

THE REGULATION OF MORALITY IN FORMAL ORGANIZATIONS: THE CASE OF IRANIAN OIL INDUSTRY

by

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ABSTRACT

Questioning the moral foundations and consequences of formal organizations has become a central concern in organization theory. Despite the extensive research in this broad area, organization scholars have not yet adequately investigated the systematic effects of a formal organization on the morality of its own members, particularly from a process perspective. As a result, today little is known about the internal dynamics of organizations as it treats and influences the morality of organizational members. To address this issue, the present study takes a discursive understanding of morality and explores the intra-organizational processes that regulate the moral discourse of organizational members.

The theoretical foundation of this research draws on the literatures of institutional theory and critical management studies, and highlights two domains – practice and privilege – as primary sites of moral regulation in organizations. The question that guides the present study is – what are the common patterns of regulating practice and privilege that characterizes the organizational regulation of morality? This work investigates these patterns in the context of the Iranian oil industry, which has been the largest industry and the main source of national income in Iran for the past century. The oil industry is particularly appropriate and interesting for this study because in the face of several radical changes in the broader moral order of the Iranian society, the organizations of this industry have been able to regulate the morality of their members regarding the issues of concern for their business.

The findings suggest that organizations in this industry regulate the morality of their members mainly through four processes: Repositioning, restructuring, reframing, and cooperating/not cooperating. The collected data also points to some of the salient institutional characteristics that underlie the organizational regulation of morality. I discuss the insights that these findings provide for organization research on moral phenomena and highlight the various aspects of the active role of organization in regulating morality. I conclude the thesis with a review of the implications for theoretical understanding of morality and propose directions for future research in this area.

Keywords: Morality; Regulation; Discourse; Moral regulation; Institutional theory; Critical Management Studies.

DEDICATION

I humbly dedicate this thesis to the Shia leader, Imam Sayyid Ali Khamenei, who for many years has stood firm and carried the flag of true Islam: A flag that stands for truth, justice, and morality not only for Muslims but for all humankind. As in the case of any freeman who dares to raise such a flag, he has been the target of intense animosity and tireless propaganda of the world powers whose hypocrisy is evident for any fair observer of the contemporary history most saliently in their continuous support of the massacre and forced displacement of Palestinian people. In the midst of all the pressures and enmities, Imam Khamenei has always stood on fundamental principles of integrity and justice, and openly challenged the covert and overt forms of oppression against people. He is a true leader for Muslims and a great inspiration for all the free people of the world. I am proud to be one of his many followers.

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CHAPTER 1. INTRODUCTION

Questioning the moral foundations as well as consequences of formal organizations has become a central concern in organization theory. Over the past two decades, and as a result of questions and challenges raised by scholars associated with the new wave of post-positivist philosophy and sociology (Alexander, 1982), the positivist and instrumentalist orthodoxy of depicting organizations as morally neutral means toward specific ends is gradually substituted with a view of organizations as embodiments of particular moralities (Bauman, 1989; du Gay, 2000; Selznick, 1992). In the same vein, organization research has witnessed several calls for bringing ethics and morality back into the main research agenda of organization studies (Saul, 1981; Zald, 1993). Wicks and Freeman (1998: 124) call for a fundamental reshaping of organization studies to incorporate a “systematic attention to the moral dimension”, which is “necessary to a coherent and constructive notion of organization studies”. Donaldson (2003) argues that today the legitimacy of business depends heavily on clarifying its connection to morality. Similarly, Clegg, Kornberger, and Rhodes (2007: 118) call for a new research agenda that will “focus on the question of how organizations work in relation to ethics”. These and several other calls have brought morality to the top of the list of organization theorists’ interests.

The present study contributes to this renewed interest by examining how formal organizations (in terms of the practices of their members or the practices that are established as part of their systems and routines) systematically control the morality of

their members. This focus of course does not deny the existence of other social entities or forces that influence the morality of people; rather it singles out and highlights the often-neglected influence of one category of social entities – formal organizations – that has become a dominant feature of our lives. This research sheds light on the moral aspect of our life within organizations. This topic is of special importance today because we spend most of the awake time of our life within various forms of formal organizations. In contemporary society, “we are born, educated, work, die, and are buried in and by organizations” (Wexler, 2000: 4). In this sense, most of our social interactions happen in or through a diverse range of organizations – schools, workplaces, shopping malls, clinics, municipalities, transportation companies, communication firms, entertainment corporations, etc. – and are thus organizationally regulated (Perrow, 1991; Scott & Davis, 2007). The significant role of formal organizations in the contemporary society has implications for every aspect of our life. In this research, I study the impact of organizations on the moral aspect of our lives by exploring how formal organizations regulate the morality of their members.

1.1. The Regulation of Morality in Formal Organizations

The general question of this research is what are the intra-organizational processes through which formal organizations regulate the morality of their members? It is, thus, motivated by the same fundamental concern as Jackall’s research on “how bureaucracy – the prevailing organizational form of our society – shapes moral consciousness” (1988: 3). There are, however, a number of characteristics that distinguish this research from previous works. First, I adopt and extend a discursive understanding of morality (Bergmann, 1998; Shadnam & Lawrence, 2010). From this perspective, morality

is constituted by and in structured collections of texts that communicate respect and approval, or disrespect and disapproval, by evoking particular vocabularies such as: good and bad, right and wrong, just and unjust, moral and immoral. The term “text” here refers to any symbolic expression inscribed in material form by being spoken, written, or depicted in some way (Fairclough, 1995; Taylor & Van Every, 1993; van Dijk, 1997). Based on this view of morality, the regulation of morality is understood as the systematic control of the production, dissemination, and consumption of morally charged texts. Accordingly, I develop a framework that highlights how the organizational regulation of morality is primarily mediated through discursive practices of organizational members.

The second difference between this research and previous work is that rather than concentrating on corporate managers as an occupational group and equating their moral rules-in-hand with the morality of organization (Jackall, 1988), I highlight how organizational members employ the “natural” coordination and communication processes of a formal organization to regulate the morality of employees. I understand formal organizations in terms of the practices of their members and the practices that are established as part of their systems and routines. My approach to understand formal organizations relies primarily on institutional and critical theories of organization. From institutional research, I utilize explanations of the legitimacy-seeking adoption of practices in formal organizations (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Scott, 2008; Suchman, 1995) and also more recent works in this stream of research which has taken a discursive approach for understanding institutions and organizations (Maguire & Hardy, 2009; Phillips & Hardy, 2002; Phillips, Lawrence & Hardy, 2004). In parallel, this thesis is informed by the critical management literature for its insightful explorations

of how organizational control is accomplished through the regulation of identities and subjectivities (Alvesson & Willmott, 2002; Barker, 1993; Jermier, 1998; Knights & Willmott, 1989). I believe the integration of ideas from institutional and critical theories provides a relatively comprehensive picture depicting the influence and consequences of formal organizations as products of the broader social processes that give organizations legitimacy and power.

1.2. Empirical Case

The empirical case upon which I focus on in this thesis study is comprised of major organizations in the Iranian oil industry. For more than a century, this industry has had a major role in the Iranian economy and has also been at the centre of hot political struggles in Iran. Most people in Iran know that oil has been the pretext of two coup d'états and had a major role in the events before and after the Islamic Revolution of 1979. Such historical background has made the members of the Iranian oil industry quite sensitive to certain issues such as relationship with foreign companies and countries and internal corruption. As a result, the ongoing discourse around these kinds of issues is highly morally charged, and it is important for the companies in this industry to manage and contain these texts.

Morality in this context refers to those texts that members of this industry understand as morally charged. There is, however, no fixed or transcendental criterion for defining the extent to which a particular text is morally charged. Depending on the specific social context, people may understand a text as morally charged or amoral, and moreover, the boundary between moral and amoral is in continuous negotiation among people in the social context. Accordingly, I focus on the two issues – foreign

relationships and internal corruption – that have been consistently present in the moral discourse of the organizations of this industry. I investigate how these organizations have dealt with and control the moral discourse of their members with respect to the specified two moral issues.

1.3. Importance and Contributions

Formal organizations provide an important mechanism for regulating morality in contemporary society. Traditions of certain and universal moral codes seeking to create a uniform social order are no longer the dominant court of appeal for the numerous moral judgments we encounter in daily life (Bauman, 1993). Over the course of past three centuries, grand narratives of moral traditions have lost their credibility and have left us with “performativity” as the dominant legitimating criterion (Jones, 2003; Lyotard, 1984). Performativity, which here refers to the instrumental value of a social element for the performance of a system, has become taken-for-granted to such extent that today the question we normally ask for the purpose of evaluation is not “Is it moral?” but “What use is it?”. This major cultural transformation of legitimating criterion was allied with a no less significant structural transformation of society. With performativity as the dominant legitimating criterion, the persistence of social elements became dependent on their instrumentality toward a specific goal. As a result, formal organizations as clusters of social elements that are instrumental toward one specific goal proliferated into every arena of social life. Unlike older civilizations in which the activities of organizations were limited to soldiering, public administration, and tax collection, today, almost all of our social interactions either are within or mediated through formal organizations (Scott & Davis, 2007). This has provided organizations with significant cultural and political

influence over every aspect of our social life to such an extent that our moral understandings are nowadays local, fragmented, and largely regulated by intra- or inter-organizational processes (Alvesson & Willmott, 2002; Barley, 2007; Bauman, 1995; Jackall, 1988; Jennings, 1991; Jones & Ryan, 1998; Kärreman & Alvesson, 2010; Lippens, 2001; Parker, 2000; Willmott, 1993).

Despite this close connection between morality and formal organizations, organizational research has tended to reduce organizations to providers of a set of explicit ethical codes and implicit behavioural norms, and consequently, we now know little about the role of elements that are distinctive about organizations and distinguish them from other social entities such as nation-state, community, or group (Bauman, 1989; de Gay, 2000; Phillips & Margolis, 1999). Research on morality in organizations has been to date dominated by studies of the process of ethical decision making by individual organizational members. In these studies (O'Fallon & Butterfield, 2005; Tenbrunsel & Smith-Crowe, 2008), the overt or implied assumption has been that the only important effect of being in organization is that those individuals perceive and process organization's "moral signals" such as ethical codes of conduct or ethical climate (Jones & Ryan, 1998). Moreover, organizational research on morality has tended to focus on the effects rather than the processes underlying the organizational influence on the morality of its members, which have remained largely unknown. The arrow that represents the organizational influence in these models has remained an arrow, or at best is divided into a set of arrows, from inside of which we do not have any knowledge (Jones & Hildebrandt, 1995; Tenbrunsel, Smith-Crowe, & Umphress, 2003). Reflecting on the above absences, Clegg et al. (2007: 118) call for a new research agenda that will "focus on the question of

how organizations work in relation to ethics” focusing on “the complex heterogeneous web that makes organizations work: the institutions, discourses, agencies/agents, supporting technical infrastructure and so on”. This is an aim to which I subscribe.

This research makes a number of contributions to the newly developed literature of mainstream organization studies on ethics and morality and more broadly to the literature of organization and social theory. Below, I group these contributions in five sets and elaborate on their significance:

- I develop a framework that extends the focus of organizational research on morality beyond ethical codes and climate and sheds light on the impact of other aspects of formal organizations. By examining how organizational members control morality in a sustained and systematic manner, this framework highlights a set of processes that are fundamental in organizational life and are employed by organizational members for regulating morality. In that sense, this study unveils some aspects of how morality and organization are intertwined social entities. This helps toward addressing the absence of theories of ethics and morality that are distinctively organizational (Clegg et al., 2007; Phillips & Margolis, 1999).
- This framework provides a process perspective on the effect of organization on the morality of its members, which extends the static image offered in a large portion of organization literature on morality (Nyberg, 2008). By identifying and analyzing the four major processes through which organizations regulate morality, I explicate the dynamics

inside the arrows used to represent organizational effects on morality (Cassell, Johnson, & Smith, 1997; Jones & Ryan, 1998).

- This research provides a workable foundation for more sophisticated and comprehensive theories of morality in organizations. Further theoretical developments can help in developing an endogenous theory for explaining at least some aspects of moral change and thus some aspects of how these changes are regulated. The advantage is that in such theory, particular changes in the morality of organizational members are explained by the internal dynamics of a single organization or the dynamics of an organizational field (Greif & Laitin, 2004).
- This framework provides a useful language for starting constructive dialogues and discussions between institutional and critical theories of organization because it highlights and draws on some of the opportunities for bridging these two literatures. More specifically, the project of critical researchers to explicate the power relations and social injustices underlying the existing forms of organizational knowledge and practice can inform and benefit from the institutional research's emphasis on contextualization of organizational phenomena in broader social and historical processes (Adler, Forbes & Willmott, 2007; Oakes, Townley & Cooper, 1998).

1.4. Structure of the Thesis

This thesis is structured in six chapters. After the present first chapter devoted to introduction, the second chapter introduces a theoretical foundation for addressing the general question of this research and concludes with a theoretically grounded presentation of my specific research question. In this chapter, I introduce morality from a discursive perspective and explore its consequences for understanding the regulation of morality. I then identify the domains in which organizational regulation results in the influence of morality. Drawing on the literature of institutional and critical theory, I present a theoretical foundation outlining their underlying processes. At the end of this chapter, I summarize the foundation and pose the specific research question underlying this study.

In the remaining chapters, I use data to build and explicate a framework for organizational regulation of morality. In the third chapter, I introduce the methodology and the empirical context of my research. I introduce the Iranian oil industry and the moral issues that are salient in the discourse of this industry. I then present my data collection strategy and discuss how the collected data are analyzed to answer the research question. In the fourth chapter, I lay out the two main findings of data analysis. The first is a typology of the processes that organizations employ to regulate morality. The second is a typology of institutional characteristics that make organizational regulation of morality possible. In the fifth chapter, I situate the findings of this study in the literature and discuss their contributions in extending the existing understandings of morality in organizations. Finally, in the last chapter, I present a brief summary of the study and point towards its implications for future research.

CHAPTER 2. THEORETICAL FOUNDATION

The aim of this chapter is to highlight how the morality of organizational members is connected to processes of organizational regulation. I first provide a helicopter view of the social and organizational literature of morality and introduce a discursive perspective on morality. I then focus on the relationship between agency and morality and explore the implications of discursive perspective for understanding regulation of morality. Then I highlight the organizational regulation in two domains – practice and privilege – as the main ways through which organizations regulate morality. Finally, I conclude this chapter with a summary of the theoretical foundation and the research question.

2.1. Social and Organizational Literature of Morality

The term morality is historically employed both as a product of intellectual quest for developing an evaluative code or apparatus (prescriptive or normative approaches) and as an external phenomenon that can be the object of empirical investigations by scientists (descriptive or empiricist approaches). It is in the latter sense that I use the term morality in this thesis. Observing and analyzing the manner in which people understand the world around them in moral terms, what is held as value or worth, what is understood as duty or responsibility, what is considered right or wrong, have been the bedrock on which many of the foundational theories in economic and social sciences are built. In economics, Adam Smith first formulated his observations of human society in a theory of moral sentiments (2000) and then focused on the virtue of prudence to develop his

political economy (1952). In psychology, Sigmund Freud proposed a structural model of the psyche, a core concept of which was superego: that part of human psyche in which morality takes shape by incorporation of parental or community values in early childhood (1960). He even formulated the concept of cultural superego as a collective morality formed by personalities of great leaders and martyrs (1961). In sociology and political science, Max Weber traced the emergence of capitalism and its associated structures of governance to the rise of Protestant morality in the sixteenth century Europe (1976). And in modern anthropology, morality has always been considered an integral element of the culture of particular groups or societies, and thus has been at the center of most ethnographic studies (Howell, 1997; Redclift, 2005).

