with the literature devoting special attention to "smooth" maintenance of goal-pursuit tasks (Higgins et al, 2003, p. 326; Kruglanski et al, 2000, p. 795).

Our analysis confirmed the validity of these terms: The locomotion induction essays scored approximately five times higher on locomotion ( $M = 4.12\%$ ,  $SD = 3.03\%$ ) than assessment ( $M = 0.82\%$ ,  $SD = 1.21\%$ ), with  $t(155) = 13.30$ ,  $p < .001$  based on our dictionary. The assessment induction essays scored over twice as high on assessment ( $M = 3.63\%$ ,  $SD = 2.28\%$ ) than locomotion ( $M = 1.56\%$ ,  $SD = 1.72\%$ ), with  $t(155) = 8.84$ ,  $p < .001$ . We tested our dictionary against a second corpus of essays in order to confirm the first analysis. The second set of locomotion induction essays scored 6.5 times higher on locomotion ( $M = 3.29\%$ ,  $SD = 1.78\%$ ) than assessment ( $M = 0.51\%$ ,  $SD = 0.53\%$ ); with  $t(129) = 17.12$ ,  $p < .001$ . Similarly, the second set of assessment induction essays again scored over twice as high on assessment ( $M = 2.97\%$ ,  $SD = 1.32\%$ ) than on locomotion ( $M = 1.37\%$ ,  $SD = 0.87\%$ );  $t(135) = 11.66$ ,  $p < .001$ . The magnitude and certainty of these four scores from two separate corpora provide confidence that this regulatory mode dictionary yields meaningful differences in the expected directions. As intended, the dictionary yields high locomotion scores and low assessment scores for writings produced in the predominant locomotion state, and high assessment and low locomotion scores for writings produced in the predominant assessment state.

In addition to performing these convergent and divergent validation procedures, we also sought to determine the parity of usage occurrence in the contemporary English language for the set of 34 locomotion versus 34 assessment terms in our dictionary. Using Google Books NGram Viewer for the years 2000 through 2017, we obtained the frequency of term usage and observed a nonsignificant score for the Welch's t-test difference between the locomotion and assessment frequency outputs<sup>10</sup>. Having demonstrated its theoretically-aligned development, expert-informed content validity, strong divergent validity and occurrence parity, we are confident in using the regulatory mode dictionary to distinguish between the prevalence of these two modes in real-world corpora. In the same vein as the essays we analyzed with our new dictionary, we can use this instrument to measure concerns for locomotion and assessment in corporate mission statements.

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<sup>10</sup> Note that the mean frequencies of locomotion and assessment words in the franchise mission statements aligned with Google NGram term usage, offering external validity to the archival study results.

Like the questionnaires utilized in prior regulatory mode research, our instrument measures locomotion and assessment independently and yields values on the same numeric scale. In addition to arriving at these separate measures, we also apply a procedure based on an index of difference scores that has previously been utilized by motivation scientists to measure predominant motivations (Camacho et al, 2003; Cesario & Higgins, 2008; Molden & Higgins, 2004; Webb et al, 2017). The index results in a continuous measure of predominant regulatory mode as our independent variable, whereby positive numbers indicate locomotion predominance and negative numbers indicate assessment predominance. On this index, scores close to zero describe near-equal intensities of locomotion and assessment, while larger absolute values describe increasing predominance.

### **Dependent Variable**

***Discrimination.*** Our outcome of interest is discrimination activity, both in terms of the likelihood and frequency of franchise involvement, for a franchise firm-level unit of analysis. We operationalized discrimination likelihood as a binary “1” if the franchise was named in an EEOC litigation settlement and “0” if not. Discrimination frequency was operationalized as a continuous measure of separate and unique litigation settlements in which each franchise corporation was named. We had considered using the US dollar amount of EEOC settlement fines as a potential outcome variable, but certain settlement amounts are undisclosed while others remain pending, resulting in data inconsistencies. In addition, recent research suggests that a number of separate factors affect the monetary sum of the damages award, including degree of firm prestige (McDonnell & King, 2017).

### **Control Variables**

The more years that franchises are in business and the more workers they employ across more locations, the greater their exposure to employment-related discrimination litigation. As such, we controlled for franchise age (number of years since founding), franchise workers (employee count) and franchise units (number of locations). We also recognized that industry type can potentially have an impact on discrimination activity (e.g. more physically taxing sectors may increase the likelihood for disability discrimination) and coded the franchises for the eleven (11) industry classifications provided by



The Franchise Times. Allowing for the possibility that female-led management teams may display greater sensitivity to ethical standards (Ho, Li, Tam, & Zhang, 2015; Huang, 2013; Ibrahim, Angelidis, & Tomic, 2009; Simga-Mugan, Daly, Onkal, & Kavut, 2005), we coded *franchise gender* as “1” for female CEO and “0” for male CEO in our analysis. *Industry Code* and *CEO Gender* collectively serve as the first set of our control variables in the forthcoming models, while *Age*, *Employees* and *Locations* represent the second collective set of controls. There were several other variables that we explored but found they did not meaningfully contribute to our model: We anticipated that the greater degree of regulatory oversight and fiduciary duty to protect shareholders of public companies may reduce their involvement in discrimination relative to private companies. Likewise, we anticipated that companies with higher US dollar sales figures would have more organizational resources available for preventing discrimination. Similarly, we thought that a lower Franchise 500 ranking (with 1 being the best rank) might be indicative of superior management ability and could be associated with a lower degree of discrimination. We instead found that all three of these variables were merely proxies for franchise size, and their impact on discrimination activity thus ran in the inverse direction than hypothesized. As we already accounted for markers of size, these additional variables were not informative and therefore omitted from the model.

## Results

***Descriptive Statistics.*** As hypothesized, *discrimination* was significantly and positively correlated with *locomotion* and *predominant regulatory mode (locomotion–assessment)*, while significantly and negatively correlated with *assessment*. Also as expected, *discrimination* was significantly and positively correlated with *franchise age*, as well as *employee* and *location*, the three of which are correlated with one another. Similarly, *discrimination* was modestly and negatively correlated with the presence of a *female CEO*. See Table 2 for details. Hypothesis testing reveals *predominant regulatory mode* is a significant predictor of *discrimination* in the presence of all of these variables.

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 Insert Table 2 here  
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**Hypothesis Testing.** Our statistical tests supported baseline Hypotheses 1a and 1b for the association of franchise *discriminatory* (vs. *non-discriminatory*) *behavior* with separate concerns for *locomotion* and for *assessment*. Specifically, we found discriminating franchises display mission statements with significantly higher levels of *locomotion* ( $M = 2.12\%$ ,  $SD = 2.34\%$ ) than those that do not discriminate ( $M = 1.27\%$ ,  $SD = 1.42\%$ );  $F(1, 557) = 27.01$ ,  $p < .001$ . Likewise, our results revealed that discriminating franchises have mission statements with significantly lower levels of *assessment* ( $M = 0.39\%$ ,  $SD = 0.67\%$ ) than those that do not discriminate ( $M = 1.21\%$ ,  $SD = 2.29\%$ );  $F(1, 557) = 18.74$ ,  $p < .001$ .

Table 3's binomial logistic regression (models 1-3) and multiple linear regression (models 4-6) results offered substantial evidence in support of Hypotheses 3a<sup>11</sup> and 3b, respectively, with models 1-6 all reporting significance at a  $p < .001$  level. The coefficient of our key predictor of *predominant regulatory mode* was positive and significant as a standalone variable in both types of regressions (models 1 and 4). These results indicated that franchises whose mission statements have higher *locomotion* and lower *assessment* levels are significantly more likely to engage in *discrimination* and do so with a higher degree of frequency. We went on to successively introduce two sets of controls in models 2, 3, 5 and 6. As expected, the first set of controls (including *industry code* and *CEO gender*) served to modestly increase the *Pseudo R*<sup>2</sup> and *R*<sup>2</sup> of the respective models (2 and 5), while the second set of controls (including franchise *age*, *employees* and *locations*) augmented our models (3 and 6) considerably.