Administrative science, in contrast, has for long been predominantly concerned with efficiency and performance, and consequently has largely referred to morality only implicitly or in brackets, at best as a secondary phenomenon (Clegg, 2002; Donaldson, 2003; Hinings & Greenwood, 2002; Stern & Barley, 1996; Veiga, 2004; Walsh, Weber, & Margolis, 2003). It is only since 1980s that a sustained wave of scholarly attention to morality has started to grow in the communities of organization researchers. The establishment of two academic journals dedicated to studies of morality and ethics in business – *Journal of Business Ethics* in 1982 and *Business Ethics Quarterly* in 1991 – and the influential writings such as Treviño (1986), Etzioni (1988), and Jackall (1988) marked the beginning of this wave. Today the organization studies that touch upon morality can be found under several banners including descriptive business ethics (Agle, Mitchell, & Sonnenfeld, 1999; Victor & Cullen, 1988), applied psychology (Schweitzer, Ordóñez, & Douma, 2004; Weaver, Treviño, & Cochran, 1999), economic studies of the

organization of society (Bowles, 1998; Greif, 1994), cultural studies of organizational life (Jackall, 1988; Kunda, 1992), institutional studies of normative systems (Haveman & Rao, 1997; Hirsch, 1986), and discourse analysis of social constructions (Lawrence & Phillips, 2004; Phillips & Hardy, 1997).

2.1.1. What is Morality?

In the historical division between normative and empirical modes of inquiry, this question has come to be highly associated with normative science. Despite the recommendation of several scholars that empirical studies need to draw on the conceptual works in normative studies (Randall & Gibson, 1990; Robertson, 1993), however, most organization researchers that understand morality as an empirical phenomenon have found it rather unnecessary to cross the long-lasting disciplinary borders and refer to the normative literature (Brand, 2009; Treviño & Weaver, 1994). Following the tenets of logical empiricism in philosophy, the positivist orthodoxy in organization studies has avoided the fundamental question “what is morality?” and relegated the answer to empirical data. According to this commonplace understanding, morality is a social fact (Durkheim, 1964) that is readily accessible for scientific observation of the researcher. Theoretical frames, which are abstract and generalized statements about what morality is, are secondary products that have to be evaluated only in relation to theory-free observations of facts by the empirical researcher. The positivist assumption here is the unmediated availability of morality to the empirical researcher. As a consequence of this view, empirical studies of morality in organizations have so far spent little time on providing substantive definitions for the concept of morality or other related concepts, let alone theorizing them in relation to one another. The theory section of the articles is

shrunk and primarily used for either symbolic listing of existing definitions or justifying that such definitions are outside the scope of the study (usually by arguing that definitions are the business of prescriptive inquiries).

In recent years, however, scholars from various domains of organization research are beginning to notice the serious problems created by this veil of givenness and thus have called for attention to definitions and theoretical conceptions before conducting empirical research. For example, Mackey, Mackey, and Barney (2007: 818) noted that “much of the current confusion in the corporate social responsibility literature is due to a lack of clarity about definitions and assumptions”. In the domain of ethical decision making, Tenbrunsel and Smith-Crowe (2008: 548) noted that the lack of definitions and theoretical models is the most crucial criticism of this domain and that without work in this direction, “research will remain inconsistent, incoherent and atheoretical”. Similarly, in the domain of moral misconduct, Greve, Palmer, and Pozner (2010: 55) concluded in their review that “those studying misconduct in and of organizations have not heretofore offered precise, or even necessarily consistent, definitions of misconduct”. In the domain of stakeholder theory, Egels-Zandén and Sandberg (2010: 36) reviewed the main research questions of the domain but argued that “there is widespread confusion among scholars interested in the above types of questions as to exactly what they are studying, and as to how their results are comparable to those of other scholars”. These and similar statements of other organization scholars (Ashforth et al., 2008; Borgerson, 2007; Clegg, Kornberger, & Rhodes, 2007; Kaptein & Schwartz, 2008; Lefkowitz, 2009; Scherer & Palazzo, 2007; Shao, Aquino, & Freeman, 2008) illustrate an increasing awareness of the inadequacy of an exclusively empirical basis for research on morality.

While overreliance on empirical evidence still dominates the current state of morality in organization studies, its underlying positivist assumptions have been sharply challenged by a wide range of post-positivist views which has emerged in philosophy and social theory during the past few decades. The fundamental basis of a post-positivist perspective is that “all scientific development is a two-tiered process, propelled as much by theoretical as by empirical argument” (Alexander, 1982: 30). There is no theory-free observation or description of facts; rather all empirical data are theoretically informed (Giddens, 1976). Even in natural sciences, empirical observations take the appearance of “hard evidence” only because their underlying theoretical frames are agreed upon and mostly presupposed among scientific practitioners (Holton, 1973). As Kuhn (1970: 91) illustrated, in the periods when this taken-for-granted agreement is disrupted there is “recourse to philosophy and to debate over fundamentals”. The decisive significance of theoretical frames is, however, more evident in social sciences, because there exists a range of inconsistent views disagreeing on the definitions and assumptions as well as the empirical referents of the objects of study. This character, as Alexander discussed (1987: 23), makes for “the overdetermination of social science by theory and its underdetermination by fact”. Theoretical arguments, therefore, are the cornerstones of social scientific work, making the observation and interpretation of the social world possible. Butler (2004: 274) well put it that “any effort at empirical description takes place within a theoretically delimited sphere” adding that “theory operates on the very level at which the object of inquiry is defined and delimited, and that there is no givenness of the object which is not given within the interpretive field – given to theory”.

2.1.2. A Discursive Understanding of Morality

In this research, I take a discursive perspective, which locates morality in language (Bergmann, 1998; Shadnam & Lawrence, 2010). I believe this perspective has an important advantage over the existing views of morality, because it highlights the “socially constructed” character of morality in a methodologically accessible manner. In this view, things are not naturally moral, immoral, or amoral (as assumed in the accounts influenced by various versions of moral realism as well as in many organization studies that treat morality as given) but are constructed as such in the interactions among a community of actors (Wuthnow, 1987). This view provides an inter-subjective foundation, which goes beyond the accounts that emphasize either the subjective character of morality to the exclusion of social context (Forsyth, 1992), or the objective character of morality to the exclusion of social actors (Shafer-Landau, 2003). Moreover, viewing morality as a discourse has important methodological advantages over other existing views (morality as cognition, emotion, etc.) because unlike beliefs and feelings we have direct access to morally charged texts. Moreover, texts can easily be stored and become accessible to other researchers, which allows for more validity of the empirical research on morality (Phillips et al., 2004; Taylor & Van Every, 1993).

The central concept in my perspective on morality is that of “discourse”. This concept has been defined in various ways in organization studies (Alvesson & Kärreman, 2000) among which I draw on the conception that organization researchers have adopted from Parker (1992). In his view, discourse is defined as a structured collection of texts (Grant, Keenoy & Oswick, 1998; Parker, 1992). The term “text” here refers to any symbolic expression inscribed in material form by being spoken, written, or depicted in

some way (Fairclough, 1995; Taylor & Van Every, 1993; van Dijk, 1997). We access a discourse through its texts and the linkages among those texts that are built up in each text.

Morality is a discourse, a collection of meaningful texts structured around particular sets of ideas and vocabularies. In the case of morality, the texts communicate respect and approval or disrespect and disapproval by evoking the vocabulary of good and bad, right and wrong, just and unjust, moral and immoral (Bergmann, 1998; Lowe, 2002; Shadnam & Lawrence, 2010). I refer to these texts as “morally charged”. There is no universally valid method to distinguish between morally charged and uncharged texts, neither in terms of moral vocabularies nor in terms of identifying if respect and approval is being communicated. The distinction is only valid within the boundaries of a moral community, where shared systems of moral judgment are relatively coherent and established (Stark, 1984). A text is not meaningful in itself, but always for a “context” that can read and interpret the text (Hanks, 1989). So the question if a particular text is morally charged or not is an empirical question that only can be answered by a close examination of the context. For example, the caricatures of Prophet Mohammad in a Danish newspaper in September 2005 fit better with the definition of morally charged texts in the Islamic communities that condemned the caricatures and protested against them, rather than the Western culture in which they are interpreted as political caricatures and are an integral part of mass media (Daniels, 2007).

Thus viewing morality as a discourse highlights the role of texts in explaining morality and the changes in the morality. For example, Lawrence and Phillips (2004) depict the trajectory of the collection of morally charged texts (including scholarly

articles, popular movies, media news, etc.) associated with cultural understanding of whales in North America over the past 150 years. Their analysis shows the transformation of the image of whales in these texts from horrifying monsters or natural resources to moral beings worthy of our respect.

2.2. Morality and Agency

Morality, like most other aspects of human life, is an object of human agency. In contrast to the physical world that follows a fixed set of laws, morality is continuously created and recreated by the same people whose actions are guided by morality. To understand this complex relationship, one can employ a range of contemporary social theories on agency and structure (Bourdieu, 1977; Emirbayer & Mische, 1998; Giddens, 1979, 1984; Heugens & Lander, 2009; Kockelman, 2007; Sewell, 1992). Here I draw on a recent theorization of agency in anthropology, which highlights those aspects of agency that are the focus of this study.

Drawing on the semiotic work of Charles Sanders Peirce (1934, 1955), Kockelman (2007) distinguishes between two types of agency: residential and representational. Residential agency describes the degree of control that one has over social, semiotic, and material processes. In contrast, representational agency describes the amount of knowledge that one has about the social, semiotic, and material processes. Thus, the distinction between these two types of agency is rooted in the distinction between knowledge and power, or as Foucault (1977) famously calls, the distinction between *savoir* and *pouvoir*. Using this theorization of agency helps in recognizing that most of the existing organizational studies of morality are concentrated on representational agency, because they address such questions as how people in

organizations receive moral clues (moral awareness), how they analyze and judge in different situations (moral reasoning), and how they act based on their moral knowledge (moral behaviour). The main question of this thesis, on the other hand, concerns the regulation of morality, which is primarily a question of power and control. Accordingly, I focus on residential agency.

Kockelman further specifies three dimensions for residential agency. In this theory, residential agency is “the degree to which one can (1) control the expression of a sign (e.g., determine where and when it may be expressed), (2) compose a sign-object relation (e.g., determine what object a sign stands for and/or which sign stands for that object), and (3) commit to an interpretant of this sign-object relation (e.g., determine what effect the expression of the sign will have so far as it stands for that object)” (Kockelman, 2007: 376). The translation of these dimensions in the case of morality is (1) controlling where and when moral vocabulary can be used to produce a text, (2) establishing which morally charged texts describe which situations, and (3) shaping the trajectory and effects of morally charged texts. These three dimensions, however, are not well suited for the strictly discursive approach of this study. So in the next section, I elaborate and theorize the residential agency underlying organizational regulation of morality from a discursive viewpoint.

2.2.1. Regulation of Morality

Understanding morality as a discourse uncovers the presence and significant role of morality in most of the issues of concern for organizations. People in organizations often make sense of strategic issues and respond to them by drawing on and influencing the discourse around those issues (Dutton & Jackson, 1987; Heath & Palenchar, 2008). A

fundamental part of the discourse around strategic issues constitutes morally charged texts that communicate evaluations of the situation, consequences, and different courses of action. In such cases, different groups of organizational members, particularly managers, attempt to influence the moral discourse around issues. The existing concepts of “sensegiving” (Gioia & Chittipeddi, 1991) and “labelling” (Dutton & Jackson, 1987) are partial description of such attempts. A more comprehensive understanding of these regulatory attempts, however, becomes possible by examining the regulation of morality in terms of the means and mechanisms through which the discursive practices that construct morality are controlled. These discursive practices are comprised of producing, disseminating, and consuming various kinds of morally charged texts, which influence the existing collection of morally charged texts and thus continuously change the morality. Given this point of view, the regulation of morality can be understood as the systematic control of the production, dissemination, and consumption of morally charged texts. As an illustration of this control, consider regulation of morality in a school. Usually “there are severe limits placed on what you can say, how long you can talk, how loudly you can speak, to whom you can speak, your tone of voice, your facial expressions, your clothing, and more” (Gergen, 1999: 15). One can easily add what you should read, what you should write, who you should respect, what behaviour you should disapprove, and several other constraints to this list. These are all examples of controlling morally charged texts, because they orient the communication of respect and disrespect in particular directions. Indeed, schools are arguably extreme examples of controlling the production, dissemination, and consumption of morally charged texts that we all go through for proper socialization (Foucault, 1977; Illich, 1970).

The question on which I focus is “how” this systematic moral control occurs in formal organizations. I argue that the discursive perspective I adopt here suggests two key approaches to answer this question. First, production, dissemination, and consumption of morally charged texts in organizations are labels for particular sets of “practices” that are sometimes closely tied with the work-related processes. These practices include formal actions such as decision-making, supervising, reporting, training, or promoting as well as informal actions such as chatting, lobbying, pressuring or helping each other. In these cases, organizational members tend to ascribe legitimacy to the formal organization (or its representatives) to regulate their practices. Thus, I argue that “the regulation of practice” (usually by managers) is the first domain of organizational regulation that has consequences in terms of controlling the production, dissemination, and consumption of morally charged texts.

Second, the discursive practices that constitute morality are usually accompanied by certain costs or benefits from the organization. In such cases, organizational control over the production, dissemination, and consumption of morally charged texts stems out of the organization’s ability to regulate a wide variety of positive or negative “privileges” ranging from wage to recognition (Weber, 2004). Organizations prohibit certain discursive practices and demand others by enacting high costs for the former practices and incentivizing the latter. Thus, I argue that “the regulation of privilege” is the second domain of organizational regulation that influences the production, dissemination, and consumption of morally charged texts.

2.2.2. Regulation of practice

The regulation of practice is inherent in both our academic and commonsense understanding of the term organization. Since the early organization theorists, formal organization is defined as “a system of consciously coordinated activities or forces of two or more persons” (Barnard, 1938: 73). As the core of this definition, the “coordination of activities” is preserved to date when textbooks define organizations as “deliberately structured and coordinated activity systems” (Daft, 2000: 12; see also Hatch, 1997; Robbins, 1990). In most of the contemporary formal organizations, the most direct coordination of activities is based on employment contracts. Whether written or oral, these contracts specify the practices required from the organizational members and the benefits (compensation, promotion, etc.) that the organization gives them in return. The central idea however is that employment contracts are “incomplete contracts”, which simply means many of their terms are unspecified or unclear at the time of contracting (Simon, 1995; Williamson, 1975, 1985). Thus the relationship between specific practices and their corresponding benefits is far from one-to-one, usually blurred and uncertain, and at best generic. In this situation, membership in a formal organization means agreeing “to receive wages in exchange for submitting to the legitimate right of the organization” to “direct the work activities of the employee from day to day (within some domain or zone of indifference)” (Ouchi, 1980: 133-134). As noted by several sociologists, apart from occasional resisting acts organizational members generally let the formal organization coordinate their activities based on the a priori legitimacy that they ascribe to the organizational practical (technical) demands, as opposed to expecting a specific return for every single practice (Bauman, 1989; Weber, 2004; Whyte, 1956). I refer to this type of coordinating activities as the organizational “regulation of practice”.

References to organizational regulation of practice can be found in almost every line of research in organization studies, but there is one line of research that has taken regulation of practice as a core idea: Institutional theory. From an institutional perspective, the social world is significantly comprised of “institutions” – enduring rules and structures that regulate practices (DiMaggio & Powell, 1991; Zucker, 1987). The institution of the capitalist marketplace regulates our economic practices just as the institution of marriage regulates our mating practices. Institutions regulate practices because departures from them are costly in some way. These costs can take the form of economic risk, cognitive demands, or threats to social legitimacy (Lawrence & Shadnam, 2008; Phillips, Lawrence & Hardy, 2000). The connection between institutions and the regulation of practice is inherent in the conception of institution. The seminal book by Berger and Luckmann (1966: 54) which is often cited by institutional researchers argues “institutionalization occurs whenever there is a reciprocal typification of habitualized actions by types of actors” and “any such typification is an institution”.

As an illustration of this conception, consider Maguire, Hardy and Lawrence’s (2004) study of the creation of a new institution in the field of HIV/AIDS treatment advocacy in Canada. In their article, the new institution is marked by the social construction (reciprocity) of a new set of practices of consultation and information exchange (typification of habitualized actions) by a range of actors including pharmaceutical companies, community organizations, AIDS service organizations, and AIDS activist groups (types of actors). As this conception shows, an institution is a social definition for types of practices that are habitually done by types of actors. These definitions, by the very fact of their existence, regulate the practices of social actors in

predefined, “institutionalized” directions. As noted by Berger and Luckmann (1966: 75), “the institution, with its assemblage of programmed actions, is like the unwritten libretto of a drama”.

Within formal organizations, many practices of organizational members follow institutionalized patterns. It is not usually the case that employees or managers locally design a certain set of practices to maximize efficiency in their specific context; rather sets of practices are “taken off the shelf” of available patterns (Scott, 2008). For example, Westphal, Gulati and Shortell (1997) show that many U.S. hospitals adopt Total Quality Management (TQM) practices not for efficiency gains, but because after a while those practices become institutionalized ways of doing things that we naturally accept and obey without questioning. Many organizational practices are adopted institutionally. As noted by Meyer and Rowan (1977: 345), “the building blocks for organizations come to be littered around the societal landscape; it takes only a little entrepreneurial energy to assemble them into a structure”. In that sense, a formal organization is usually an assemblage of institutionalized patterns of practice. Institutional theorists traditionally distinguish between three processes – coercive, mimetic, and normative – through which institutionalized practices are established and maintained in communities of organizations (DiMaggio & Powell, 1983; Levitt & Nass, 1989), however, some of the more recent research highlight that those same processes can explain the institutional dynamics within an organization (Elsbach, 2002; Kostova & Roth, 2002).

As a working foundation for examining institutionalized patterns of practice, I too draw on this typology as three main processes by which the organizational regulation of practice occurs. A coercive process stems from the legitimacy of formal organization in

directly prohibiting or demanding certain sets of practices and punishing any error or departure. Two common types of this regulative process within organizations are orders from a higher position and job descriptions. A mimetic process stems from the legitimacy of formal organization in setting the goals, selecting the technologies, and formulating strategies. When practices are not directly defined by the organization, organizational members try to decrease the uncertainty by looking for and model on the practices that are usually associated with the organizationally specified goals, technologies, and strategies. In this process, the organization creates signals that direct the organizational members toward certain sets of practices. A normative process stems from the legitimacy of formal organization in selecting or defining the norms and standards, which are templates for organizational practices. Two common types of this regulative process are professional and ethical codes of conduct.

I employ the above three processes to further illustrate how the organizational regulation of practice results in the organizational regulation of morality. When producing, disseminating, and consuming particular sets of morally charged texts formally belong to an organization's routine practices, the organization legitimately uses coercive processes to regulate those practices. As an example, consider the management of consultancy work, which requires the production of many texts. Consultant organizations usually require their members to produce those texts in a way to be morally charged in particular ways. These texts, for instance, have to communicate that the consultant is offering an unbiased assessment and recommendation without having any second thoughts on how this might affect its own interests (Alvesson & Johansson, 2002).

There are, however, cases in which producing, disseminating, and consuming particular sets of morally charged texts do not formally belong to an organization's routine practices, but they are believed to be significantly harmful or helpful for the organization. In such cases, the organization cannot legitimately use coercive processes to regulate those discursive practices. Then the organization's adoption of mimetic or normative processes depends on the perceived uncertainty of the relationship between those particular discursive practices and organizational goals, which consequently determines the degree to which discretion is permitted. When there is a high degree of uncertainty, the organization uses a mimetic process, which means setting the goal and leaving it to the discretion of the organizational member to figure out what kinds of morally charged texts and which processes of production, dissemination, and consumption best serves the goal. As an example, consider the work of top managers presenting their organizations as socially and ethically responsible to various audiences including the public, the government, other organizations in their industry, shareholders, employees, or other managers in the organization. This work involves the production and dissemination of several morally charged texts both within and outside the organization. Because of the high uncertainty of the task, these high-ranking managers are usually not required to do specific practices; rather they are just asked to gain this legitimacy for the organization. In this case, many managers look around and mimic the discursive practices that are conducted by managers of other organizations who have gained such legitimacy (Margolis & Walsh, 2003).

On the other hand, when the uncertainty of the relationship between non-work-related discursive practices and organizational goals is perceived to be low, the

permission to use discretion is limited and the organization uses a normative process. This means setting up and enforcing templates of appropriateness and inappropriateness for morally charged texts and their associated processes of production, dissemination, and consumption. As an example, consider the informal talk of employees in an organization in which work is primarily done in self-managed teams. This talk usually communicates moral content about the work, the team members, other teams, etc. Although there are no formal constraints on these morally charged texts, the organization has strongly held norms that systematically control their production, dissemination, and consumption (Barker, 1993).

2.2.3. Regulation of privilege

The regulation of privilege is the second core aspect of formal organizations that I argue is a mechanism for regulation of morality. As Etzioni notes (1964: 59) “most organizations most of the time cannot rely on most of their participants to internalize their obligations to carry out their assignments voluntarily, without additional incentives”. Similarly, I argued in the previous section that most of the contemporary formal organizations are founded on employment contracts, which specify the privileges (compensation, promotion, etc.) that the organization gives the organizational members in exchange for their contributions. The “incompleteness” of employment contracts (Simon, 1995; Williamson, 1975, 1985) and the generic norms of reciprocity and fairness (Blau, 1964; Whitener, Brodt, Korsgaard, & Werner, 1998) provide organizations with a lot of freedom or discretion with respect to regulating various kinds of privilege. Because of the legitimacy of organization for regulation of practice, organizational members most often cooperate in the organizationally designed processes of regulating privilege and

accept the organizationally assigned privilege (or disadvantage). This is what I refer to as the organizational “regulation of privilege”. These privileges can take the form of economical (e.g. compensation, bonus, and incentives), psychological (e.g. security, esteem, and self-actualization) or social (e.g. recognition, promotion, and power positions).

Critical theory, as a family of theories that “provides an intellectual counterforce to the ego administration of modern, advanced industrial society” (Alvesson & Willmott, 2003: 2), has developed extremely useful resources for examination of the regulation of privilege. From a critical perspective, the structure/superstructure of Capitalist societies makes way for elites of powerful social actors to systematically control the distribution of privileges (Alvesson & Willmott, 1992; Horkheimer & Adorno, 1972; Marx, 2005). For instance, Alvesson and Willmott (2003) argue that managers are in positions of power and comparative privilege, and they use their power to secure privilege while appearing to be fully committed to the organization as a whole. The connection between critical theory and the regulation of privilege is through the focus of critical theorists on the concept of “control”. Regulating privileges is possible when one has some sort of control over what others understand as privilege. The regulation of privilege then provides a new form of control over others. The examination of the concept of control is so pivotal that Jermier (1998: 236) introduces critical theory as a “distinctive approach to analyzing social relations” which “requires thoughtful examination of the structures of control in society”.

Critical sociologists like Edwards (1978: 112) study various systems of control embodying “the rewarding and disciplining of workers”. They specify how control has

been organized in many quite different ways and how these control systems correspond to different historical stages of the capitalist society. Several prominent sociologists like Foucault (1977, 1978), Marcuse (1964), Horkheimer and Adorno (1972) highlight the more subtle systems of control in Western societies. For instance, Foucault (1978) shows that since the 18th century the state control is primarily through scientific discourses especially the medical and health sciences; rather than the choice between taking life and letting live. He argues that human politics has taken “life” as its central privilege and through that administers vital processes of human populations in terms of their size, birth and death, reproduction and sexuality, health and disease, and human relationships. Even in these systems of control, the regulation of privilege has a central role as is manifested in techniques of manipulating the very notion of privilege.

Within the contemporary literature of critical management studies (CMS), researchers are primarily concerned with “identity” as the key mechanism of the regulation of privilege in formal organizations. Unlike traditional organizational conceptions of privilege in terms of predefined lists of intrinsic and extrinsic rewards (Herzberg, 1966; Katz & Van Maanen, 1977), critical researchers highlighted that “any phenomenon can be a resource in the appropriate context” and thus “the trick resides in constructing the context in which those resources one seeks to employ acquire a privileged status” (Clegg, 1989: 98; see also Clegg, 1981; Clegg & Dunkerley, 1980). Different people have different definitions for what constitutes a privilege or disadvantage depending on their identity in that specific context. Even monetary incentives when applied to voluntary ethical works are shown to undermine motivation for engaging in those works, because it is at odds with the moral identity of people

(Brekke, Kverndokk, & Nyborg, 2002). This means that privilege is a socially constructed component of identity. Critical researchers have noticed that the regulation of privilege in organizations have gone far beyond impersonal and behavioural mechanisms to actively engage in the social construction of privilege and identity for organizational members (Alvesson & Willmott, 2002; Kärreman & Alvesson, 2004; Knights & Willmott, 1989, 1999). For example, Alvesson (1994) studies how some advertising agencies refer to other agencies as amateurish, insincere, and sometimes duplicitous to construct the identity of their members aligned with professionalism, honesty, and openness. With this identity, recognition of their aesthetic capabilities and self-actualization in creative work become underlined as the main privileges for the organizational members.

Based on the above discussion, I distinguish between two processes through which formal organizations regulate privilege: assigning privilege and defining privilege. Assigning privilege is the set of practices and processes through which some organizational members are granted privilege (often at the expense of others) by the organization. The obvious example is assigning incentives or penalties for doing certain practices or attaining certain goals. These privileges and disadvantages may not be “real” outside the discursive domain of its creation; nonetheless they have the same effect. An example is that employees often know that they should never contradict their boss’s judgment in public because violating that “is thought to constitute a kind of death wish in business” (Jackall, 1988: 19) independent of how that particular boss may react to such situation. On the other hand, defining privilege is the interrelated, but distinct, set of practices and processes through which the meaning of privilege is established. In such

cases, formal organization manipulates the identity of organizational members to redefine the privilege and disadvantage. For example, Barker (1993) shows how an organization's usage of self-managing teams creates and reinforces a particular identity in which privileges are usually defined in terms of team benefits.

I employ the above two processes to further illustrate how the organizational regulation of privilege results in the organizational regulation of morality. When managers or other powerful organizational members believe that particular sets of morally charged texts are significantly harmful or helpful for the organization, one way for the organization is to assign privileges or disadvantages to their production, dissemination, and consumption. In the short-run, the organization is limited to what the current organizational members recognize as privilege or disadvantage. As an example, consider the high costs (ranging from job loss to life threats) of producing a text about a morally wrong or suspect activity of the organization and disseminating that to social actors of power outside the organization. That is why very few people in such situations "blow the whistle" (Gundlach, Douglas, & Martinko, 2003; Near & Miceli, 1985, 1996).

However, establishing and maintaining systems of control are sometimes very difficult and costly, which makes them not sensible for the long run. Consequently, most organizations prefer to redefine privilege or disadvantage for their members, so that the control of the production, dissemination, and consumption of morally charged texts becomes internalized and a matter of self-control. As an example, consider how many organizations promote the title and identity of "leader" instead of "manager" (Sveningsson & Alvesson, 2003). Leading is drawing the visions and ideals and inspiring others towards making those real. The leader creates a spirit in which working towards

the objective is by itself the most desirable privilege (Barker, 1997, 2001). In such environments, organizational members produce, disseminate, and consume only those morally charged texts in which the organizational objectives and their implications are promoted as moral and worthy of attempt.

2.3. Summary of the Theoretical Foundation

This section summarizes the theoretical foundation underlying my research. To answer the general question of how formal organizations regulate the morality of their members, I take a discursive understanding of morality. From this perspective, morality is constructed through production, dissemination, and consumption of morally charged texts. Thus, the regulation of morality is the systematic control of these discursive practices by some organizational members. As I discussed, the systematic control of organizations over the practices of their members (including discursive practices) is achieved through organizational regulation in two main domains: practice and privilege. Some sets of practices are historically institutionalized as the natural territory of organization, where organizational demands are considered legitimate without question. Following the undisputed organizational lead in these practices is what membership in a formal organization means. The term “regulation of practice” refers to this phenomenon. Some other sets of practices, however, are the ones that organizations can demand on the base of their ability to give their members a privilege or to take away an advantage from them. Organizational members follow the organizational lead to avoid a cost or in hope of a gain. The term “regulation of privilege” refers to this phenomenon.

I further discussed various ways through which the organizational regulation in each of these two domains influences the production, dissemination, and consumption of

morally charged texts in the organization. I identified three institutional processes – coercive, mimetic, and normative – through which the regulation of practice leads to the regulation of morality. Likewise, two control processes – assigning privileges and defining privileges – are identified as the main ways through which the regulation of privilege leads to the regulation of morality. I offered examples of how these processes influence the morality of organizational members. However, the theoretical distinction between the regulation of practice and privilege and their processes does not necessarily correspond to empirically meaningful distinctions in real organizations. In reality, various processes of organizational regulation are always happening together forming patterns of regulating morality that cannot be reduced to the working of their parts.

This leads to my research question, which involves investigating how formal organizations (in terms of the practices of their members and the practices that are established as part of their systems and routines) combine some regulative processes of practice and privilege to regulate morality. As I discussed above, it is unlikely that these processes work in isolation from one another. Rather they occur together in specific configurations, which we do not understand without empirical examination. Accordingly, my question is this:

What are the common configurations of combining the regulation of practice and privilege that characterizes the organizational regulation of morality?

CHAPTER 3. METHODS

This is a qualitative research, which relies on a discursive multi-case research design. There are at least three reasons for my adoption of qualitative methodology: First, an empirical study of morality and its regulation needs rich data to allow for identifying the morally charged texts and examining how the meaning of those texts for organizational members changes. This focus on meanings and their context-dependence best suits with qualitative methods of research (Hesse-biber & Leavy, 2006). Second, the questions of this research are process-oriented, because I ask “how” organizations regulate the morality of their members. This type of question is generally answered by qualitative inquiries, because it is not reducible to numbers and statistics (Gubrium & Holstein, 1997). Third, this research is an inductive and exploratory research that intends to elaborate on theories of organizational regulation of morality. Qualitative research is well suited for such situations where the phenomenon is poorly understood (Marshall & Rossman, 1995).

I selected multi-case design to ensure the reliability of the resulting processes across different organizations that share the same history and cultural context. Each case is a major company in the Iranian oil industry, in which I collected data by conducting several in-depth interviews with their present and former top management teams. These interviews constituted the main body of my data, and provided an image of moral regulation from the view of those organizational members who have/had the most power and legitimacy to engage in regulating morality, or at least to closely observe and

describe the work of others who engage in moral regulation. I also supplemented this dataset by archival data on the history of the organization and its moral issues as well as several ethnographic mini-interviews with employees who were working in non-managerial positions.

3.1. Research Context

The Iranian oil industry is an appropriate context for this research for several reasons. First, members of this industry from its very beginning about a century ago have worked under tense debates around various moral issues. For example, a central one among these issues is the relationship between the Iranian state and foreign companies. Even before the discovery of oil in commercial quantities in Iran (1908), Mozaffarol-din Shah, the King of Iran at the time, granted a sixty-year exclusive concession to a British millionaire named William Knox D'Arcy for the extraction and production of oil in Iran, excluding the five northern provinces (1901). The Anglo-Persian Oil Company (APOC), established in 1908 on the base of this concession, was the first oil company in the Middle East. During the past century, the Iranian oil industry has consistently struggled with foreign governments and companies. The following few macro events illustrate the extraordinary intensity and far-reaching impact of these struggles:

- Following long years of dissatisfaction and negotiation for revising the terms and conditions of the D'Arcy concession, in 1932 Reza Shah, the king of Iran at the time, threw the text of concession in the stove and unilaterally announced its cancellation. This issue ruined the relationships between the Iranian and British Governments, and lead to a heated political friction between the two countries. In 1933, however, a new

sixty-year agreement between APOC and the Iranian Government (with terms and conditions not very different from the previous concession) settled the disputes and substituted the D'Arcy concession.