Consistent across all models, franchise *age*, *employees* and *locations* each significantly increased the likelihood and frequency of franchise *discrimination*. As anticipated, we also confirmed that a franchise's *industry code* had a significant impact on *discrimination* likelihood and frequency (models 2, 3, 5 and 6); see Figure 1 for industry breakdowns. Conversely, the presence of a female CEO modestly reduced the likelihood and frequency of discrimination involvement in models 2, 5 and 6. Accounting for

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<sup>11</sup> As further support of H3a, Pearson's Chi-squared test with Yates' continuity correction confirmed that discriminating versus non-discriminating franchises differed significantly according to the predominant regulatory mode of their mission statements, with franchises whose mission statements displayed predominant locomotion being significantly more likely to discriminate than those displaying predominant assessment ( $\chi^2(1, N = 559) = 30.51$ ,  $p < .001$ ).

our controls, model 3's regression coefficient indicated that an increase of 1 unit in *predominant regulatory mode* significantly increases the log-odds that a franchise will be named in an EEOC *discrimination* settlement by 3.10. When examining the effect of *predominant regulatory mode* in the presence of all controls, model 6 explained 44% of the variance in *discrimination frequency*, with  $F(6, 552) = 72.10$ ,  $R^2 = 0.44$ ,  $p < .001$ . As theorized, this continuous outcome measure of separate litigation cases undergone over time by each franchise enables us to observe the longitudinal behavior of “repeat offenders,” or franchises who have been disciplined by the EEOC but persist in violating EEOC regulations thereafter—a behavior significantly more prevalent among those with higher levels of predominant locomotion.

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Insert Table 3 here  
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## Supplemental Analyses

**Robustness Checks.** We ran several robustness checks to alleviate any potential concerns pertaining to selection bias in our discriminating versus non-discriminating franchise samples. Recall that we decided against using rank and operating status as control variables, but we recognized that these distinctions can be meaningful. For instance, what if we only see this phenomenon present in public franchises as opposed to those that are privately run? What if those franchises that made it into the Entrepreneur Magazine Franchise 500 list for 2017 were in some way different from those that were not ranked in that particular year? We found significant support for our hypotheses in these separate subsamples as well: a) the *predominant regulatory mode* of 2017-ranked franchises predicted both the likelihood (with  $\beta = 0.32$ ,  $SE = .10$ ,  $z = 3.24$ ,  $p = .0012$ ) and frequency of *discrimination* violations ( $F(1, 441) = 4.74$ ,  $p = .030$ )<sup>12</sup>; b) the *predominant regulatory mode* of private franchises predicted the likelihood (with  $\beta = 0.38$ ,  $SE = .08$ ,  $z = 4.74$ ,  $p < .001$ ) and frequency ( $F(1, 417) = 15.95$ ,  $p < .001$ ) of *discrimination*; and c) the *predominant regulatory mode* of public franchises predicted the likelihood of

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<sup>12</sup> There are too few *unranked* Entrepreneur 500 franchises in the sample to conduct a meaningful test of that sub-sample.

public company involvement in discrimination (with  $\beta = 0.25$ ,  $SE = 0.11$ ,  $z = 2.30$ ,  $p = .022$ ) but not the frequency of those violations, suggesting that their additional shareholder oversight may impede subsequent incidents from occurring.

***Discriminant Validity.*** We bolster Study 1's conclusions that discrimination is specifically predicted by distinctions related to regulatory mode, with locomotion being unique in comparison to the constructs of action and bottom line mentality and assessment being unique to ethical priming. The construct of *action*—albeit theoretically important—is merely one component of a locomotive goal pursuit. We ran the archival mission statements through LIWC's built-in dictionary for action orientation based upon verb usage, which demonstrated that discriminating franchises do not significantly differ from non-discriminating franchises in action verbiage ( $p = .20$ ). We then tasked a human rater with blind coding the 100 latest cases of discrimination in the EEOC archives and found that discrimination is just as likely to be affiliated with action as inaction (in fact, it is a 50/50 split).

According to Sims (1992) on *bottom line mentality*, “this line of thinking supports financial success as the only value to be considered,” while Sims (2003) goes on to specify that this is a “short-term mindset.” Bottom line mentality is at odds with what has been established theoretically about locomotion, namely that locomotors are associated with a long-term focus. In fact, locomotion is arguably a top line (revenue generating) mentality whereas a bottom line (net profit) mentality inherently takes into account the need to both increase revenues and manage costs, more in line with what has been theorized about assessment. We ran the mission statements through LIWC's relevant dictionaries to find that discriminating franchises' mission statements did not differ from non-discriminating franchises' mission statements according to the LIWC dictionaries of “present” word orientation ( $p = .21$ ) vs. “future” word orientation ( $p = .71$ ), nor for “success” word orientation ( $p = .25$ ) and “money” word orientation ( $p = .43$ ), all proxies for bottom line mentality.

There is no direct theoretical link between assessment mode and *ethics* according to RMT. In fact, two decades' worth of motivation science has not established a connection between assessment and ethical behavior prior to this paper. As a proxy for ethics, we ran the archival mission statements through

LIWC's "general morality" dictionary developed by Jonathan Haidt's lab to confirm that assessment and general morality language are not correlated ( $r = -.04, p = .38$ ) and that general morality language does not predict EEOC violations ( $F(1, 557) = 2.22, p = .14$ ). In the presence of general morality, locomotion and assessment each significantly predict, in opposing directions, whether or not a franchise will be involved in EEOC discrimination ( $F(3, 555) = 8.24, p < .001$ ), while we observe that the coefficient of general morality as a predictor of discrimination is not significant ( $\beta = 0.03, SE = 0.03, t = 1.23, p = .22$ ).

## **Study 2**

In Study 1, we found that the motivational content of mission statements predicted discriminatory violations by US franchises. This observational field data was correlational, so we cannot conclude that predominant regulatory mode has a causal effect on discriminatory behavior. We are similarly unable to rule out the existence of an unobserved variable that might confound our predictor and outcome variables. The archival setting also did not allow us to control for any changes in mission statements over time or for the degree of franchisee familiarity with EEOC regulations at the time of the incidents. Finally, we were not able to determine the mechanism through which regulatory mode influences discrimination activity. To isolate the effect of this type of motivational language on discrimination and explore a mechanism for the effect, we designed a controlled experiment in which we manipulated the motivational content of franchise mission statements and observed participants' decisions to discriminate. In order to preserve as much external validity as possible, the experiment placed participants in reality-based workplace scenarios. Using details obtained from settlement data on actual EEOC cases, we crafted three human resource "HR" decisions spanning a cross-section of discrimination types (disability, age and pregnancy) and common work settings (fast food restaurant and retail).

## **Methods**

**Participants.** We recruited 168 participants via Amazon Mechanical Turk<sup>13</sup> to take part in an online experiment, removing 5 participants who failed the attention check as to the role they played in the experiment; including these participants did not change the direction or the significance of our reported results. The resulting total of 163 participants consists of 83 randomly assigned to the condition of locomotion and 80 to the condition of assessment. Of the EEOC violations analyzed in Study 1, the vast majority were committed by male managers (only 3% of cases named female perpetrators). In order to test how EEOC violations typically occur in actual workplace scenarios, we thus confined our experiment to male participants. The sample age ( $M = 33.99$ ,  $SD = 8.74$ ) was in line with the industry-average supervisor age of 33 years (Zenger, 2012). Reflecting overall US policy adoption, 149 (91.4%) self-reported familiarity with corporate nondiscrimination policies. 111 (68.1%) self-reported to have applicable franchise, management and/or work setting experience. 130 (79.8%) did not identify as members of a marginalized population.

**Procedures.** Simulating the real-world environment of the franchise industry, we began the procedure by having participants consent to act as franchise managers and then instructed them as follows: “You work as a manager for a franchise whose mission statement you will read next. After you read that mission statement, we will present you with three situations pertaining to the various businesses the franchise operates. You will have the chance to re-read the franchise’s mission with each situation you encounter in an effort to best answer the related questions. As manager, you have sole discretion over each of these employment decisions. When answering the questions that follow, note that we are looking for your answers as to what you would choose while working as manager for this company.”

### **Independent Variable**

Our between-subjects design randomly assigned participants to either a “locomotion” or an “assessment” condition by exposing them to manipulated franchise mission statements<sup>14</sup>: The strong

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<sup>13</sup> An a-priori power analysis based upon the archival study results (namely  $\mu_1 = 0.32$ ,  $\mu_2 = 0.07$ ,  $\sigma = .37$ ,  $\alpha = .001$ , desired power  $\pi = .85$ ) yielded a sample size target of 83 for each randomly assigned group. MTurk returned 83 assessment participants and 85 locomotion participants.