- With the rise of nationalist sentiments in the Iranian Parliament from 1949 onwards, a new wave of criticism toward the oil company, which was renamed to Anglo-Iranian Oil Company (AIOC) in 1935, took strength. Faced with the imminent danger of nationalization, AIOC suggested a number of revisions to the previous agreements, but the nationalist front in the Parliament lead by Mosaddegh rejected them and forcefully promoted the nationalization of oil in Iran. In 1951, the anti-nationalization Prime Minister of the Iranian Government at the time, Razmara, was assassinated. The motivation was clear in the confession of the person who assassinated him: “Finally, I understood that he is also brought up [to political power] by the hand of foreigners, which is the oil company, and is going to shed the blood of these people, and because of these crimes I killed him” (Langroudi, 2005: 152)
- In the same year of 1951, the Iranian Parliament legislated to nationalize the oil industry and created the National Iranian Oil Company (NIOC). With the popularity gained by this movement, few months later Mosaddegh was elected as the Prime Minister. The production of oil dropped because of the inexperience of Iranians in operating the facilities and AIOC's orders to the British technicians not to work with Iranians. This situation, which is known as the Abadan Crisis, was aggravated by

the blockade of the export of oil in Persian Gulf by the British Royal Navy. The relationship between the Iranian and British Governments deteriorated as Britain stopped export of commodities to Iran and froze Iran's currency accounts in British banks.

- In 1953, a coup d'état designed and carried out by CIA at the request of British MI6 overthrew Mosaddegh's government and restored the power to the pro-Western king of Iran, Mohammad Reza Shah. Soon afterwards in 1954, a new agreement was signed between NIOC (which was by then little more than a nationalized label) and a consortium of American, British, Dutch and French oil companies for extraction and operation of Iranian oil. The previous AIOC was renamed to the British Petroleum Company (BP) and gained 40% of the shares of this consortium.
- Immediately after the victory of Islamic Revolution in 1979, in the crest of sentiments against foreign intervention, Iran declared the end of all the previously signed contracts with foreign companies. Foreign companies and their employees left Iran and for the following several years, legal negotiations continued over the settlement of their claims.
- With the hope of taking advantage of the chaos and disorder after the Islamic Revolution, Iraq invaded Iran in 1980. Of the six divisions of Iraqi forces involved in the invasion, four were sent to occupy the oil-rich Iranian province of Khuzestan and annex it to Iraq. During the eight-year war between the two countries, the oil facilities of both sides were frequently the target of attacks. For example in what became known as the

Oil Tanker War in 1984, both countries increased their attacks on the oil tankers and terminals in an effort to deprive the opponent of the oil trade that was vital for their economies.

With a history of struggles such as the above, it is not surprising that the moral aspect of the following questions and the like are still at the centre of hot debates (Rakel, 2007; Ramazani, 2004):

- To which companies/countries we should sell oil?
- With which companies/countries should we have contracts?
- Which terms and conditions can assure our national pride and independence?
- Which compromises should we make when international political pressures get strong?
- To what extent should this information on compromises be available to industry members?

As a result of these debates, many morally charged texts (spoken and written) are produced, disseminated, and consumed that are concerning the rights and wrongs of relationships with foreign companies. Considering the sensitivity of these and many other morally charged texts for the working of the industry, it is very likely to find organizational processes for regulating them.

The second reason that the oil industry is an appropriate context for the study of the regulation of morality is that it has been known by people to be a significant source of wealth and power for any social actor who could control even a small portion of it. Since

1920s, Iran's economy has been heavily dependent on oil export revenues, which is estimated to constitute 25% of GDP and about 60% of government budget in recent years (statistics from the Annual Review report of the Central Bank of Iran, 2008/09). Because the economic significance of the oil industry has been so visible, it has been a battlefield for a range of actors, from politicians to businessmen to technicians. A large portion of organizational members' daily talking and writing in this industry is devoted to stressing how various situations can be exploited by opportunistic behaviour, sometimes interpreting the behaviours of a set of actors as opportunistic and sometimes defending the behaviours of a set of actors as selfless (Marcel, 2006; Pollack & Takeyh, 2005).

Two kinds of topics are usually the major concern of these morally charged texts that are generated by organizational members: first, the cases of rent-seeking behaviours (the term "rent" here refers to revenue without effort) in tenders, procurements, constructions, and engineering projects; and second, corruption and favouritism in import permits, managerial appointments, low-interest loans, and foreign missions and travels (which in many ways is considered a privilege). The organizations in this industry need to regulate these texts to secure a minimum level of trust and stability for the organization (Mayer, Davis & Schoorman, 1995).

Finally, I have a good understanding of the issues in this industry based on my work experience and familiarity with Iranian culture. These qualities provided me with advantages in terms of guiding the interviews and identifying the processes of production, dissemination, and consumption of morally charged texts. I also have strong access to the senior executives of the Iranian oil industry, which made it possible to collect first-hand data in the politically sensitive domain of oil.

3.2. Data Collection

This is an inductive research study that aims to elaborate on the existing understanding of the organizational regulation of morality (Gioia & Petre, 1990). I employ interviews as the main data collection strategy of this research, focusing on the two moral issues that I mentioned: foreign relationships and internal corruption. The interviewing strategy is appropriate because it provides the researcher with sufficient flexibility to explore processual phenomena (Creswell, 2003). Moreover, interviews are better suited for issue-oriented research and to collect rich data (Hesse-Biber & Leavy, 2006).

Four major companies constitute the body of the Iranian oil industry: National Iranian Oil Company (NIOC), National Iranian Gas Company (NIGC), National Iranian Petrochemical Company (NIPC), and National Iranian Oil Refining & Distribution Company (NIORDC). Several other companies operate under each one of these major four companies. I focused on these four head companies and conducted interviews with the individuals who are/were in their high-level decision making positions. This set of interviewees includes the CEO and the managers who directly report to him. In order to gain a better understanding of the interpretive context of the collection of morally charged texts in the organizations of the industry, I also conducted interviews with other high-rank members of the Iranian oil industry including oil ministers, members of the Parliament, and some of the top professionals and experienced engineers of the industry. I conducted 41 in-depth interviews with 36 participants in total. All the interviewees were homogeneously male, which is a reflection of the real demographic situation of the elite members of the Iranian oil industry. Although there is no law that restricts the rise of

women to high-rank positions of the industry, there has never been any female executive or high-rank professional in the Iranian oil industry. But interviewees were heterogeneous in terms of their ethnicity (originating in different subcultures of various geographical regions in Iran) and social class (upper class and middle class).

In order to gain access I relied on my close relationships with two former deputy ministers of the ministry of petroleum (one of them has also been the head of the Iranian team in most of the official negotiations with foreign companies for many years), who have been influential actors in the oil industry in the recent decade. I started from these two individuals and asked them to introduce me to others. Because the informal relationships among top managers and specialists of the industry are much more efficient and trustful than the formal relationships, the introductions were kept informal. To every new participant, I introduced myself as engaging in a cultural research on moral issues in the Iranian oil industry. To ask for their permission to transcribe the interview, I told them that I do not want any secret information from them, and assured them that what they say will remain anonymous in all of the research reports. I believe the combination of reliance on informal referrals with this introduction of my research provided me with an image to which the participants can freely talk.

After introducing my project, and myself, I began the interview with the more politically sensitive issue of foreign relationships. The reason for doing so was that if I was to start the interview by discussing internal corruption and then moving to foreign relationships some participants would have thought that the first issue has been a cover for the second and their trust would have diminished. Therefore, I began by articulating my interest in the moral issues in the organization's relationships with foreign

companies/countries and how this set of issues have been managed and dealt with in different periods of the history (as demarcated by themselves). I then asked the participant for a history of this set of issues in the Iranian oil industry, starting as far as he (they were all male) knows and thinks is relevant and ending with the present time. In the mean time, I acted as an active listener who leads the interviewee toward talking about those dimensions of the issue that I believe are relevant for understanding the organizational regulation of morality.

Based on the theoretical foundation introduced in the previous chapter, I guided the interviewees toward talking about the set of processes that I discussed under regulation of practice and privilege. Accordingly, there were four “lines of inquiry” (Weiss, 1994) which guided my interview each probing one dimension that is related to the sets of texts concerning the moral issue in question. The four are as follows:

1. Requirements in terms of actions, goals, technologies, etc. (coercive and mimetic processes)
2. Norms of behaving, working, talking, writing, etc. (normative processes)
3. Incentives and penalties for certain behaviours, talks, etc. (assigning privileges)
4. Working on the identity of social actors (defining privileges)

The following is a list of exemplary questions based on the above mentioned lines of inquiry for this part of the interview which is about the moral issue of relationship with foreign companies:

- What are the moral considerations that are considered important by the organization (or the Iranian regime) in organizational relationships with foreign countries/companies (contracts, negotiations, compromises)? Is there a template or guide for that?
- How does the organization make sure if the moral considerations are addressed in every case? Is there an internal (organization-level) or external (ministry or parliament-level) evaluation procedure?
- How and to what extent do the organizational members know about this set of issues and the debates around it? Are there mechanisms to control the spread of false information about how the important moral considerations are addressed?
- How does the organization make sure that the organizational members conform to the organization's perspective on this issue? Are there mechanisms to control the spread of other perspectives?

Afterwards, I articulated my interest in the moral issues around corruption within the organization's internal operations and how this set of issues have been managed and dealt with in different periods of the history (again as demarcated by themselves). Similar to the previous case, I then asked the participant for a history of this set of issues in the Iranian oil industry and acted as an active listener to lead him along the four lines of inquiry. The following is a list of exemplary questions based on the lines of inquiry for this part of the interview that is about the moral issue of internal corruption:

- What are the most important moral qualities (in decisions, behaviours, talks, etc.) that are demanded from the organization's managers? How about other employees? Is there a template or guide for that?
- How does the organization make sure that these moral considerations are addressed in every case? Is there an internal (organization-level) or external (ministry or judicial system-level) evaluation procedure?
- How the organizational members are informed and assured that the important moral considerations are addressed (justice, rights, etc.)? Are there mechanisms to control the spread of false information about how these important moral considerations are addressed?
- How does the organization make sure that the organizational members conform to the organization's moral perspective on this issue? Are there mechanisms to control the spread of other perspectives?

My overall strategy of conducting interviews followed a reflexive pragmatist approach that attends to the wide range of meanings in the local context (Alvesson, 2003). So as I went through interviews, I also collected some ethnographic data when I was waiting to see a participant or when he invited me to have lunch with his colleagues or similar situations. These informal chats with middle managers and employees who are partly the target of the regulative efforts of the organization helped me to view regulation of morality from the view of both regulator and regulated. For further contextualization, I also collected the related archival data from a variety of sources including mission statements, industry reports, newsletters, brochures, and press releases.

3.3. Data Analysis

The data analysis in this work focuses on exploring and explicating “processes of regulating morality” in organizations. The unit of analysis is organization, i.e. organization is the unit about which empirical statements are made (Coleman, 1986; Yin, 2003). The analysis of data was comprised of three stages. In the first stage, I transcribed the forty-two taped interviews, entered the transcripts and notes into text files and imported them in the NVivo software. I selected to use NVivo because this software is specifically designed for organizing and analyzing unstructured textual data in qualitative research. In addition, my prior experience working with NVivo was an advantage that helped me in the process of analysis.

In the second stage, I analyzed the data through open coding and selective coding (Crestwell, 2007). I started by open coding (in vivo coding). I read through and examined the texts looking for sets of sentences that were referring to some sort of regulation of morally charged texts. I coded these sets of sentences under several categories and sub-categories (tree nodes) that describe intraorganizational processes of regulating morality. After this round of open coding, I read through the texts again and did selective coding. I looked specifically for sets of sentences that verified or provided more insight about the specified categories and sub-categories resulted from the previous round. I repeated selective coding until the categories became saturated, i.e. the texts became exhausted in providing new information about the categories. This stage of data analysis provided a typology of generalized patterns that constitute intraorganizational processes of regulating morality.

In the third stage, I did axial coding and selective coding with a slightly different focus than the previous stage (Crestwell, 2007). I reviewed the texts and looked for sets of sentences that indicated taken-for-granted beliefs and understandings of interviewees with respect to the categories specified in the previous stage. Once an initial list of categories and sub-categories (tree nodes) was developed, I did another round of selective coding on the dataset to saturate these categories. This stage of data analysis provided a typology of institutional characteristics that are underpinning organizational processes of regulating morality.

The validity of the findings is secured in two ways. First, my usage of ethnographic and archival data besides the interviews provided a triangulation of the findings (Ely et al., 1991). Data from these different sources corroborate the salient themes of interviews. Second, I engaged the two informants of this study in the data analysis phase once in the middle and once at the end of analysis. I presented the tentative results to them and solicited their reflections and views. Their comments confirmed the validity and credibility of the findings (Lincoln & Guba, 1985).

CHAPTER 4. FINDINGS

In this chapter, I present the major empirical findings of my study. The focus of this work was on investigating how organizations regulate the morality of their members. In the language of the theoretical foundation of this study, the research question was:

What configurations of regulating practice and privilege constitute the organizational regulation of morality?

The findings suggest that in the Iranian oil industry, regulation of morality is a fundamental aspect of organizational life. The way people of this industry communicate with each other and make sense of the world around them in moral terms is largely shaped by and through the companies to which they belong. When I asked a top executive of the Iranian oil industry about how organizations of the Iranian oil industry regulate the morality of their members, he answered:

“We have a quote among Muslims, which says ‘people take the religion of their kings’... In my opinion, it is a deep saying and is not merely about kings and governments. But to speak today’s language, it is about the deep organizational penetration in the people that are living in an organization and are highly influenced by it. Of course the Iranian oil industry has not been an exception...It is not only the case that people follow the religion of their kings, but they also follow the religion of their boss, and in the organizational settings that exist they take the culture of that organization”

This is only one among several instances that my interviewees described the way organizations regulate the morality of their members as being similar to the way that a religion regulates the morality of religious people. Religion, which in this case can safely be assumed to be Shia Islam since it is the religion of all the interviewees in this research, is one of most extreme cases of moral regulation. These quotes, thus, suggest that the sense of moral regulation is strong in the experience of people in the organizations that I examined.

My study of the Iranian oil industry provided the foundation for two key findings in relation to my research question:

1. A set of processes through which organizations regulate the morality of their members: The interviewed members of the Iranian oil industry provided a wide variety of descriptions and examples of the regulation of morality in their organizations. Drawing on the commonalities of these descriptions in terms of process, I developed a typology of the organizational regulation of morality in the Iranian oil industry.
2. A set of shared and taken-for-granted understandings underpinning the existing processes of regulating morality: The descriptions and examples mentioned in the interviews sometimes not only included the “what” and “how” of the organizational regulation of morality, but also signalled the “why”. Drawing on these signals, I developed a typology of salient social understandings that are institutionalized among organizational members and constitute a foundation for existing forms of moral regulation in the organizations in the Iranian oil industry.

I will present these findings in the following way: In the first section, I lay out a typology of the processes of regulating morality in organizations. Accordingly, I delineate four types of moral regulation and identify an illustrative set of categories of regulatory processes for each type. I draw on sample quotes from my interviews to introduce each type of regulation and to illustrate how organizational members employed that type of process to regulate morality. In the next section, I present a typology of the institutional characteristics that are underpinning moral regulation in organizations. These characteristics are coded and institutionalized in the fabric of social life, so I extract them through highlighting some of the taken-for-granted assumptions underlying the sentences of the interviewees.