<sup>14</sup> Although locomotion and assessment are independent states of goal pursuit, these mission statements, like other motivational inductions of regulatory mode (Avnet & Higgins, 2003) and regulatory focus (Freitas & Higgins, 2002), place participants into

predominant locomotion mission statement contained 21 locomotion and 0 assessment unique words or phrases, whereas the strong predominant assessment mission statement contained 20 assessment and 0 locomotion unique words or phrases. Aside from including comparable amounts of regulatory mode terms, we achieved parity by: 1) maintaining similar word length (108 and 109 words for locomotion vs. assessment, in keeping with the average word count of mission statements from the field) and 2) comparable components (each described the company's mode of pursuing its goals, asked the reader a rhetorical question, told the reader what was desired in an employee, and included an offer to join the mission). Appendices B and C provide verbatim details on both the mission statements and scenarios, respectively.

### **Dependent Variables**

***Discriminatory Decisions.*** Participants were asked to review the details of each workplace scenario and then make a choice between a nondiscriminatory option and one that violated EEOC policies based on the litigated settlement details from the EEOC archives: for the disability scenario, participants had a choice to consult with the employee on safety precautions or transition the employee out of the current position; for the age-related scenario, participants could observe the aging sales manager or hire a younger replacement; and for the pregnancy scenario, participants could move forward with the applicant's review process, explaining the maternity leave policy, or decline to do so, getting the applicant to call back after having the baby and securing child care. We then utilized both a binary likelihood measure ("1" if the participant discriminated on one or more choices, "0" otherwise) and continuous frequency measure (total number of discriminatory choices by participant, from 0 to 3) of the dependent variable.

***Ethical Standard Considerations.*** We captured the extent to which participants referenced ethical standards among their considerations when responding to the prompt, "What factors contributed to

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either locomotion or assessment. Regulatory (focus, mode) experiments typically do not employ control conditions as a "blank slate" would only reflect participants' chronic measure; in this case, the control would also lack external validity due to the high incidence of regulatory mode in mission statements.

your decision? List any and all factors below, up to 10 factors that contributed to your decision.” Two independent coders (89% agreement;  $r = 0.78$ ,  $p < .001$ ) categorized and counted the mentions of ethical standards after being informed that ethical standards are defined as “A set of principles of right conduct that, when followed, promote values such as trust, good behavior, fairness and kindness” (BusinessDictionary.com; TheFreeDictionary.com) and after having read the “Ethical Standards for Human Resource Management Professionals: A Comparative Analysis of Five Major Codes” by Carolyn Wiley (2000).

### **Controls**

As participant age, relevant working experience, and familiarity with EEOC-related policies may each affect the outcome variable of our experiment, we used these variables as controls in our analysis. We captured these measures by asking participants “How old are you?” for age; “Have you worked in a setting depicted in these scenarios?”, “Please disclose any management experience you may have,” and “Have you worked in a human resources (HR) capacity at any point in your career?” for experience; and “Are you aware that most companies (like this one) have nondiscrimination policies in place?” for familiarity with EEOC-related policies.

### **Results**

We observed that managers exposed to mission statements with strong predominant locomotion language displayed a significantly higher tendency and incidence of discrimination than those exposed to mission statements with strong predominant assessment language: 68 (81.9%) of the 83 managers in the strong predominant locomotion condition did so for a total of 115 incidents (or 1.39 times per participant), whereas 44 (55.0%) of the 80 managers assigned to the strong predominant assessment condition discriminated for a total of 64 incidents (or 0.80 times per participant).<sup>15</sup> We went on to find significant causal evidence for our hypotheses 3a and 3b that the regulatory mode of mission statements directly affects the likelihood and incidence of manager discrimination: 1) For our binary likelihood

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<sup>15</sup> Percentage discrimination results have external validity, considering we exposed applicants to a selection of the more difficult scenarios they would encounter as managers with regard to potential discrimination in order to induce a decision-making process.



measure, a binomial logistic regression revealed that exposure to mission statements with strong predominant locomotion increased the odds of a manager discriminating by a factor of 3.71, with  $\beta = 1.31$ ,  $SE = 0.36$ ;  $z = 3.61$ ,  $p < .001$ .

Furthermore, Pearson's Chi-squared test with Yates' continuity correction confirmed that the distribution of discriminating (vs. non) participants differed significantly according to their regulatory mode exposure, with those exposed to strong predominant locomotion (versus strong predominant assessment) mission statements being significantly more likely to discriminate ( $\chi^2(1, N = 163) = 12.52$ ,  $p < .001$ ); and 2) For our continuous frequency measure, a linear mixed effects model nesting decisions within participant revealed that exposing participants to strong predominant locomotion mission statements (as opposed to strong predominant assessment mission statements) caused them to discriminate significantly more often, with  $t(161) = 4.09$ ,  $p < .001$ , and  $\eta p^2 = 0.09$ . Lastly, we applied R's "mediation" package with 95% confidence intervals and 10,000 resamples to analyze the nested experimental data. As predicted in hypothesis 2a, we found that the relationship between franchise regulatory mode and discriminatory decision making was mediated by consideration of ethical standards (*Indirect Effect* = 0.27\*\*,  $SE = 0.10$ ,  $CI_{95} = 0.11, 0.50$ ), controlling for familiarity with nondiscrimination policies, relevant work experience and age (MacKinnon, Fairchild, & Fritz, 2007).

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Insert Figure 2 here  
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### Study 3

Studies 1 and 2 provided significant support for hypotheses 1a and 1b, 2a, 3a and 3b, but we have yet to support or refute hypothesis 2b related to a theorized serial mediation path from regulatory mode to discriminatory behavior through expediency and the consideration of ethical standards. Aside from this particular goal, the purpose of conducting an additional, sufficiently-powered experiment was multifold. As in Study 1's supplemental analyses, we again sought to confirm that the effects of regulatory mode are distinct from those of action, bottom line mentality, and ethical priming—this time, we did so in an

experimental setting. We thus set out to replicate our findings with mission statements and choices that accounted for any alternative priming.

In doing so, we separately introduced a pure Control condition to investigate the effects of locomotion and assessment against a mission statement devoid of any motivational messaging. We likewise seized this opportunity to assess the presence of any interaction between the regulatory mode of employers' motivational messaging and would-be managers' chronic regulatory mode dispositions. This time, we also posed explicit questions regarding participants' consideration of ethical standards and policies, as well as their perception of having violated non-discrimination policies. These responses enabled us to observe whether or not regulatory mode's influence on discriminatory behavior is implicit in nature.

## **Participants**

We conducted Study 3's high-powered online experiment on 554 male participants<sup>16</sup> recruited from Amazon Mechanical Turk, with 185 randomly assigned to the Locomotion condition, 175 to the Control condition, and 194 to the Assessment condition of mission statement primes. These accepted participants reflect the removal of 23 participants who failed the attention check because they did not recognize they were meant to play the role of manager, per Study 3's pre-registered OSF protocols; our results did not change when including them. Consistent with Study 2, 503 or 90.8% of the sample reported being aware of nondiscrimination policies in the workplace; 356 or 64.3% self-reported to have applicable work experience; while 399 or 72.0% did not identify as members of a marginalized population. Participants ranged in age from 18 to 77 years, with  $M = 37.15$ ,  $SD = 11.52$ .

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<sup>16</sup> Based upon our experiment results, we conducted 3-group a-priori power analyses to achieve an experimental replication using the new Locomotion and Assessment primes and to also introduce a Control condition for comparison to the Locomotion and Assessment experimental primes. The most liberal calculation yielded an estimation that 323 participants in total were needed for an 80% chance of detecting an effect size of .10. The most conservative calculation based on a 90% chance of detecting an effect size of .09 yielded an estimated 522 participants. We pre-registered this sample on OSF and then used MTurk again for recruitment. MTurk's job run yielded even more than our requested job size for 577 participants. We then excluded 23 attention check failures. As with our original experiment (Study 2), we ran this via a 1-time job on MTurk as well.