4.1. Types of Organizational Regulation of Morality

The research question guiding this study was: What configurations of regulating practice and privilege constitute the organizational regulation of morality? To answer this question, I identified and organized the sets of sentences in which interviewees were describing the presence of some sort of regulation in a broad sense (control, direction-giving, or influence) on the organizational conversations and discussions about moral issues. As expected, I found that most of my interviewees were referring to the conversations and discussions about the two issues of focus in this research – foreign relationships and internal corruption – as communications with extensive moral bearing.

I defined organizational moral regulation as the set of actions that actors within the organization practice to regulate morality. This regulation is part of the cultural and political dynamics of organizational life. It refers to those regulatory processes that organizational actors initiate and actively carry out. Below I first discuss the motivation

of different organizational members for engaging in regulation of morality and show that managers are the predominant group that are motivated and even supposed to regulate morality. Then I discuss the ability of different actors in the organization to regulate morality and show that most of the levers used for this purpose are in the hands of managers.

In the Iranian oil industry, organizational members are involved in various conversations regarding moral issues on a daily basis, and these conversations, depending on its context and the actors who are having the conversation, have consequences for several aspects of organizational life. Such conversations can facilitate or destroy certain prospects of career advancement for an employee or manager when they entail evaluations of his or her competence, trustworthiness, loyalty, punctuality, fairness, character, and similar qualities. However, there are some moral issues that conversations and discussions about them are consequential for the whole organization. For example, after World War I, a set of serious debates emerged in Iranian newspapers and political circles (involving the Shah, Government, and Parliament) that painted the existing situation of the Iranian oil industry as a British intervention and humiliation of Iran (see the historical documents published by The Presidential Office of Archive, Documents, and Museum, 1999). As one instance of these debates, in 1928, Reza Shah – the king of Iran at the time – explicitly announced that “Iran can no longer tolerate that the enormous income of its oil goes in the pockets of foreigners”. These and similar communications made trouble for the sole oil company working in Iran at the time – Anglo Persian Oil Company’s (APOC) – which was owned and controlled by the British Government and devastated its public image among Iranians. It was this same set of communications that

led to long years of negotiation and struggle between the Iranian Government and APOC and ultimately led to the nationalization of oil in Iran in 1951 (Movahhed, 1999).

For such moral issues that are strongly bound with the interests and survival of the organization, regulating the flow of communications is a core concern of those organizational members whose role is to protect the interests of the organization's owner or other stakeholders like labour unions. The most salient among these organizational members are those who possess some sort of managerial position, because the owner (which is the Government in today Iranian oil industry) appoint managers from the most competent and loyal candidates to run and protect the organization. To do this job, managers have to be vigilant about the flow of communications when they concern moral issues that are tied with organizational business and survival. Regulating morality in the organization, in this sense, is part of their job.

From the discursive institutional perspective that orients this study, regulating morality means controlling some sort of communications. So the ability of organizational members in the Iranian oil industry to engage in regulating morality hinges on their having some sort of legitimacy to influence or direct some of the communications in the organization. Managerial positions provide a variety of legitimate means for this purpose.

All the five classic functions for which managers of the Iranian oil industry have legitimate authority – planning, organizing, staffing, leading, and controlling – can be employed for directing who, how, and what of the communications in the organization, thus providing managers with a functional toolbox to regulate morality. My interviews suggest that managers employ this toolbox for the purpose of moral regulation. Other organizational members can and do engage in regulating morality to the extent that their

organizationally relevant qualities (e.g. expert knowledge, network connections) allow them to influence the communications in the organization. For example, reservoir engineers usually possess legitimate authority to direct the communications regarding moral issues of optimal recovery rate for long-term national interests and protection of oil reservoirs for next generations. Nevertheless, the findings suggest that in comparison with managers, the engagement of other organizational members in regulation of morality is not nearly as systematic and are usually marginal in effect.

Since members of the Iranian oil industry and particularly managers are normally not moral authorities such as clerics or priests, regulation of morality is only one among many aims that they pursue. This multiplicity of aims and accompanying texts makes it hard to delineate the sets of actions (and inactions) that were aimed at regulating morality, because managers usually offer other forms of justification (technical, economic, practical, etc.) for their actions. Therefore, empirical identification of the regulation of morality in this form is based upon how organizational actors themselves connect the dots and make sense of those sets of actions as moral regulation.

4.1.1. Type R1: Repositioning certain individuals or groups

The first theme that emerged from my analysis of the interviews was the regulation of morality in the organization through the repositioning of individuals and groups by managers. In this type of regulation, managers affect the communications in their organizations by controlling the positions of organizational members, because the range of influence of what a person says or writes largely depends on his or her organizational position. The interviewees provided several examples in which high-level managers deemed the moral views of a set of employees as undesirable and described

that in those cases managers repositioned the employees to marginal positions. Then the high-level managers filled the emptied positions with new hiring or assignment that was more attentive to the excluded moral view. Similarly, the interviewees provided examples in which high-level managers deemed the particular moral standing that a person or group was known for as desirable, and managers repositioned that person or group to more central positions. Note that here the distinction that interviewees drew between central and marginal positions in the organization was not necessarily identical with higher or lower positions in the organizational hierarchy; rather it referred to the extent of attention and influence that is associated with what is said or written from those positions. For example, interviewees mentioned the transfer of some individuals from executive positions to research or advisory positions as examples of repositioning to marginal positions, despite the fact that some of these latter positions were hierarchically superior to the former ones.

To better illustrate this type of moral regulation, consider the events that led to a moral outrage with respect to relationships with foreign companies and countries. For many Iranians, the Islamic Revolution of 1979 revitalized the hopes of making Iran a strong and independent country. At the time of Revolution, the generous oil contracts that Shah's regime had with major Western companies had long been the target of many critiques as symbols of dependence and colonialism. Consequently, in the same year of 1979 the Council of Islamic Revolution – a group appointed by Imam Khomeini for ruling the country before the first elections in 1980 – announced the annulment of all the previous oil contracts with foreign companies. A top executive of the oil industry described it in the following way:

“Look! Always when you are freed from an undesirable problem, like a pendulum that you release from an unbalanced point, it does not stop at the balanced point. Instead it goes to the opposite unbalanced point. At first, it was very natural and logical and very right, from our view, that although the values that were put under the feet became revitalized, nonetheless to completely cut our relationships with those who perhaps had some sort of role in destroying those values temporarily, not destroying to the roots but symbolically destroying, or [with those who] have been the symbol of those civilizations and behaviors that were inconsistent with those values, and to take the utmost distance from them”

Shortly afterward in 1980, Iraq invaded Iran with the hope of taking advantage of the unorganized conditions after the Revolution in Iran. This war lasted for eight years during which there was no cooperation between Iran and foreign oil companies, and Iranians relied on themselves for running the oil industry. As a result of that, the values of independence and self-sufficiency took much strength in the Iranian culture. After the end of war in 1988, Iran started the intense process of reconstructing the infrastructures that were destroyed during the war. In this process, they realized that in order to keep up with the competition of international oil market and preserve their share in OPEC, Iran needed to rapidly develop new oil and gas fields. However, the design and implementation of several such large projects were not possible in the conditions after the war. One of the interviewees described the conditions as follows:

“When the discussion on development in the [oil] industry was raised, we saw that we don’t have the means of development. What were those?

Human forces, technology, and finance. So we went in the direction of signing [foreign] contracts.”

Thus, they gradually developed a new type of contract called “buyback” in which a foreign company developed an oil field and, because Iran did not have sufficient finances to pay, the foreign company took a percentage of the production of that field for a limited time. When Ministry of Petroleum of Iran started to tender this kind of oil field development projects and made the news public (around 1997), a wave of criticism and resistance (a moral outrage) burst among the members of the Iranian oil industry. Several managers and professional engineers started to speak out against these contracts both among the employees and outside their organizations in public media (see Mobasser, 1999 for a collection of articles from different newspapers and magazines). They were usually expressing concern about the dearly held values of independence and self-sufficiency and highlighting all the dark history of the presence of foreigners in Iran for the sake of stealing the natural resources. A former executive of the Iranian oil industry described the situation as follows:

“This problem was dragged even to the Article 90 [Commission] of the Parliament (this Commission is responsible for investigating the complaints against the Parliament, the Judiciary, and the Executive branch), to the research center of the Parliament, and unfortunately these persons were penetrating in such [high] decision making levels in the country, and were attending in there and defending their wrong perceptions”

Among the various techniques that the National Iranian Oil Company (NIOC) employed to control the situation was repositioning those who were the key figures of this opposition to positions that connected them with the new technologies, so that they would see for themselves that their own technology was outdated. A manager of industry described this strategy as follows:

“We tried to make them go and visit some foreign units, their study methods, etc. I remember one of these managers for whom we arranged assignments and business trips three times and he didn’t go, until at last we succeeded to take him with ourselves. And many of the lads that went were sent to for example Statoil and had [visiting] programs with Shell and BP and the like. Gradually they felt that, they seem to be using some methods, employing some techniques, of which they have not even heard, not ever met their ears. And some of those lads have been privately saying to some of our managers that were arranging these [visits] that we have been building a wall around ourselves, pulling the wool over our eyes, and gradually they came along” (R1-7)

Some managers, however, refused to participate in these visits and assignments. They were repositioned to marginal positions where their critiques and opinions could not easily find an influential audience. As described by a top executive of the industry:

“There were those who were stubborn, so we laid them aside, in a secluded spot where they can have no effect” (R1-4)

Based on my interviews with executives and employees of the Iranian oil industry, I distinguished four different kinds of repositioning that managers employed for

regulation of morality. I refer to these different kinds as “categories” throughout this dissertation. The first category of regulating morality by repositioning people that I found was manipulating hiring criteria to make sure that only certain people who were supportive of a particular set of moralities would come to occupy organizational positions. Sometimes the job interview explicitly included moral questions, and sometimes the moral criteria were implicit in the recommendation of a high level manager or partner that was necessary to be hired. A stark example of this category is at the first years after the Islamic Revolution (1979) when some managers and employees of the Iranian oil industry, who were known to be politically involved with the Shah’s regime, either escaped the country or got fired. To fill the gap, managers of the oil industry hired a vast group of people from the Ministry of Education who were known to be committed to the Revolution to make sure the vital oil industry was aligned with the morality of the Revolution. As a former executive of the industry described:

“He injected a vast group of human forces from Ministry of Education, those who had technical capabilities or were engineers, into oil [industry]. Then they came into managerial positions of oil... I think his action per se was not bad. He was going to align the oil industry with the Revolution, with the people and country.” (R1-1)

The second category I found under this type of regulation was that of promoting, demoting, retiring, or transferring certain employees to limit or increase the effect of what they say or write. In the Iranian oil industry, morality is not usually a part of the formal reasoning offered for the repositioning of employees; rather, managers justify their decisions by referring to new demands of the job or new strategies and leadership

styles. For example, several of my interviewees mentioned that every time a new management team came into power in one of the oil industry organizations, they blocked the promotion opportunities of previous managers who had a different moral perspective and facilitated their early retirement. These moral disagreements were more serious in terms of frameworks and constraints of relationship with foreigners and in terms of what can or cannot be sacrificed in the fight against corruption. An executive of the industry described one of such instances as follows:

“[Oil industry] is the first place in this country that was labeled “mafia”...

He has come and changed around two hundred top executives of oil...

Two weeks ago, Mr. X asked what happened to this oil mafia? He has been answering that we have retired around one hundred of them, and we are planning to retire one or two hundred more.” (R1-5)

The third category of ways in which managers regulated morality by repositioning people was by putting certain employees in positions that connect them with a particular context. This connection not only highlights certain values (that are emphasized in that particular context) for those employees, but also influences the language (readily available words, associations, connotations, stories, etc.) that those employees are used to employ. So when a person or group is in extensive communication with a particular context, the dominant morality of that context would influence both the form and content of these communications. An example of this category is when some managers were morally opposing the organizational decisions to open up to contracts with foreign companies. According to an executive of the industry:

“Some [of those who were morally opposing the relationships with foreigners] were told to take bursaries to go outside the country and see new technologies.” (R1-8)

As I mentioned at the beginning of the current section, the organization gave bursaries to some of these managers for attending training programs at foreign companies and gave others assignments at foreign divisions of the organization. For at least some of those managers, according to the interviewees, this strategy alleviated their resistance to a considerable extent.

Finally, the fourth category is assigning employees who are morally supportive of an idea to carry out the related work assignments. This approach to regulate morality is based on the fact that people naturally communicate with one another about the work that they do. When they morally support the idea of what they do, they communicate in a manner that morally confirms those work assignments. When not, their communication undermines those work assignments on moral grounds. For example, when the top management of the Iranian oil industry decided to invite and work with foreign companies, they were facing a lot of resistance from middle managers and engineers. Therefore, they handpicked those managers and engineers who were supportive of the idea and started a new division to handle all the cooperative projects with foreigners. As a former executive of the industry described:

Perhaps in our company some [individuals] are more anti-Western than others. Naturally management knows them. If they want to do something Western, they assign it to those who are not [anti-Western]. (R1-9)

Table 1 – R1: Repositioning certain individuals or groups

In the column of moral issue, F stands for “foreign relationships”, C stands for “internal corruption”, and G stands for “general moral issues”	Moral issue
Manipulating hiring criteria	
1. He injected a vast group of human forces from Ministry of Education, those who had technical capabilities or were engineers, into oil [industry]. Then they came into managerial positions of oil... I think his action per se was not bad. He was going to align the oil industry with the Revolution, with the people and country.	G
2. And then also for recruitment it [oil industry] only recruits certain forces. It wasn't the case that anyone who was passing by Taleghani street could get in if he wished, even if he was the top student of Sharif University, which was then called Ariamehr University... The body and fiber of this industry was a fiber that ordinary people could not find their way in there. Only certain people who were associated with certain authorities could get in this industry from where it was directed in night parties and meetings and various other places.	G
3. After coup d'état when the oil consortium came, their policy gradually implicated inserting Iranian managers into the industry, so that they don't become caught in another nationalization.	F
Promoting, demoting, retiring, or transferring certain employees	
4. There were those who were stubborn, so we laid them aside, in a secluded spot where they can have no effect... [After a while, things turned and they came in power]... They fired them one by one as treacherous, or demoted their jobs and omitted their positions, or transferred them to some [marginal] places.	F
5. [Oil industry] is the first place in this country that was labeled “mafia”... He has come and changed around two hundred top executives of oil... Two weeks ago, Mr. X asked what happened to this oil mafia? He has been answering that we have retired around one hundred of them, and we are planning to retire one or two hundred more.	C
6. The major [strategy] was to develop a new generation of managers... It is to develop talented and strong persons for the Iranian oil industry. Due to this reason we invited University of Tehran, Sharif, and Amirkabir to come and make an oil institution... Then, we sent three or four hundred of our very talented students abroad to study at masters and PhD levels. When they return, six or seven years later, they will become our managers. We don't have anyone now. We have to live with the existing ones. But we can promote the moderates. We should not fire them (referring to the opposition) so that they become victimized. Gradually in six or seven years they will be retired and gone. We organized the promotions... To attract these persons, the gifted ones, we raised the	F

income of these new employees more than twice what it was before... The pay system had to change.	
Putting certain employees in positions that connect them with a particular context	
7. We tried to make them go and visit some foreign units, their study methods, etc. I remember one of these managers for whom we arranged assignments and business trips three times and he didn't go, until at last we succeeded to take him with ourselves. And many of the lads that went were sent to for example Statoil and had [visit] programs with Shell and BP and the like. Gradually they felt that no, they seem to be using some methods, employing some techniques, of which they have not even heard, not ever met their ears. And some of those lads have been privately saying to some of our managers that were arranging these [visits] that we have been building a wall around ourselves, pulling the wool over our eyes, and gradually they came along.	F
8. Some [of those who were morally opposing the relationships with foreigners] were told to take bursaries to go outside the country and see new technologies.	F
Assigning employees who are morally supportive of an idea to carry out the related work assignments	
9. Perhaps in our company some [individuals] are more anti-Western than others. Naturally management knows them. If they want to do something Western, they assign it to those who are not [anti-Western].	F
10. Now that you see we are suffering from managerial fluctuations all over the country and particularly in the oil [sector], it is partly due to these [moral] perspectives. It means that they come and tell me that "you have been a manager for ten years. You are a manager who belongs to this school of thought, and now that this [other] school of thought has taken over and is willing to proceed with its own theories, we no longer have any business with you. You go and someone who is of this [way of thinking] come".	G

4.1.2. Type R2: Restructuring the communication patterns

The second theme that emerged from my analysis of interviews was regulation of morality in the organization through restructuring the communication patterns between organizational members. In this type of regulation, managers direct the flow of discussions and conversations about moral issues by controlling the flow of all the communications within the organization. In contrast to the previous type of moral

regulation (R1), in this type managers do not change the positions of organizational members; instead, managers modify the structure and the channels through which existing organizational positions communicate with one another. The interviewees provided examples of how managers in the Iranian oil industry restructured some departments and units in order to limit or control the communication of a certain moral view (according to which cooperation with foreigners is wrong). In other examples, managers restructured the company by starting a new division because if the specific task assigned to this division (negotiating and supervising the projects with foreign oil companies) were assigned to one of the existing departments of the organization, it would have sparked many moral resistances. Note that restructuring the communication patterns refers not only to the cases of restructuring the formal organizational structure, but also includes changes in the patterns of communication within the existing organizational structure. For example, some of the interviewees described that managers of a main division decided to pursue strategies of not disclosing certain information (documents of oil field studies by foreigners) to headquarters because that information would support a moral perspective (cooperation with foreigners is good) that were considered as wrong and undesirable.

To better illustrate this type of moral regulation, consider the moral issue of relationships with foreign companies and countries. As I described in the previous section, the announcement of “buyback” projects with foreign companies triggered a wave of criticism and resistance (a moral outrage) in the Iranian oil industry. The centre of moral opposition was one of the main divisions of the National Iranian Oil Company (NIOC) located in the southern region Khuzestan where approximately 80% of Iranian oil

is produced. A former executive of the Iranian oil industry described the severity of their resistance as follows:

“Resistance was at the political, security, and cultural level. For example, it was even at the level of this, that for instance a person was coming to a meeting and speaking for us and was against them. Then when he was going to Khuzestan, they were capturing him, bringing him for interrogation, closing his eyes, and telling him not to speak this way ever again. It means that some movements in the security systems were also with them.”

Among the various techniques that the National Iranian Oil Company (NIOC) employed to control the situation was restructuring that division and breaking it down to several smaller divisions in order to break the resistance. A manager of the industry described this strategy as follows:

“At a certain period, since these were an obstacle and annoying, Mr. X came, and particularly with this objective, shattered the structure of South. It means that we had a regional management called Y, it had a regional manager that all the units in the South were managed under the supervision of this regional manager... The regional management Y, which was an empire and their four-storey building was their castle, he said, and I am quoting him, that I don’t let this empire survive and think that they own the oil and talk from that position with the Government or minister. He started different companies and then didn’t give any role to that regional management Y at all, meaning that he changed every production

unit [in the South] to a company. They (those production units) embraced because they were given [an independent] identity. Employees are usually after seeing what will happen to my income? What will happen to my promotion? When you become a company, the board members will receive higher incomes, their job grade and personnel grade will be raised, all these stories get shaped in it. So they embraced and aggravated it... he removed the authority of the regional management Y over them and connected all of them to Tehran.” (R2-1)

By breaking the division into several smaller ones and connecting them directly to the headquarters in Tehran, the communication patterns among all those organizational members changed. Rather than communicating with one another all the time, which would result in conversations reinforcing their moral view (opposing the presence of foreigners), in the new structure they were in constant communication with the headquarters that held a different moral view. Thus, from the view of those in headquarters, the growth of the opposition’s morality through reinforcing conversations was prevented. As described by a top executive of the industry:

“We had to scatter them, to cut their communications. They were all connected to one place in Ahwaz. When they become five companies, their communication will be cut. Communications will become weak. They become connected to the core company.” (R2-2)

Based on my interviews with executives and employees of the Iranian oil industry, I distinguished four different categories under this type of regulation. The first category of regulating morality by restructuring that I found was, as I mentioned above,

breaking a division or department that is dominated with a certain morality into smaller units and cutting the organizational links and communications among those units. This strategy breaks the domination of that certain morality and stops the growth of communications supporting that morality. The breaking of a main division of the National Iranian Oil Company (NIOC) that I described above was a stark example of this category. As an executive of the industry described:

“He ended up thinking about using a structural tool, transform them to smaller companies, so that they become less disturbing... He broke it, meaning that he used a structural tool to run these firms. He made four or five companies out of them.” (R2-3)

The second category I found under this type of regulation was that of starting parallel divisions or departments to establish a certain morality. In a new division or department, managers are able to include only those who are in favour of that certain morality and provide them with a communication space far from the struggles and resistance that they would have been obliged to face in their previous division or department. For example, several of my interviewees mentioned that at the time of moral outrage against buyback projects with foreign companies, managers handpicked those who were supportive of the morality of cooperating with foreigners and started a new division under the oil company to handle all the works in relation to buyback projects. As an executive of the industry described:

“They generally changed the structure, like Mr. X who was an artist in this performance... In those old times, we were joking and saying that he did the same thing that the Revolution did. For example, it [the Revolution]

put the Revolutionary Guard in place of the army, or put Jihad [of Agriculture Organization] in place of [Ministry of] Agriculture. It established parallel organizations and sent some people over there. That group implement your goals and interests, and what will happen to others? They will adapt to you. They have to come along. They resist at first even though they got nothing. But [eventually] the army becomes a large [Revolutionary] Guard. You can merge them like committees. Mr. X was like the model of Revolution. He started parallel organizations and assigned them to sit with foreigners, sign contracts with them. Then extended it to organizations whose resistance was less... So first he started parallel organizations. They undertook the job. Jihad and Guard proceeded with the job and became large. Others had to adapt.” (R2-4)

The third category of ways in which managers regulated morality by restructuring communication patterns was by linking a division or department to an external entity with established morality. This external entity can be an organization, industry, or society. The linkage between the organizational department and the external entity has the same effect as I discussed in the third category of R1 (putting certain employees in positions that connect them with a particular context). Communications would be influenced by the values as well as the language of that external entity (as the communications in the external entity could also be influenced). An example of this category is after Islamic Revolution (1979) when top executives of the industry started to direct the procurement department toward valuing self-sufficiency and prudence by linking them to other national industries. Before that, the routine job of the procurement

department was to order everything through international procurement systems. Due to their constant communication with those external entities (international suppliers and vendors), values such as self-sufficiency were deemphasized in comparison with mutual exchange and trust. As a former executive of the industry described:

“Now, the set [of people] that were doing the operation in the South, due to the size and nature of their job and its width and their very very close communication with the world of technology, from both software and hardware point of view, they were more attracted to the so called software and hardware space of external-to-internal of system... This space connected them with the global procurement, with the morality and norms of the global procurement. In other words, they were dissolved in the international house of procurement. Then in there the insistence on supporting the national self-sufficiency and supporting domestic industries and supporting the national money and the like were losing their real meaning. It was for this reason that for example you see if they even wanted to buy a pickax they were not ordering it from the Naderi street of Ahwaz. Instead, they were ordering it from the London Distribution and Procurement [Company].” (R2-6)

Finally, the fourth category is controlling the information flow. Here I distinguish information from data, in the sense that information refers to a piece of processes data that is meaningful and related to the work of organization. This strategy is a more direct approach to regulate morality than the previous categories and is based on the fact that people communicate about what they know. Allowing or restricting certain information

makes a difference in conversations about moral issues, because information is a building block of such conversations. For example, managers who opposed cooperation with foreign companies systematically blocked certain information (studies of foreign companies in Iranian oil fields, their analysis of what could have come out of a certain field if it was developed using a new technology, their future estimates and proposals) from other divisions and departments of the organization, because that information could have been used to support foreign projects. As an executive of the industry described:

“Some of these South lads from this ruling party... even were preventing studies of fields by foreigners. Because they are afraid that studies of fields would clarify higher or lower recovery rates, higher or lower quantities, or even previous mistakes. In the periods that Canadians or others studied some of the fields after Revolution, they [managers of the South] didn’t give the results to anyone even the minister. The excuse was that these results are confidential. It wasn’t confidential for them but it was for the minister and Parliament members!” (R2-8)

Table 2 – R2: Restructuring the communication patterns

In the column of moral issue, F stands for “foreign relationships”, C stands for “internal corruption”, and G stands for “general moral issues”	Moral issue
Breaking a division or department that is dominated with a certain morality into smaller units and cutting the organizational links and communications among those units (divide and conquer)	
1. This culture is an influential culture in the South, it means it can make decisions... At a certain period, since these were an obstacle and annoying, Mr. X came, and particularly with this objective, shattered the structure of South. It means that we had a regional management called Y, it had a regional manager that all the units in the South were managed under the supervision of this regional manager... The regional	F

management Y, which was an empire and their four-storey building was their castle, he said, and I am quoting him, that I don't let this empire survive and think that they own the oil and talk from that position with the Government or minister. He started different companies and then didn't give any role to that regional management Y at all, meaning that he changed every production unit [in the South] to a company. They (those production units) embraced because they were given [an independent] identity. Employees are usually after seeing what will happen to my income? What will happen to my promotion? When you become a company, the board members will receive higher incomes, their job grade and personnel grade will be raised, all these stories get shaped in it. So they embraced and aggravated it... he removed the authority of the regional management Y over them and connected all of them to Tehran...	
2. I was going to connect all those regional [units] to Tehran... We had to scatter them, to cut their communications. They were all connected to one place in Ahwaz. When they become five companies, their communication will be cut. Communications will become weak. They become connected to the core company.	F
3. He ended up thinking about using a structural tool, transform them to smaller companies, so that they become less disturbing... He broke it, meaning that he used a structural tool to run these firms. He made four or five companies out of them.	F
Starting parallel divisions or departments to establish a certain morality	
4. They generally changed the structure, like Mr. X who was an artist in this performance... In those old times, we were joking and saying that he did the same thing that the Revolution did. For example, it [the Revolution] put the Revolutionary Guard in place of the army, or put Jihad [of Agriculture Organization] in place of [Ministry of] Agriculture. It established parallel organizations and sent some people over there. That group implement your goals and interests, and what will happen to others? They will adapt to you. They have to come along. They resist at first even though they got nothing. But [eventually] the army becomes a large [Revolutionary] Guard. You can merge them like committees. Mr. X was like the model of Revolution. He started parallel organizations and assigned them to sit with foreigners, sign contracts with them. Then extended it to organizations whose resistance was less... So first he started parallel organizations. They undertook the job. Jihad and Guard proceeded with the job and became large. Others had to adapt.	F
5. (When talking about how a senior manager dealt with a regional management who were morally against cooperation with foreigners) He started different companies and then didn't give any role to that regional management Y at all... He also created Z [another company] and said your projects [development projects in the South] will be implemented	F

by Z. Z was created for this reason.	
Linking a division or department to an external entity with established morality	
6. Now, the set [of people] that were doing the operation in the South, due to the size and nature of their job and its width and their very very close communication with the world of technology, from both software and hardware point of view, they were more attracted to the so called software and hardware space of external-to-internal of system... This space connected them with the global procurement, with the morality and norms of the global procurement. In other words, they were dissolved in the international house of procurement. Then in there the insistence on supporting the national self-sufficiency and supporting domestic industries and supporting the national money and the like were losing their real meaning. It was for this reason that for example you see if they even wanted to buy a pickax they were not ordering it from the Naderi street of Ahwaz. Instead, they were ordering it from the London Distribution and Procurement [Company].	F
7. In my opinion, there has been a major difference between oil [industry] before and after Revolution, and many of the challenges that rise are rooted in this difference. Before Revolution, the needs of the oil [industry] were never announced in the [domestic] market. The domestic market never has even been informed of the needs of oil [industry], in every domain of study or construction.	F
Controlling the information flow	
8. Some of these South lads from this ruling party... even were preventing studies of fields by foreigners. Because they are afraid that studies of fields would clarify higher or lower recovery rates, higher or lower quantities, or even previous mistakes. In the periods that Canadians or others studied some of the fields after Revolution, they [managers of the South] didn't give the results to anyone even the minister. The excuse was that these results are confidential. It wasn't confidential for them but it was for the minister and Parliament members!	F
9. Even we had some times, I don't want to name, some of our managers were saying go to the session, find out how much Mr. X knows, give him exactly that much information. If he knows more he will bother us.	G

4.1.3. Type R3: Reframing the meanings that employees employ for making sense of organizational life

The third theme that emerged from my analysis of interviews was regulation of morality through reframing the meanings that employees employ for making sense of

organizational life. In this type of regulation, organizational members change or modify how certain things are understood and talked about. In contrast to the hard changes (modifying the formal setting of the organization) that were underpinning the previous types of moral regulation (R1 and R2), this type of regulation is focused on controlling the content of organizational communications. The interviewees provided several examples of how different groups of employees, particularly managers, influenced the interpretation and reasoning of other organizational members with respect to various moral issues. This influence was exerted through variety of means ranging from explicit reasoning and justifying to implicit highlighting of connections with personal and familial values.

To better illustrate this type of moral regulation, consider the moral issue of relationships with foreign companies and countries. As I noted in the previous sections, members of the Iranian oil industry are divided into two perspectives on this issue (pro and against). These perspectives are usually referred to as North and South. North is characterized by viewing foreigners as rational players who are after their own interests, and believing that Iranian oil industry should collaborate with them when it has economic benefits for both sides. In contrast, South is characterized by viewing foreigners as opportunist players who are seeking unequal relationships, for which they exploit every weakness of the other side. In this matter, those taking a South position believe that Iranian oil industry should avoid foreigners to the extent possible. An executive of the Iranian oil industry employed the phrase “cultural slices” to describe these two perspectives, and traced their historical roots to the contract between the Iranian

Government and a consortium of foreign oil companies in 1954, which later became known as the Consortium Agreement:

“North in oil is a bit different from the geographical north of the country... For example, Fars province (which is one of the southern regions in Iran) is part of North. When we say South, it is a historical contractual phrase that is to some extent in a certain dimension mixed with the geography of the country. When one refers to South, it is the “agreement area” of the time of Consortium, including the provinces of Kohgiluyeh and Boyerahmad, Boushehr, and Khuzestan, with the main weight being on Khuzestan... Our oil industry, National Iranian Oil Company, before the victory of Revolution, basically our national oil company, it is better to say that the development and operation and extraction works were being done basically by operational companies (foreign companies), those operational companies that were contractual partners of the National Iranian Oil Company... A small part of the development and operation work was manifested in the North, and the other part of the North was responsible for supervising those operational companies. Now, that part in the North that was doing the works in the oil industry that were not included in the contracts, that is used to be considered the national part of the oil industry.”