## Variables

**Independent Variable.** For our independent variable, we again randomly assigned participants to franchise mission statements that differed according to regulatory mode. This time, we sought to replicate our findings with locomotion and assessment mission statements that maintained the same sentence structure, key components, and word count ( $N_{words} = 108$ ) of the original Locomotion and Assessment conditions but were devoid of action and bottom line mentality for the Locomotion condition and for ethical priming for the Assessment condition (see Appendix D). In an effort to determine whether locomotion increases discrimination, or assessment reduces discrimination, or both play opposing roles against a baseline, we also created a Control condition (Appendix E). Our experimental Control condition was designed to maintain the same sentence structure, key components, and word count (again, with  $N_{words} = 108$ ) of the Locomotion and Assessment conditions. We ran the control prime through the locomotion and assessment dictionaries to ensure this mission statement was devoid of each type of motivational language, as well as of any action, bottom line mentality, and ethical priming. We thus arrived at three levels of the regulatory mode independent variable: *Locomotion*, *Control*, and *Assessment*.

**Dependent Variables.** With regards to dependent variables, we maintained the same ones used in Study 2 for *Discriminatory Decisions*, calculating both a binary (0, 1) likelihood measure of whether or not the participant discriminated, as well as a continuous frequency measure of the number of times the participant discriminated, from 0 to 3. But this time, we balanced the scenario choices for the degree of action and inaction associated with discriminatory vs. nondiscriminatory decisions (See “Action Priming” section, Footnote 17, and Appendix F for details).

**Control Variables.** We also account for several control variables in our analyses of the results. Interested in the potential influence of individual regulatory mode levels, we captured participants’ chronic mode by administering the 30-question regulatory mode questionnaire or “RMQ” (Kruglanski, Thompson, Higgins, Atash, Pierro, Shah, and Spiegel, 2013) to participants; participant responses from 1 = *strongly disagree* to 6 = *strongly agree* enabled us to arrive at separate levels of chronic locomotion and chronic assessment for each individual. Likewise, we had participants report on a Likert scale from 1 =

*strongly disagree* to 7 = *strongly agree* regarding the degree to which “Expediency (e.g. convenient & practical)” and “Consideration of Ethical Policies & Standards” factored into their decision making. We again captured measures of participants’ self-reported applicable work experience, as well as their awareness of corporate nondiscrimination policies, which we also used as controls.

## **Procedures**

Study 3’s between-subjects design was identical to that of Study 2, which simulated the real-world environment of the franchise industry by exposing participants to mission statements randomized for regulatory mode language and then instructed them to make managerial decisions on the company’s behalf in response to three scenarios. In terms of experimental procedures, we undertook the following series of steps to demonstrate the distinctiveness of our motivational influences from alternative inductions and to conservatively assess their effects against a condition without the presence of a motivational influence:

**Action Priming.** To eliminate any interference from potential *action priming*, we first removed the word “action” from the Locomotion condition’s mission statement. We then ran the mission statement primes through LIWC’s verb proxy dictionaries for action to ensure they did not differ. Lastly, we ensured that the managerial choices were balanced for the degree of action associated with the scenarios’ discriminatory vs. nondiscriminatory options (confirmed as such via blind coding of discrimination incidents from the EEOC archives). This scenario update involved changing the choices for Scenario 2 so that the nondiscriminatory choice was associated with action (updated to involve bringing in the 61 year-old candidate for an interview) and so that the discriminatory choice was associated with a lack of action (updated to not involve bringing in the 61 year-old candidate for an interview and instead continue the search for a qualified candidate), as prompted by workplace scenario S2 in Appendix F<sup>17</sup>.

**Ethical Priming.** With regards to *ethical priming*, we learned that one word (“right”) from our assessment dictionary and included in our assessment-oriented mission statement also appears in the

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<sup>17</sup> Supported by our high volume blind coding exercise of the EEOC archives, disability Scenario 1 and pregnancy Scenario 3 choices were already balanced for degree of action-inaction associated with the discriminatory vs. nondiscriminatory options.

general morality dictionary available via the LIWC software. We updated the potentially problematic, morality-related prime in the Assessment mission statement, “Are you someone who likes to do the right thing, even when no one’s watching?” with “Are you someone who likes to think things through, examining all aspects of an issue?.” We also went one step further, removing references to external stakeholders so as to eliminate other potential priming differences of this nature.

**Bottom Line Priming.** Although we already established through Study 1’s robustness checks that discriminating franchises did not differ from non-discriminating franchises according to mission statement language related to *bottom line mentality*, we nonetheless sought to further ensure that *bottom line mentality priming* did not play a role in our mission statement manipulations for our three experimental conditions. Maintaining consistency with the tests that we performed in Study 1, we confirmed that the three primes did not differ according to LIWC’s dictionary proxies of this construct, including “present,” “future,” “success” and “money” orientations (Sims, 1992, 2003). We also added a new question: “To what extent did the below factor come into play in your decision making? Move the slider from left to right (a value of 7 indicates the greatest extent, while 1 indicates the least extent): Bottom Line “Win-Lose” Mentality (e.g. Financial Success)?” to compare the bottom line influence of the regulatory mode inductions against that of the newly introduced Control condition.<sup>18</sup>

## Results

Study 3 provided support in the hypothesized opposing directions for the effects of our conservative Locomotion and Assessment inductions against the new Control condition in terms of both likelihood and frequency of discrimination activity, with Locomotion increasing activity and Assessment decreasing activity against Control: The 185 participants in the Locomotion induction group displayed an average likelihood to discriminate of  $M = 0.80$  ( $SD = 0.40$ ); the 175 participants in the Control induction group displayed an average likelihood to discriminate of  $M = 0.71$  ( $SD = 0.45$ ); and the 194 participants

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<sup>18</sup> Tukey HSD Post Hoc results of a One-Way ANOVA test indicate participants induced into either Locomotion or Assessment did not factor in Bottom Line Mentality to a different extent than Control, with Locomotion vs. Control of  $Mdiff = 0.32$ ,  $SE = 0.17$ ,  $p = .15$ , and Assessment vs. Control of  $Mdiff = -0.20$ ,  $SE = 0.17$ ,  $p = .48$ ; in keeping with theory, we found that the extent to which Bottom Line mentality factored into decision making did significantly predict discrimination. We thus confirmed the credibility of the measure, as well as its distinction from regulatory mode.

in the Assessment induction group displayed an average likelihood to discriminate of  $M = 0.63$  ( $SD = 0.48$ ). One-Way ANOVA results indicated that the effect of condition on discrimination likelihood was significant, with  $F(2, 551) = 6.91$ ,  $p = .001$ ,  $\eta p^2 = 0.02$ . The 185 participants in the Locomotion induction group displayed an average discrimination frequency of  $M = 1.36$  ( $SD = 0.95$ ); the 175 participants in the Control induction group displayed an average discrimination frequency of  $M = 1.13$  ( $SD = 0.94$ ); and the 194 participants in the Assessment induction group had an average discrimination frequency of  $M = 0.97$  ( $SD = 0.95$ ). One-Way ANOVA results revealed that the effect of condition on discrimination frequency was also significant, with  $F(2, 551) = 8.10$ ,  $p < .001$ ,  $\eta p^2 = 0.03$ .

**Comparisons to Control.** The accompanying results Table 4 indicates that—even when accounting for the diminishing effect of nondiscrimination policy awareness on discrimination activity—Study 3’s conservative Locomotion induction increases discrimination against the Control induction and the conservative Assessment induction decreases discrimination against the Control induction, as predicted, with directional support for both likelihood and frequency measures of discriminatory decision making. Likewise, we note that these conservative induction effects against the Control condition hold even when adjusting for the effects of chronic dispositional measures of participants’ regulatory mode (with chronic Locomotion and chronic Assessment evaluated as separate measures)<sup>19</sup>. In support of our hypotheses, the effects of our situational inductions of regulatory mode appear to override chronic concerns for locomotion or assessment.

Of the two regulatory mode inductions, we observe that the Locomotion induction exerts the comparatively stronger influence against the Control induction, based on Locomotion’s consistently significant increase in our more granular measure of discrimination frequency across Models 4-6 in Table 4 below. This is a particularly noteworthy finding, given the high incidence of locomotion (vs. assessment) present in the archival mission statements and the otherwise positive performance

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<sup>19</sup> As standalone measures, discrimination activity means for high chronic locomotion ( $M = 0.65$  for binary,  $M = 1.05$  for continuous) are greater than those for high chronic assessment ( $M = 0.54$  for binary,  $M = 0.75$  for continuous), as expected.

consequences of locomotion observed in our correlational results with regards to franchise age and employee growth. Interestingly, we separately note that participants' self-reported measure of previous industry experience does not have an effect on discriminatory decision making, while a self-reported measure of previous general HR experience does not help to ameliorate discriminatory decision making and may in fact be counterproductive.<sup>20</sup>

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**Replication.** We also sought to confirm whether those exposed to our new Locomotion and Assessment primes behaved similarly to those exposed to our original Locomotion and Assessment primes. Study 3's high-powered experiment successfully replicated the results of Study 2 under stringent conditions, with the 185 participants in the Locomotion induction group again showing significantly higher likelihood ( $t(377) = 3.75, p < .001$ ) and frequency ( $t(377) = 3.99, p < .001$ ) of discrimination than the 194 participants in the Assessment induction group<sup>21</sup>. Additionally, we were able to confirm that the discrimination results are robust regardless of active-inactive fit (Avnet & Higgins, 2003). In other words, those assigned to each of the mission statement primes are just as likely to discriminate vs. not when there is a fit involving an active discriminatory choice as when there is a non-fit involving an inactive

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<sup>20</sup> These results provide interesting detail, but our paper is intended to explore how the way in which a company pursues its goals can influence discrimination activity—specifically, how two modes of goal pursuit can differentially affect organizational exposure to ethical misconduct in the form of EEOC violations. The paper is not concerned with whether goal pursuit language increases/decreases discrimination activity vs. non-goal pursuit language. Our Control condition is devoid of any goal pursuit language (and motivational language for that matter, including being devoid of goal orientation language). As such, not only is the new Control ancillary to the paper's purpose but it is also not representative of an organization's mode of pursuing its goals, nor of an organization's mission statement language designed to guide employees as to how to pursue those organizational goals—as evidenced by the highly insignificant portion (8.5%) of mission statements in our archival sample devoid of this language based on the most conservative measures of motivation (via the strict presence of the LIWC dictionaries of keywords). In fact, Control conditions have not been utilized in prior motivational induction experiments relating to regulatory mode and regulatory focus as they are not believed to serve as viable inductions and are not applicable for such relative comparisons.

<sup>21</sup> Furthermore, Independent Samples tests for 2-tailed significance were all nonsignificant when comparing a) the results of the 163 participants who took part in the initial experiment to the 379 combined participants assigned to the new Locomotion and Assessment conditions for discrimination as a binary measure:  $t(540) = -0.59, Mdif = -0.03, p = .56$  and as a continuous measure:  $t(540) = -0.73, Mdif = -0.07, p = .47$ ; b) the results of the 83 participants exposed to the initial Locomotion condition vs. the 185 exposed to the new Locomotion condition for discrimination as a binary measure:  $t(266) = 0.37, Mdif = 0.02, p = .71$  and as a continuous measure:  $t(266) = 0.19, Mdif = 0.02, p = .85$ ; and c) the results of the 80 participants exposed to the initial Assessment condition vs. the 194 participants exposed to the new Assessment condition for discrimination as a binary measure:  $t(272) = -1.20, Mdif = -0.08, p = .23$  and as a continuous measure:  $t(272) = -0.59, Mdif = -0.03, p = .56$ .

discriminatory choice based upon the nonsignificant difference between the distributions of participants' responses when discrimination was phrased as an active vs. inactive choice:  $t(715) = 0.81$ ,  $Mdiff = 0.03$ ,  $p = .42$ . We conclude with little uncertainty that there is no difference in outcomes derived from the original and new experimental primes and choices.

**Serial Mediation.** Per Hypothesis 2b, we sought to determine whether *expediency* acts as a precursor to the *consideration of ethical standards*. First, we observed that participants assigned to each of the three conditions differed significantly in the hypothesized direction with regard to the extent to which “Expediency (e.g. convenient & practical)” factored into their decision making when accounting for our controls of familiarity with nondiscrimination policies, relevant work experience, and chronic locomotion and assessment measures ( $F(6, 547) = 4.02$ ,  $p < .001$ ); as hypothesized, those in Locomotion reported levels of expediency (out of a 7-point Likert scale) with  $M = 4.86$ ,  $SD = 1.51$  those in Control with  $M = 4.80$ ,  $SD = 1.47$  and those in Assessment with  $M = 4.38$ ,  $SD = 1.73$ . Next, we found that the degree to which participants reported factoring expediency into their decision making predicted the significantly lower degree to which they reported factoring in the “Consideration of Ethical Policies & Standards,” with  $F(6, 547) = 9.88$ ,  $p < .001$  when again controlling for the factors above. We then performed a serial mediation (via PROCESS Model 6 with 10,000 bootstrapped samples at a 95% Confidence Interval) between Regulatory Mode condition (of Locomotion = 3, Control = 2, and Assessment = 1) and Discrimination Binary through Expediency and Consideration of Ethical Standards that proved significant, resulting in an *Indirect Effect* = 0.03\*,  $SE = 0.01$ ,  $CI_{95} = 0.01, 0.07$  consistent with our mediation hypothesis (Preacher & Hayes, 2004, 2008).<sup>22</sup>

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## Supplemental Analyses

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<sup>22</sup> Aside from this mediation path, we also tested and found consistent, significant support for the Indirect Effect of a serial mediation path involving all three conditions and Discrimination as a continuous measure and, separately, for the serial mediation paths including the two primary conditions (L, A) using both binary and continuous measures.



***Chronic x Situational Interaction.*** We first noted that (manipulated) locomotion and assessment inductions significantly predicted discriminatory decisions even when controlling for chronic regulatory mode dispositions as measured by the standard RMQ. The newly-added RMQ measure enabled us to also confirm that chronic regulatory mode does not predict discrimination in the Control condition, further evidence for the influence of situational induction. We tested for an interaction between inductions and continuous RMQ scores on both the binary and continuous DV, but found no significant fit effect (Avnet & Higgins, 2003; Higgins et al, 2003). Next, we coarsened the RMQ data and created a factor variable categorizing each participant as Locomotion or Assessment predominant. We tested for a treatment by covariate  $3 \times 2$  interaction on both the binary and continuous dependent variables and again found no significant interaction. This series of tests indicates there is no interaction between chronic mode and the motivations these mission statements induce, reinforcing the broad message of this paper: an employer's mode of goal pursuit causes decisions that can supersede the individual traits of employees and their familiarity with nondiscrimination policies.

***Ethical Awareness.*** We theorized that these choices are not explicitly perceived as unethical, in keeping with the literature on individuals being *boundedly ethical* (Sezer et al, 2015). Instead, we hypothesized that the mission statement's locomotion *vs.* assessment language induces managers (and participants as would-be managers) to consider ethical standards more (*vs.* less) and thus engage in discriminatory choices at different rates depending upon this subtle manipulation, even when controlling for their familiarity with nondiscrimination policies. Not surprisingly, 60% of the violators in the experiment did not knowingly do so, according to our new experimental question regarding the perception of having violated one or more nondiscrimination policies in their responses.

We found that discriminatory decision making is a product of an indirect mediation path involving the consideration of ethical standards rather than a significant difference by condition (Locomotion *vs.* Assessment *vs.* Control) in the explicit consideration of ethical standards, as measured by the nonsignificant degree to which participants acknowledged this as a decision-making factor (based on nonsignificant ANOVA results of  $F(2, 551) = 2.17, p = .141$ ). In summary, Study 3 confirmed

experimentally that a) the majority of regulatory mode-induced violators do not do so consciously, and b) the experimental inductions of regulatory mode do not trigger an explicit attention to ethics but rather an implicit one. These unconsciously unethical findings offer support for employees being susceptible to ethical blind spots in their decision making (Bazerman & Tenbrunsel, 2011; Chugh, Bazerman, & Banaji, 2005).

### **General Discussion**

Understanding the antecedents of employment discrimination is fundamental to reducing its prevalence in the workplace. Consistent with our theoretical predictions, the results of the archival and experimental studies suggest a strong relationship between the motivational messaging of goal pursuits and discrimination. In Study 1's US franchise setting, we first found that discriminating franchises differed from non-discriminating ones according to the degree of locomotion and assessment in their mission statements. We learned that the regulatory mode of mission statements was predictive of discrimination activity: Franchises with mission statements displaying a higher degree of locomotion and lower degree of assessment were significantly more likely to discriminate and involved in significantly more discrimination settlements. A series of controlled experiments for Studies 2 and 3 enabled us to isolate regulatory mode as the driver of discrimination, demonstrating that exposure to franchise mission statements with high degrees of locomotion and low degrees of assessment can cause managers to make discriminatory decisions.