This and several other quotes show that North perspective is rooted in the Iranians that were responsible for supervising foreign companies that were working in Iran (mostly in terms of observing that the contractual terms and conditions are met). On the

other hand, South perspective is rooted in those Iranians who were involved in the actual operations under the management of foreign companies (who were most often not in high hierarchical positions). After the Islamic Revolution of 1979 when foreigners left the country, the struggles between these two perspectives constitute the main portion of the cultural dynamics in the Iranian oil industry. In different periods of the past three decades, proponents of each perspective were regulating the communications of the other by offering their frame of meanings for making sense of cooperation/noncooperation with foreigners. For instance, while those associated with North perspective were trying to tie the issue of cooperation with foreigners with and emphasize it as a question of economic cost and benefit, those associated with South were trying to highlight the moral concerns involved. A high executive of the Iranian oil industry described some of these moral concerns as follows:

“Even those who are opposed do not have any problem if we go and get foreign labor, or to get a foreign accountant. They have problem that we give them our control, that they set the values for us. Certainly this discussion is one hundred percent or ninety percent moral, definitely not entirely economic. In other words, I can tell you that today in Iran, perhaps, for example assume this contract is 10-90 for us, and this other contract is 13-87, no one easily accepts the 10-90. The question is with what price? To what extent they are going to intervene in our affairs? To what extent they are going to become our master? To what extent we are the master in it?” (R3-4)

On the other hand, the quote below is from my interview with an executive associated with North perspective, who denounced the meddling of values in such affairs and portrayed moralizing practices of those associated with South as a cover story to hide their incompetency:

“It (moralizing the issue of cooperation with foreign companies by some organizational members) is a tool. In order to convince the other person, you make the discussion about values. Because in a value-based discussion, the issue becomes qualitative. For example, you say that having a foreigner in the Telecommunication [Company of Iran] would cause [vital] information leakage. Then it becomes incomparable with any sector. Nobody asks why you have spent for example one milliard dollar when you could have done it cheaper. Or why you have spent the same amount but the quality is so low, as if the cost price has been tenfold. Because it has a national security aspect. It means that when you make the discussion about values, no one compares it anymore. Because it is not quantitative, it is qualitative. It is a tool in the hands of this group and no matter intentional or unintentional they use it to crush an opponent and proceed with their opinion. Particularly in oil-rich countries there are such discussions. Particularly in the oil-rich countries of Middle East that oil is mixed with their values. For example, most of Arabian countries still do not outsource the production to anyone, even to a partner, and they extract themselves, while PS (Production Sharing) would definitely be beneficial to the country from an economic perspective. But the discussion is value-

based. Countries such as Kuwait and Saudi Arabia do not give their production to foreigners, but in a country like Venezuela it is easier and they even have given some concessions.” (R3-1)

Based on my interviews with executives and employees of the Iranian oil industry, I distinguished several different categories under this type of regulation. The first category of regulating morality by reframing the meanings that I found was, as I mentioned above, moralizing or demoralizing an issue (I use the term “demoralizing” to refer to attempts for neutralizing or downplaying the moral charges). In this strategy, managers or other employees whose opinions are influential in the organization connect an issue with moral vocabulary or disconnect it from values. Moralizing the issue of cooperation with foreign companies by organizational members with South perspective and demoralizing it by those with North perspective that I described above was a stark example of this category.

The second category I found under this type of regulation was that of translating the broader moral requirements for the organization. Sometimes, moral concerns of people do not have any clear-cut meaning or straightforward application in terms of the work of organization. In such cases, certain organizational members translate those moral concerns into practices and concepts that are meaningful in the organizational life. For example, after Islamic Revolution in 1979 people started to refer to Shia law in which natural resources of the country are considered *Anfal* (meaning public wealth to be protected and consumed by the Islamic Government). The practical question for the oil industry, however, was that what it exactly means to protect oil resources. That was the time when some oil experts translated that moral requirement in terms of the optimum

recovery rate that leads to the maximum long-term recovery from the oil reservoir and coined a new term for that: Sianati (the closest translation is sustainable). As an executive of the industry described:

“When a relationship is undesirable, it is not enough to go and fix the partners, rather we should also reduce our own vulnerability. So for example in terms of contracts, we went to the direction of minimizing the decision-making and penetration of foreigners, service contracts. Therefore, in those years [we had] a very high level of oil production that has been developed unsustainably at the time of Shah, we didn’t need more development. We even decreased what we had, because it was hurting the country. Before the Revolution it had reached 5.8 percent. The first thing that happened, I myself was part of the commission, as soon as the Revolution succeeded, was [to identify] which percentage of the Iranian oil is produced sustainably, and concluded between 3 and 4. So we reduced the production.” (R3-5)

The third category of ways in which managers regulated morality by reframing the meanings was by directly promoting a certain morality (through managerial questioning, justifying, evaluating, recommending decisions or actions). Managerial positions are accompanied with a basic legitimacy for speaking and being heard and for making others speak in certain ways by asking them to address certain things. An example of this category is the responses of managers associated with North perspective to the public attacks of those associated with South perspective against cooperation with foreign companies. Top managers of the industry tried to undermine these claims and

justify their decisions through explanations in the Parliament, TV debates, newspaper articles, etc. (see Mobasser, 1999 and Selected Articles of Press, 1999 for sample collections of newspaper and magazine articles by executives of the industry in defence of their North view). A former top executive of the industry described their defence against the South perspective as follows:

“All these [factors] made them come and truly infect the media spaces against the actions that company X did. However, about how the Ministry of Petroleum was resisting, well definitely and naturally in the periods that we, for example the top executives of oil [industry], were competent and wise persons, like Mr. Y, well they naturally were resisting against it and did not consider their statements, and even they were going to necessary places to defend what has been done. Because, you know, when a negative wave is created, this negative wave penetrates and sediments in all the decision making foundations of the country. Now those decision making foundations naturally encompass individuals like me and others who sometimes may not have information about what and how of the issue. So it will influence these [individuals]. These by themselves create the next waves. So it will upset all those decision making foundations. So in such periods, top executives of oil at the level of ministry or managerial, they were going and defending what has been done and clarifying that what you are thinking is false.” (R3-8)

The fourth category is objectifying the common and stratified identity or status. Identity and status are abstract and intangible, but when they are reified in tangible

objects they become part of the undeniable external reality. Managers employ the strategy of objectifying so that a shared or stratified identity can easily be pointed out and drawn on in conversations about moral issues. For example, before the Islamic Revolution (1979) the National Iranian Oil Company was a highly stratified system of status where employees had strictly defined grades and ranks, very similar to the military rank system. The stratification system was objectified in not only the salary, but also the size and facilities of the office, housing, means of transportation, and the restaurant, club, and leisure facilities to which that employee had access. As a former executive of the industry described:

“The whole foundation was based on who is in which grade, and what is given to him with respect to welfare, with respect to social status, you know, and with respect to what? Work. It means that if I am a new hire, you know, and I am being hired with a low grade, it is established that which kind of house will be given to me, with respect to welfare to which club I can go. It is very important that which club I can go. I couldn’t exceed more than my right.” (R3-11)

For instance one of my interviewees mentioned that the water of the swimming pools for Iranian blue-collar workers was changed every two weeks, while for the swimming pool of white-collar workers was changed every three days. Using such policies for objectifying the stratified status contributed to the promotion of conversations that were naturalizing the organization’s discipline in terms of the values of hardworking and “no pain no gain”.

Finally, the fifth category is connecting to life beyond organizational boundaries. In this strategy, managers link the organizational life with certain areas of life so that the values and moral understandings of those areas influence communications that happen in the organization about moral issues. For example, in the Iranian oil industry it has long been a tradition that managers of field operations spend part of their budget for helping the local community of people near their field by building schools, hospitals, mosques, roads, bridges, and the like. Many of the people in these communities were workers of that company and these social initiatives were making them feel they own the organization beyond their jobs and salaries. In such cases, thus, the role of the organization in the communication had become paternal and caring. A former executive of the industry described this phenomenon as follows:

“I myself don’t like it at all that a foreign company that either doesn’t have any religion or its religion is not Islam comes and builds a mosque here, or even if it comes and builds an school... I’m not saying they have bad intentions. But when they build schools, when they build hospitals, when they build this and that, to some extent people of that region feel they owe them. They feel it to such an extent that makes it hard to manage those people after they [the foreign company] do their job and leave. Don’t forget that they do such things from our pocket not from theirs.” (R3-14)

Table 3 – R3: Reframing the meanings that employees employ for making sense of organizational life

In the column of moral issue, F stands for “foreign relationships”, C stands for “internal corruption”, and G stands for “general moral issues”	Moral issue
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Moralizing/demoralizing an issue	
<p>1. It (moralizing the issue of cooperation with foreign companies by some organizational members) is a tool. In order to convince the other person, you make the discussion about values. Because in a value-based discussion, the issue becomes qualitative. For example, you say that having a foreigner in the Telecommunication [Company of Iran] would cause [vital] information leakage. Then it becomes incomparable with any sector. Nobody asks why you have spent for example one milliard dollar when you could have done it cheaper. Or why you have spent the same amount but the quality is so low, as if the cost price has been tenfold. Because it has a national security aspect. It means that when you make the discussion about values, no one compares it anymore. Because it is not quantitative, it is qualitative. It is a tool in the hands of this group and no matter intentional or unintentional they use it to crush an opponent and proceed with their opinion. Particularly in oil-rich countries there are such discussions. Particularly in the oil-rich countries of Middle East that oil is mixed with their values. For example, most of Arabian countries still do not outsource the production to anyone, even to a partner, and they extract themselves, while PS (Production Sharing) would definitely be beneficial to the country from an economic perspective. But the discussion is value-based. Countries such as Kuwait and Saudi Arabia do not give their production to foreigners, but in a country like Venezuela it is easier and they even have given some concessions.</p>	F
<p>2. When the economic or group interests of people are involved, discussions take place in this format [moral]. They say that company X belongs to Zionists, or say for example that it has an office in Israel. Almost hundred percent of the companies that work with us has an office over there, or cooperate with Israel somewhere. Why this one is bad and the others don't have any problem? Total is good, but Shell is bad! Repsol is good but another one is bad! While they are all the same, and not different from one another in this respect. But they don't say that if this one comes, there will be less room for me, because they would say who cares? To hell! So they say it is the representative of Israel!</p>	F
<p>3. This should really be considered the product of his several years of managerial experience in various sectors, that he comes and says that this thing that is coming out of the earth belongs to all the people, so we call it "ownership interest". He does not come to reverse the decisions of the regime by saying we need to put the Ministry of Petroleum aside and disconnect the oil company from the Government, a return that might later be confronted by political reactions. [Instead,] he recognizes it [the ownership of oil by the Government] as holy and says we name it "ownership interest", and the oil minister that is selected by the Parliament and Government is the representative of the regime to observe this ownership interest is not bypassed.</p>	G

Translating the broader moral requirements for the organization	
<p>4. Even those who are opposed do not have any problem if we go and get foreign labor, or to get a foreign accountant. They have problem that we give them our control, that they set the values for us. Certainly this discussion is one hundred percent or ninety percent moral, definitely not entirely economic. In other words, I can tell you that today in Iran, perhaps, for example assume this contract is 10-90 for us, and this other contract is 13-87, no one easily accepts the 10-90. The question is with what price? To what extent they are going to intervene in our affairs? To what extent they are going to become our master? To what extent we are the master in it?</p>	F
<p>5. When a relationship is undesirable, it is not enough to go and fix the partners, rather we should also reduce our own vulnerability. So for example in terms of contracts, we went to the direction of minimizing the decision-making and penetration of foreigners, service contracts. Therefore, in those years [we had] a very high level of oil production that has been developed unsustainably at the time of Shah, we didn't need more development. We even decreased what we had, because it was hurting the country. Before the Revolution it had reached 5.8 percent. The first thing that happened, I myself was part of the commission, as soon as the Revolution succeeded, was [to identify] which percentage of the Iranian oil is produced sustainably, and concluded between 3 and 4. So we reduced the production.</p>	G
<p>6. And I really haven't heard more than four to five cases in the whole more than twenty years. You see, I don't remember the exact number right now, but you think about it, for example the oil company creates an amount around fifty milliard dollars per year with the rates of that time, now that the oil [price] is different it is different, at that time oil was about twenty dollars [per barrel] and around fifty milliard was created every year. If we say in twenty five years, or assume a ten or twenty years, how many milliard it becomes. Some thousand milliard dollars have been created, isn't it so? ... If we allow a chance of say one in hundred corrupt, or one in thousand corrupt, or even one in million corrupt in such a system, ... what number it becomes? Certainly certainly the amount of corruption that can be detected in oil, I believe, is a very small number in percentagewise comparison with this volume of business.</p>	C
Directly promoting a certain morality (through managerial questioning/justifying/evaluating/recommending decisions or actions)	
<p>7. Suppose these companies that work here, they are international. In addition to here, they work over on the other side of water [Persian Gulf]. In addition to having interests here, they have interests in Arabian countries. Naturally, this discussion around Persian Gulf, or The Gulf, or Arabian Gulf, these are different things that exist in the current culture of</p>	F

the world. It is true that we believe this gulf is Persian Gulf, but these terms, these cultures exist, it is not deniable, it is not like we can say you cannot find anyone who uses the term The Gulf instead of Persian Gulf. No, it exists. They [foreign companies], since they were working in different places, sometimes were making such mistakes. Then again this was a cause for creating many waves [of resistance to the presence of foreigners]. We had these cases. Naturally we as the persons who had the responsibility of running the projects in a safe and sound manner until the end of the work, had to illuminate the contractor that be careful!	
8. All these [factors] made them come and truly infect the media spaces against the actions that company X did. However, about how the Ministry of Petroleum was resisting, well definitely and naturally in the periods that we, for example the top executives of oil [industry], were competent and wise persons, like Mr. Y, well they naturally were resisting against it and did not consider their statements, and even they were going to necessary places to defend what has been done. Because, you know, when a negative wave is created, this negative wave penetrates and sediments in all the decision making foundations of the country. Now those decision making foundations naturally encompass individuals like me and others who sometimes may not have information about what and how of the issue. So it will influence these [individuals]. These by themselves create the next waves. So it will upset all those decision making foundations. So in such periods, top executives of oil at the level of ministry or managerial, they were going and defending what has been done and clarifying that what you are thinking is false.	F
9. At least in our experience, we had such cases in the petrochemical sector. In there we didn't have so much resistance. We were working. When we wanted to establish something, we were holding meetings. We were proposing it and collecting opinions. We were sitting with its experts. We were taking it for discussion in the field. We were attempting to prevent tension and resistance.	G
Objectifying the common and stratified identity/status	
10. Everywhere in the world, oil has a specific culture of its own. Consider those who work in the foreign ministries of countries, diplomats have their own specific culture too. Oil people too have a specific culture of their own, a specific behavior of their own. In some places you see restaurants, restaurants that are specifically for oil. You see all the other large oil companies there. Each company has placed something over there. And only oil people are the ones who mostly dine over there, because of the atmosphere that exist in that restaurant. People both work together in the company and make friends. They go over there together, or accidentally see each other over there, and talk about their work issues. In Iran too this existed. Oil company had a club and certain specific things, but now not in that way. The club exists, but does not have the previous color and status [prestige]. People too do not embrace	G

going to the club in the same way... Well, it does not have the same thing, those previous conditions. When one was an oil man, he was feeling that going to the oil club was prestigious for him. Now we don't see that prestige that you can honor. At that time, it was an honor. Now there is no prestige to honor. So they destroyed many of these things, things that were shaped and were giving sort of motivation to people.	
11. The whole foundation was based on who is in which grade, and what is given to him with respect to welfare, with respect to social status, you know, and with respect to what? Work. It means that if I am a new hire, you know, and I am being hired with a low grade, it is established that which kind of house will be given to me, with respect to welfare to which club I can go. It is very important that which club I can go. I couldn't exceed more than my right.	G
12. Here too oil employees really know themselves as the oil family. An oil supermarket [the supermarket of oil employees], which Mr. X closed, believe me that in this oil supermarket the difference of the price of its goods with [supermarkets] outside [oil] were not more than 2 percent or 3 percent, it was cheaper. But they [oil employees] loved to buy from oil supermarket when they wanted to buy their tide or washing liquids. This was something that they loved. Now they have made the price of food in the oil clubs equal with other clubs, because according to the law it is not possible to subsidize. Even so, the employee love to call and reserve [a table at] the club for a night, pick up his family and bring them to the oil club and dine over there.	G
Connecting to life beyond organizational boundaries	
13. Gradually being oily [an employee of the oil industry] was becoming a value. Since it has been a value, the family of the person, his grandfather, his father, and then himself was coming [in oil industry]. There were generations in the oil [industry], and it was happening frequently. There was legal requirement that for everyone who was exiting or retiring, he should [could] insert a member of his extended family into the oil [industry]. This law is removed. It belonged to before the Revolution. This all was causing an increase in the work conscience and the union of the individual and his organization. This is one [factor contributing to higher work conscience among oil employees], and the other [factor] is because oil industry generally took shape in operational fields. Since in these operational fields there was no situation and normal life. It was with oil that they become developed. So for a person who was living in the city, the city that was built there, all his life was oily. So his behaviors, relationships, because of that this adhesiveness was increased. So at older times, such a person knew oil as his home, or assumed some ownership [of oil industry for himself]. Thus it caused an increase in the base of work conscience in the oil industry.	G
14. I myself don't like it at all that a foreign company that either doesn't	F

<p>have any religion or its religion is not Islam comes and builds a mosque here, or even if it comes and builds an school... I'm not saying they have bad intentions. But when they build schools, when they build hospitals, when they build this and that, to some extent people of that region feel they owe them. They feel it to such an extent that makes it hard to manage those people after they [the foreign company] do their job and leave. Don't forget that they do such things from our pocket not from theirs.</p>	
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4.1.4. Type R4: Cooperating/not cooperating

The final theme that emerged from my analysis of interviews was regulation of morality through cooperating or not cooperating. In this type of regulation, organizational members help in promoting or demoting a particular moral perspective by adjusting their level of cooperation with the associated tasks, projects, persons, or groups. In contrast to the previous types of moral regulation (R1, R2, and R3) that were based on certain managerial or language abilities, this type of regulation is based on ordinary day-to-day levers that are in the hands of organizational members. A vivid example of such levers is systematically doing certain tasks rapidly and delaying certain other tasks. The interviewees provided several examples of how different individuals and groups in the organizations of the Iranian oil industry, refused to cooperate with certain policies or projects on moral grounds, and thus prevented a particular morality to take strength. Likewise, there were examples in the interviews that were describing how employees cooperated with a moral view and as a result that particular moral view became established and naturalized.