Collectively, our findings indicate that motivational messaging can have a powerful influence on managers' day-to-day HR decisions. In fact, the significance of our experimental results even when controlling for self-reported policy awareness indicates that these motivations—communicated through corporations' mission statements—may override prior knowledge about the existence of workplace discrimination policies. We observed this phenomenon at work in franchises as these businesses have a profound impact on US employment, with a particularly pernicious effect on at-risk, lower-income workers, despite the franchise industry's widespread dissemination of EEOC best practices. Although we focused our attention on US franchises, there is reason to believe this paper has theoretical and practical

implications for all organizations.

### ***Regulatory Mode and Unethical Behavior***

These studies contribute to the literature that resides at the crossroads of regulatory mode and ethics, informing our understanding of the motivational forces behind discrimination by highlighting the role of locomotion and assessment concerns. We apply regulatory mode theory to investigate the organizational context in which individuals engage in an important, unambiguous, and generalizable facet of unethical behavior: violations of corporate ethical standards known as workplace nondiscrimination policies. Going on to examine the interplay between perceived expediency and attention, we extend scholarly research related to cognitive influences on the perpetrators (Dovidio et al, 2002; Lai & Babcock, 2013) and the companies in which they are employed (Cortina, 2008). Importantly, our work sheds light on the conditions under which employees attend to standards deemed key to ethical conduct (Lau, 2010).

By demonstrating the unintended consequences of leadership decisions embodied in corporate mission statements, our work complements predictive research on discrimination that has primarily been devoted to the effectiveness of intended policies and programs (Castilla, 2015; McKay et al, 2011; see Dipboye & Colella, 2005 and Green, 2003 for several exceptions). The presence of EEOC violations in the face of corporate nondiscrimination policies extends the rich tradition of bounded ethicality research on unintended choices beyond the individual to conceptualize behavior at the organizational level (Chugh et al, 2005). Likewise, we widen the breadth of regulatory mode theory's applicability, establishing the mechanism by which locomotion and assessment concerns can produce significant organizational-level effects through individual decision making (Bélanger et al, 2015).

Exploring the trade-offs inherent in contrasting modes of goal pursuit, we also enrich the growing literature on the “dark side” of goals (Ordóñez et al, 2009; Welsh & Ordóñez, 2014). In doing so, this work likewise informs a more nuanced understanding of locomotion mode. Our theoretical prediction and empirical support for the pernicious effects of locomotion mode lie in stark contrast to the preponderance of regulatory mode literature. Past work has documented a variety of otherwise positive outcomes— involving transformational leadership, intrinsic task motivation, multi-tasking, time-management, and

well-being—associated with locomotion (Amato et al, 2014; Benjamin & Flynn, 2005; Di Santo, Baldner, Pierro, & Kruglanski, 2018; Pierro et al, 2013; Pierro, Kruglanski, & Higgins, 2006).

Our EEOC archival study presented empirical evidence linking regulatory mode to actual managerial transgressions taking place in corporations spanning a wide range of industries that operate throughout the entire United States. These real-world cases of discrimination then served as the decision-making tasks in a controlled experiment that manipulated locomotion and assessment of mission statements. Employing a combination of archival and experimental methodologies, our work represents a marriage of external and internal validity that enhances both theory and practice in this domain.<sup>23</sup> Ultimately, linguistic applications that modify corporate mission statements for goal pursuit language can answer a recent call “to move beyond a descriptive framework and focus on finding empirically testable strategies to mitigate unethical behavior” (Sezer et al, 2015, p. 78).

### ***Practical Implications***

Our findings offer tangible insights, implying that it is insufficient for employers to simply institute nondiscrimination policies if they are to effectively suppress discriminatory behavior in their organizations. The way in which a company pursues its goals can have unintended spillover effects on staffing decisions related to such tasks as hiring, firing, promotion, duty assignment, wage setting, hourly allocations, and even the nature of verbal and physical interactions. A manager motivated by a company’s locomotive mission to essentially “just do it” is significantly more likely to discriminate than one influenced by the assessor mission to “do the right thing”—even when he or she is aware the company has expressed its commitment to workplace diversity and nondiscrimination initiatives. Motivated by a locomotive (rather than assessment predominant) mission, managers will inadvertently violate ethical standards to which they are familiar, jeopardizing the firm’s reputation, diminishing profitability and hindering growth.

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<sup>23</sup> To date, the majority of studies on ethical behavior has been relegated to lab settings involving various forms of dishonesty (Gino et al, 2011; Mazar et al, 2008; see Bohnet, Van Geen, & Bazerman, 2015 and Gino & Pierce, 2010 for exception).

The relatively strong effect exerted by our Locomotion mission statement induction against a Control condition underscores the practical necessity for franchise entrepreneurs to consider the potential downside of locomotive goal pursuit (in contrast to those beneficial factors conducive to franchise survival and expansion revealed in the correlational analyses of our archival study and across other empirical investigations). Our findings point to the fact that corporations must integrate such ethically-conducive considerations into the way they do business, not just separately espouse such principles in standalone documents that live alongside the company's day-to-day activities. More specifically, companies can incorporate these learnings when crafting and reworking their mission statements and other motivational messaging, as well as into their leadership training and continuing education processes. In particular, management can seize the opportunity to balance high locomotion with high assessment motivational messaging under conditions where locomotion is high.

A subtle linguistic intervention based on regulatory mode—i.e. increasing the frequency of assessment terms in a corporate mission statement—may succeed where other motivational attempts have failed (see Shu, Mazar, Gino, Ariely, & Bazerman, 2012 for exception). For instance, lack of measurability has proven to be an issue for motivating key stakeholders based on the performance upside of engaging in ethical behavior (O'Connor & Labowitz, 2017), while emphasizing the monetary cost savings derived from preventing violations can actually induce, rather than reduce, unethical behavior (Kouchaki et al, 2013). Regulatory mode adjustments can be implemented while maintaining references to profit and performance that have otherwise been associated with violations of ethical standards (Ghosh, 2008). As Moore & Gino (2013, p. 69) note "...we still know little about how to set goals that encourage high performance while ensuring people keep ethical priorities in mind."

### ***Future Directions***

Although our work has the promise of advancing both theory and practice, these studies are not without limitations, which in turn offer fruitful avenues for future research. It is important to acknowledge that EEOC violations represent but one manifestation of regulatory mode's potential effect on compliance with ethical standards; it remains to be seen whether the effect holds for other forms, such as

environmental protections and product safety standards. Next, the EEOC data that serves as the basis for our paper is just the “tip of the iceberg” in terms of actual discrimination that takes place in organizations every day throughout the country. Smaller employers, those with fewer than 15 employees, are not even subject to most EEOC regulations. At larger employers, many incidents are simply not reported due to fear of retaliation or are settled without ever arriving at the EEOC for consideration. With regard to the latter, corporate “gag orders” are common stipulations in discrimination settlement agreements.

In order to reduce reputational disparagement and prevent share price declines, companies often demand that victims agree never to file an action with the EEOC nor otherwise make the details publicly available in exchange for monetary compensation. Without information on all potential allegations, we do not have a full picture of workplace discrimination. Future research can utilize surveys that encourage employees to privately disclose discrimination experiences omitted in the EEOC data. Similarly, this study demonstrated a link between regulatory mode and ethical rule violations, regardless of type.

Additional studies can further investigate nuances of specific types of discrimination to determine whether our effects are enhanced or weakened depending on the nature of the violation committed. Furthermore, experimental studies can randomly assign firms to training in order to determine whether a predominant regulatory mode-neutralizing intervention can work in the field. Such field experiments can also explore whether behavior is significantly reduced in female managers as they are already far less likely to discriminate.

## **Conclusion**

Despite widespread reform, discrimination persists in corporations operating across industries throughout the United States. As companies’ tenure and size increase over time, so does the probability that one or more of their employees will be involved in some type of workplace discrimination settlement. But there is a way for companies to grow conscientiously by fostering a consideration for ethical standards. This paper sheds light on a previously unexplored yet consequential influence on workplace discrimination: the regulatory mode of goal pursuit. In addition to adopting explicit policies against discrimination, growing companies can also lessen their vulnerability to discrimination by embracing a

more thoughtful approach to their motivational messaging. Our findings suggest that locomotion and assessment can operate as countervailing forces in a mission statement to limit the corporation's discrimination exposure: Rather than merely motivating employees to get things done, companies can motivate them to get things done the right way.

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**Table 1: Sample Descriptive Summary**

Non-discriminating Franchises	411
Discriminating Franchises	148
Avg. Reported Settlement per Franchise	\$1,712,849
Avg. No. Settlements per Franchise	1.75
Avg. Retaliation (Yes = 1)	0.20
Avg. Franchise Age (Yrs)	37.4
Avg. Status (Public=1)	0.25
Avg. Number of Employees	18,874
Avg. Number of Locations	878
Number of Industries Served	11
Avg. CEO Gender (Female=1)	0.10
Sales (\$Bn)	\$50.23
Days Training @ HQ	10.54

**Table 2: Variable Statistics**

		Mean	SD	1	2	3	4	5	6	7	8	n
1	Discrimination	0.26	0.44		0.22***	-0.18***	0.27***	0.52***	0.45***	0.38***	-0.08+	559
2	Locomotion	1.49	1.75			-0.08+	0.69***	0.16***	0.08+	0.07	-0.02	559
3	Assessment	0.99	2.02				-0.78***	-0.08*	-0.09*	-0.06	0.04	559
4	Predom RM	0.50	2.77					0.16***	0.12**	0.08*	-0.04	559
5	Franchise Age	37.40	27.19						0.40***	0.32***	-0.08+	559
6	Employee	18874	48213							0.44***	-0.03	559
7	Location	878	1972								0.04	559
8	CEO Gender	0.10	0.30									559

Discrimination (EEOC Violation=1); Predom RM (Locomotion-Assessment); Franchise Age reflects number of years; Employee and Location reflect respective counts; CEO Gender (Female=1). \* $p < .10$ ; \*\* $p < .05$ ; \*\*\* $p < .01$ ; \*\*\*\* $p < .001$ .

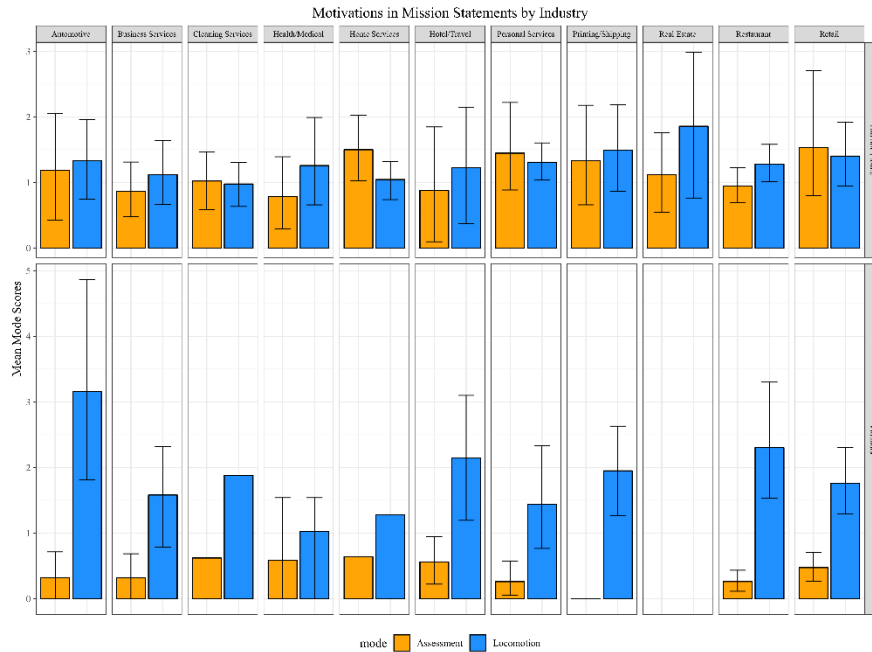
**Table 3: Regression Results**

	Franchise Discrimination Activity					
	1	2	3	4	5	6
	<i>Likelihood</i>			<i>Frequency</i>		
Predominant RM	0.37*** (0.06)	0.36*** (0.06)	3.10*** (6.85)	0.07*** (0.02)	0.07*** (0.02)	3.73** (1.18)
Control Set 1:						
Industry Code		0.11*** (0.03)	1.08** (4.05)		0.04** (0.01)	2.24* (10.00)
CEO Gender		-0.66+ (0.39)	-5.06 (4.73)		-0.23+ (0.14)	-2.12* (1.07)
Control Set 2:						
Age			3.52*** (5.51)			8.50*** (1.33)
Employees			2.09*** (5.74)			4.37*** (7.87)
Locations			2.75** (1.04)			1.90*** (1.85)
Constant	-1.34*** (0.12)	-2.10*** (0.28)	-4.17*** (4.29)	0.42*** (0.04)	0.18+ (0.10)	-2.59** (8.94)
Number of observations	559	559	559	559	559	559
Log-likelihood	-293.05***	-287.50***	-193.92***			
Pseudo $R^2$	0.09***	0.11***	0.40***			
$R^2$				0.04***	0.06***	0.44***

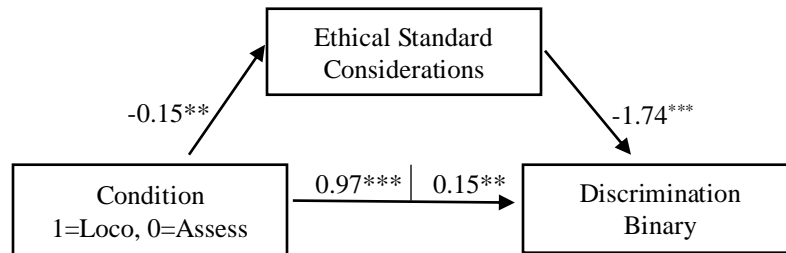
Coefficients reported with standard errors in parentheses clustered at franchise level; \* $p < .10$ ; \*\* $p < .05$ ; \*\*\* $p < .01$ ; \*\*\*\* $p < .001$ .



**Figure 1: Industry Breakdown**

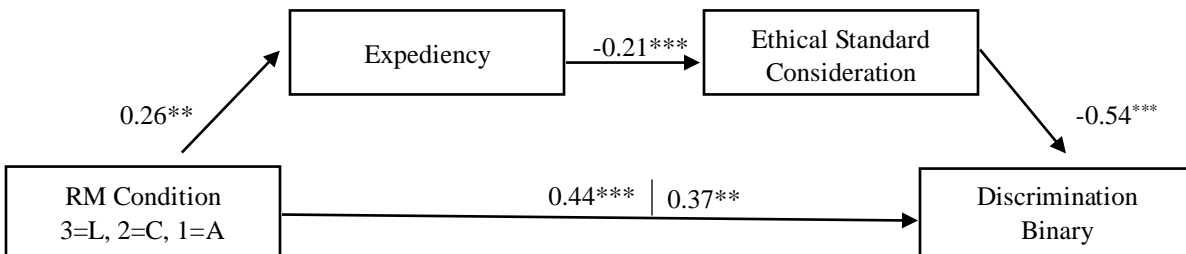


**Figure 2: Study 2 Mediation Path**



Indirect Effect = 0.27\*\*, SE = 0.10; CI95 = 0.11, 0.50, controlling for familiarity with nondiscrimination policies, relevant work experience and age. \* $p < .05$ , \*\* $p < .01$ ; \*\*\* $p < .001$ .

**Figure 3: Study 3 Serial Mediation Path**



Serial mediation between RM condition (L=Locomotion, C=Control, A=Assessment) and Discrimination binary through expediency and consideration of ethical standards, controlling for familiarity with nondiscrimination policies, relevant work experience, as well as chronic locomotion vs. assessment measures. Indirect Effect = 0.03\*, SE = 0.01; CI95 = 0.01, 0.07. \* $p < .05$ , \*\* $p < .01$ ; \*\*\* $p < .001$ .

**Table 4: Study 3 Comparisons to Control Summary**

Experimental Discrimination Activity												
Model:	1	<i>p-val</i>	2	<i>p-val</i>	3	<i>p-val</i>	4	<i>p-val</i>	5	<i>p-val</i>	6	<i>p-val</i>
Effect Against Control:	Likelihood Estimate						Frequency Estimate					
Locomotion	0.47	.059	0.46	.066	0.47	.062	0.24	.018	0.22	.024	0.22	.025
	(0.25)		(0.25)		(0.25)		(0.10)		(0.10)		(0.10)	
Assessment	-0.39	.082	-0.42	.066	-0.42	.061	-0.15	.124	-0.16	.095	-0.17	.091
	(0.22)		(0.23)		(0.23)		(0.10)		(0.10)		(0.10)	
Control Set 1: Background												
<i>Policy Awareness</i>			-0.67	.085	-0.65	.094			-0.41	.003	-0.41	.003
			(0.39)		(0.39)				(0.14)		(0.14)	
<i>General HR Experience</i>			0.44	.061	0.43	.065			0.20	.034	0.19	.035
			(0.23)		(0.23)				(0.09)		(0.09)	
<i>Industry Experience</i>			0.15	.444	0.13	.496			0.02	.846	0.01	.888
			(0.19)		(0.20)				(0.08)		(0.08)	
Control Set 2: Chronic Mode												
<i>Chronic Locomotion</i>					-0.08	.524					0.02	.778
					(0.13)						(0.05)	
<i>Chronic Assessment</i>					0.10	.428					0.02	.712
					(0.13)						(0.06)	
Constant	0.92	<.001	1.36	<.001	1.33	.101	1.13	<.001	1.45	<.001	1.31	<.001
	(0.17)		(0.41)		(0.81)		(0.07)		(0.15)		(0.33)	
Number of observations	554		554		554		554		554		554	
Log-likelihood	650.5		642.3		641.4							
<i>R</i> <sup>2</sup>							0.03		0.05		0.05	
<i>F</i> statistic							8.10	<.001	6.13	<.001	4.40	<.001

### Appendix A: Regulatory Mode Dictionary

Locomotion				Assessment			
1	Act_	18	Launch_	35	Accura_	52	Observ_
2	Can't wait	19	Lead_	36	Alternat_	53	Perfect_
3	Chang_	20	Make_	37	Assess_	54	Ponder_
4	Dare_	21	Mobil_	38	Calculat_	55	Procrastinat_
5	Do it	22	Momentum	39	Careful_	56	Question_
6	Doer_	23	Motion	40	Compar_	57	Reconsider_
7	Done	24	Mov_	41	Consider_	58	Reflect_
8	Drive_	25	Obstacle_	42	Consult_	59	Regret_
9	Dynami_	26	Proceed_	43	Correct_	60	Review_
10	Elimin_	27	Quick_	44	Criti_	61	Right
11	Fast_	28	Reduc_	45	Detail_	62	Ruminat_
12	Flow_	29	Reject_	46	Evaluat_	63	Think_
13	Get_	30	Remov_	47	Examin_	64	Thorough_
14	Go	31	Smooth_	48	Exhaustive	65	Thought_
15	Going	32	Speed_	49	Judg_	66	True_
16	Hurr_	33	Start_	50	Methodical	67	Truth_
17	Initiat_	34	Urg_	51	Meticulous_	68	Unsure

Reflects the roots uploaded into LIWC software to allow for derivations and tenses of the words.

### Appendix B: Mission Statements

Locomotion	Assessment
<i>At Fast Speed, Inc., we are doers in a hurry to become the market leader in our field. This means delivering results as quickly as possible. Our franchise has a ton of momentum, and we have eliminated any obstacle that has come our way in order to move smoothly. We are driven to change the industry and can't wait to share this movement with others. Are you someone who likes to get things done and mobilize people? Because we're seeking action-oriented managers with dynamic personalities who dare to make an impact by taking initiative. If you're ready to join our launch team, we urge you to get started!</i>	<i>At Thoughtful Care, Inc., we are thinkers who consider ourselves to be the most thorough provider in our field. This means evaluating every possible alternative for our customers. Our franchise is perfecting this process by taking a consultative approach to give stakeholders the most correct and accurate information possible. We're curious about our customer needs, observing and meticulously reviewing their preferences. Are you someone who likes to do the right thing, even when no one's watching? Because we're considering detail-oriented managers with a critical eye who ask questions and always search for the truth! If you're a methodical person pondering a career choice, we suggest you consider this opportunity!</i>

Reflects motivational messaging used to onboard participants through franchise mission statements.

### Appendix C: Workplace Scenarios

<b>S1</b>	Employee 1 was hired as a food prepper at one of your franchise locations. This employee had comparable prior experience working at a similar fast food restaurant. You later noticed that Employee 1 had disclosed a medical condition on the application. Inquiring as to the medical condition, you found out that Employee 1 is HIV positive. The virus is not readily transmitted via food. (Pick One).
<b>S2</b>	Employee 2 is a 61 year-old who has worked for your retail store for years, performing well and without incident. As a sales manager, Employee 2's role entails meeting sales targets, as well as utilizing software to perform account analysis and forecast future sales. You recently learn that the retail store's sales software is being upgraded to a cutting-edge platform. A 24-year old qualified candidate with all the requisite software and sales skills has just applied to work at the store. (Pick One).
<b>S3</b>	Employee 3 was verbally offered a position in a janitorial capacity at one of your home improvement warehouse locations. This role entails hauling trash to the dumpster, emptying large receptacles of scrap metal and wood, as well as sweeping and mopping floors of fork lift debris. Upon receipt of the draft employment letter, the applicant affirmed her interest and ability to physically perform the job duties by email and sought to ask a few questions regarding the potential offer. About two hours later, the applicant spoke with your assistant and inquired about maternity benefits because she is pregnant. (Pick One).

### Appendix D: Alternate Mission Statements<sup>24</sup>

Locomotion	Assessment
<i>At Fast Speed, Inc., we are doers in a hurry to become the market leader in our field. This means delivering results as quickly as possible. Our franchise has a ton of momentum, and we have eliminated any obstacle that has come our way in order to move smoothly. We are driven to change the industry and can't wait to share this movement with others. Are you someone who likes to get things done and mobilize people? Because we're seeking go-getter managers with dynamic personalities who dare to make an impact by taking initiative. If you're ready to join our launch team, we urge you to get started!</i>	<i>At Thoughtful Care, Inc., we are thinkers who consider ourselves to be the most thorough provider in our field. This means evaluating every possible alternative for our offerings. Our franchise is perfecting this process by taking a consultative approach to provide the most accurate and exhaustive information possible. We're curious about our product needs, observing and meticulously reviewing market preferences. Are you someone who likes to think things through, examining all aspects of an issue? Because we're considering detail-oriented managers with a critical eye who ask questions and always search for the truth. If you're a methodical person pondering a career choice, we suggest you consider this opportunity.</i>

### Appendix E: Control Condition

Control
<i>At International Holdings, Inc. we are hard workers who enable members to meet all of their lifestyle needs. This means giving people access to many offerings. We are an established franchise that enjoys consuming all the food and drinks we offer others. Our company is as solid as the offerings we serve, and we are serious about providing people with our patented products. The franchise has a proven operating model and is dedicated to keeping our product lines as simple as possible. We give franchisees the ability to set up their franchises and working teams. We are looking for experienced managers with even-keeled dispositions to fulfill these roles.</i>

### Appendix F: Alternate Workplace Scenarios<sup>25</sup>

<b>S1</b>	Employee 1 was hired as a food prepper at one of your franchise locations. This employee had comparable prior experience working at a similar fast food restaurant. You later noticed that Employee 1 had disclosed a medical condition on the application. Inquiring as to the medical condition, you found out that Employee 1 is HIV positive. The virus is not readily transmitted via food. (Pick One).
<b>S2</b>	You recently learn that the retail store's sales software is being upgraded to a cutting-edge platform. You are looking for a sales manager whose role entails meeting sales targets, as well as utilizing this software to perform account analysis and forecast future sales. A 61 year-old prospect who has worked in a similar sales capacity for a retail store for many years, performing well and without incident, has just applied to work at the store. (Pick One).
<b>S3</b>	Employee 3 was verbally offered a position in a janitorial capacity at one of your home improvement warehouse locations. This role entails hauling trash to the dumpster, emptying large receptacles of scrap metal and wood, as well as sweeping and mopping floors of fork lift debris. Upon receipt of the draft employment letter, the applicant affirmed her interest and ability to physically perform the job duties by email and sought to ask a few questions regarding the potential offer. About two hours later, the applicant spoke with your assistant and inquired about maternity benefits because she is pregnant. (Pick One).

<sup>24</sup> Each 108 words in length, the new primes are devoid of regulatory mode language, as well as any action, bottom line mentality, and ethical priming, including consistency for references to stakeholders.

<sup>25</sup> Scenario 2 verbiage has been updated to enable a balance in the scenario options with regard to action (e.g. Scenario 2's discriminatory choice is now inactive, while the nondiscriminatory choice is now active).