To better illustrate this type of moral regulation, consider the moral issue of relationships with foreign companies and countries. As I noted in the previous sections, executives of the Iranian oil industry after Iran-Iraq war (1980-1988) gradually became aware that there is an urgent need for developing the capacity of oil production in Iran.

Several proposals from different moral perspectives were on the table. While some managers were insisting on developing new oil fields which considering the conditions was not possible without employing foreign companies, some were proposing gas injection into the existing oil fields to boost the recovery, and others were stressing the priority of geological studies to better know the map of oil fields that exist in Iran. In the absence of a masterplan for guiding the decisions, it was managers who were choosing to cooperate with one or the other moral view by prioritizing some projects and sabotaging in others. A senior executive of the Iranian oil industry explained why he refused to cooperate in the success of the gas injection proposal in favour of developing the fields that were common between Iran and its neighbouring countries:

“It is a common pool field. Sorry, we had neither money, nor technology, nor nothing, why do we stand and mourn? So that Qatar takes it? Or Total takes it, since it is a 3% partner? So what? I rather extract and burn it. Hell with injection in wells! I don’t want it. I want my oils to be wasted, and I want to burn my gas too. Now what? I am not spending anything. I am telling the idiot foreign company, ENI, PENI, this or that, to handle everything, and for five years the liquid is yours. Just take out my gases and burn them for donation! Is there a problem? And I don’t want to inject. I have not injected since the age of Kurosh and my oil has been wasted, I don’t want it now. And I am not reasonable. What are you saying? Where do I lose?” (R4-2)

In the moral view that is defended in the above quote, Iran is portrayed as being in competition only with its neighbours and that their extraction from the common oil and

gas fields is a shame for Iranians that should be avoided. The cooperation of many managers with the projects associated with this moral view led to the spread of communications stressing the shame in comparison with neighbouring countries. A former executive of the Iranian oil industry explained why he and some other executives sabotaged in the process of assigning budget for development of the North Pars field because it was not common with neighbouring countries:

“For example, one of the best things that we did, although we were so young, was that we have a field called North Pars. It is a field that Americans developed around thirty or more than thirty years ago, its gas pool is not common, it is located on the south of Boushehr. They finished its reservoir study, dig seventeen or twenty seven wells, and installed everything. It is thirty seven years that it is decaying in the Persian Gulf. At that time, since its pressure was too high, it needed a technology more than what existed at the time for investing and developing. Around one milliard dollar facilities and panels and this and that and sweetener and foreign goods are there in an inventory in Choghadampour... There was a plan in the [national] plan and budget named development and maintenance of North Pars. Every year, in the years of 1370 or 1371 (in the Iranian calendar, which is 1982 to 1984 A.D.) these oil people were putting pressure to get a good budget, one hundred two hundred million dollars for North Pars. They were right in the sense that when time passes on twenty seven wells, they will all break... Really around one milliard dollar of our investment was decaying over there... I suppressed the plan

of North Pars in the [national] plan and budget rule. With force and fight we threw that out of the plan and budget... We sabotaged in it... blinded it and threw it away. My thesis was this that so long as we go after North Pars, South Pars won't be developed. We blind North Pars and throw it away, to hell that one milliard dollar decays... Because it remains. Even one hundred years from now our children can come and develop it... The common field [South Pars], its humiliation is more horrible than its money. Its money is also worth a lot." (R4-4)

Three different categories under this type of regulation are distinguishable in my interviews with executives and employees of the Iranian oil industry. The first category of regulating morality by cooperating or not cooperating that I found was prioritizing the initiation of certain tasks or projects over others. In this strategy, managers or other influential organizational members assign their time, attention, support, and resources to certain projects more than others based on their support for the moral view behind that project. For example, after the burst of moral resistance to the presence of foreign companies for development projects in the National Iranian Oil Company (NIOC), senior executives in the Ministry of Petroleum decided to prioritize the development of gas over oil. The reason was that they could promote foreign relationships in the National Iranian Gas Company (NIGC) more easily due to the absence of a substantive history of interaction with foreign companies in the gas sector. As an executive of the industry described:

"Mr. X explicitly had shifted his attention to Asaluyeh. Until then, all the oil development was in Khuzestan... But he dedicated his effort. It means

he could have included the oil development in his first priority. He put the gas development as his first priority. Perhaps one of the reasons was that he said now I have this much energy, let's put it in the gas sector in which there are less obstacles [in terms of moral resistance to the presence of foreigners]. And oil development left behind.” (R4-1)

The second category I found under this type of regulation was that of treating certain tasks or projects with more leniency (in terms of extension to deadlines, demands for extra resources, tightness of controls, etc.). Many of the task-related decisions for which managers are responsible are made on a moral basis to help or hinder a certain moral view. For example, interviewees explained a discriminatory situation in which the projects with foreign companies in Iran were treated with more leniency than those with domestic contractors, because of the comfort that Iranian top managers think is the natural right of foreigners for being able to work well. This moral view, then, became a self-fulfilling prophecy. A former executive of the industry described the situation with a complaining tone:

“A foreigner who comes somewhere for ten years needs a school because he says I'm bringing my children but I cannot send them to university with this system, needs specific primary school, needs specific high school, I need the different food to which I'm used to, I want to hold specific rituals of our own in the way that we want, I want I don't know this to be that, even sometimes they claim that if there is traffic we are not used to this traffic. We need to move our offices, our houses to the other side of Za'feranieh (an expensive and prestigious neighborhood in Tehran). In

short, they soon become a well-off independent island that is problematic from the view of our people... For example, since we are governmental, our resources are limited. For us, the computer of our senior engineer may get updated perhaps every two years, and even then not with the most stylish and best. His office might be in a building in Tehran in which he goes nuts from the noise of cars if he doesn't close the window. While we pay a [foreign] company who comes and from our pocket rents a tower that is considered too luxurious for us, and then individuals who are far more junior than this person use resources that are much better than ours.”

(R4-3)

Finally, the third category is cooperating or not cooperating with certain individuals or groups more than others. In this strategy, organizational members adjust their level of cooperation with a person or group based on their agreement or disagreement with the moral views of that person or group. For example, many of my interviewees noted that the communications against the presence of foreign companies were at least partly coming from the disagreements between two political parties. In other words, different groups of managers employed regulation of communications about this moral issue as a means in their political struggles. An executive of the industry described the debates between North and South around foreign relationships as follows:

“Mr. X couldn't do anything with South. The pressure raised so much and reached higher levels that he gave it up... They were in the Commission [of Energy in the Parliament] and television all the time, like Mr. Y and others, talking against Mr. X. At first there were some leftists who had a

reformist view and perspective, they [those opposing Mr. X on moral grounds] made them come along with themselves, those types like Mr. Z and some extremist lads from Mosharekat (a political party), and of course there were those who were against Mr. X himself that were getting involved in the matter. The issue became public and Mr. X eventually gave it up.” (R4-6)

Table 4 – R4: Cooperating/not cooperating

In the column of moral issue, F stands for “foreign relationships”, C stands for “internal corruption”, and G stands for “general moral issues”	Moral issue
Prioritizing the initiation of certain tasks/projects over others	
1. Mr. X explicitly had shifted his attention to Asaluyeh. Until then, all the oil development was in Khuzestan... But he dedicated his effort. It means he could have included the oil development in his first priority. He put the gas development as his first priority. Perhaps one of the reasons was that he said now I have this much energy, let’s put it in the gas sector in which there are less obstacles [in terms of moral resistance to the presence of foreigners]. And oil development left behind.	F
2. It is a common pool field. Sorry, we had neither money, nor technology, nor nothing, why do we stand and mourn? So that Qatar takes it? Or Total takes it, since it is a 3% partner? So what? I rather extract and burn it. Hell with injection in wells! I don’t want it. I want my oils to be wasted, and I want to burn my gas too. Now what? I am not spending anything. I am telling the idiot foreign company, ENI, PENI, this or that, to handle everything, and for five years the liquid is yours. Just take out my gases and burn them for donation! Is there a problem? And I don’t want to inject. I have not injected since the age of Kurosh and my oil has been wasted, I don’t want it now. And I am not reasonable. What are you saying? Where do I lose?	F
3. It has a problem here. It has a problem there... Ultimately we didn’t let it go upper than the General Inspection Organization. We didn’t allow. We killed time in the south.	F
Treating certain tasks/projects with more leniency than others (in terms of deadlines, resources, controls, etc.)	
4. A foreigner who comes somewhere for ten years needs a school because he says I’m bringing my children but I cannot send them to university	F

<p>with this system, needs specific primary school, needs specific high school, I need the different food to which I'm used to, I want to hold specific rituals of our own in the way that we want, I want I don't know this to be that, even sometimes they claim that if there is traffic we are not used to this traffic. We need to move our offices, our houses to the other side of Za'feranieh (an expensive and prestigious neighborhood in Tehran). In short, they soon become a well-off independent island that is problematic from the view of our people... For example, since we are governmental, our resources are limited. For us, the computer of our senior engineer may get updated perhaps every two years, and even then not with the most stylish and best. His office might be in a building in Tehran in which he goes nuts from the noise of cars if he doesn't close the window. While we pay a [foreign] company who comes and from our pocket rents a tower that is considered too luxurious for us, and then individuals who are far more junior than this person use resources that are much better than ours.</p>	
<p>5. For example, one of the best things that we did, although we were so young, was that we have a field called North Pars. It is a field that Americans developed around thirty or more than thirty years ago, its gas pool is not common, it is located on the south of Boushehr. They finished its reservoir study, dig seventeen or twenty seven wells, and installed everything. It is thirty seven years that it is decaying in the Persian Gulf. At that time, since its pressure was too high, it needed a technology more than what existed at the time for investing and developing. Around one milliard dollar facilities and panels and this and that and sweetener and foreign goods are there in an inventory in Choghadampour... There was a plan in the [national] plan and budget named development and maintenance of North Pars. Every year, in the years of 70 or 71 these oil people were putting pressure to get a good budget, one hundred two hundred million dollars for North Pars. They were right in the sense that when time passes on twenty seven wells, they will all break... Really around one milliard dollar of our investment was decaying over there... I suppressed the plan of North Pars in the [national] plan and budget rule. With force and fight we threw that out of the plan and budget... We sabotaged in it... blinded it and threw it away. My thesis was this that so long as we go after North Pars, South Pars won't be developed. We blind North Pars and throw it away, to hell that one milliard dollar decays... Because it remains. Even one hundred years from now our children can come and develop it... The common field [South Pars], its humiliation is more horrible than its money. Its money is also worth a lot.</p>	F
<p>Cooperating with certain individuals or groups more than others</p>	
<p>6. There are those for whom it is a theatre. I have seen them in our organization. They have been humiliated, felt that they have not been sufficiently appreciated, and became opposition, became that informal organization. They became the groups that are shaped in the</p>	F

organization. They could not come and say that the reason for our animosity with Mr. X is that Mr. X has become manager and nobody has appreciated me. I think, I know that I deserved more. Nobody normally says that. Because it is considered overambitious. It is considered indecent in our culture... So he goes and finds other kinds of crisis to condemn Mr. X, and recourses to any maxim. This is theatre. Saying that Mr. X is going to bring foreigners, for no reason, we know how to do everything.	
7. Mr. X couldn't do anything with South. The pressure raised so much and reached higher levels that he gave it up... They were in the Commission [of Energy in the Parliament] and television all the time, like Mr. Y and others, talking against Mr. X. At first there were some leftists who had a reformist view and perspective, they [those opposing Mr. X on moral grounds] made them come along with themselves, those types like Mr. Z and some extremist lads from Mosharekat (a political party), and of course there were those who were against Mr. X himself that were getting involved in the matter. The issue became public and Mr. X eventually gave it up.	F

4.1.5. Summary of organizational regulation of morality

In this section, I identified the four main types of organizational regulation of morality in the Iranian oil industry and presented different manifestations of each type as categories of these regulatory types. The first type of moral regulation was repositioning certain individuals or groups in order to increase or reduce their influence on the flow of communications in the organization. The different kinds of repositioning that I observed in the Iranian oil industry were as follows: (a) Manipulating hiring criteria; (b) promoting, demoting, retiring, or transferring certain employees; (c) putting certain employees in positions that connect them with a particular context; and (d) assigning employees who are morally supportive of an idea to carry out the related work assignments.

The second type of moral regulation was restructuring the communication patterns among organizational members in order to make it harder or easier for the growth and spread of conversations based on certain moralities. The various kinds of restructuring communications that I found in the Iranian oil industry were as follows: (a) Breaking a division or department that is dominated with a certain morality into smaller units and cutting the organizational links and communications among those units (divide and conquer); (b) starting parallel divisions or departments to establish a certain morality; (c) linking a division or department to an external entity with established morality; and (d) controlling the information flow.

The third type of moral regulation was reframing the meanings that employees employ for making sense of organizational life. I presented five categories of this type of regulation as follows: (a) Moralizing/demoralizing an issue; (b) translating the broader moral requirements for the organization; (c) directly promoting a certain morality (through managerial questioning/justifying/evaluating/recommending decisions or actions); (d) objectifying the common and stratified identity/status; and (e) connecting to life beyond organizational boundaries.

Finally, the fourth type of moral regulation was cooperating or not cooperating in certain affairs in order to help or hinder certain moralities. I specified different kinds of cooperating or not cooperating as follows: (a) Prioritizing the initiation of certain tasks/projects over others; (b) treating certain tasks/projects with more leniency than others (in terms of deadlines, resources, controls, etc.); and (c) cooperating with certain individuals or groups more than others. Taken together, the presented typology of

regulatory processes provides a picture of how organizational members in the Iranian oil industry engaged in regulating morality.

Table 5 – Summary of organizational regulation of morality

	Aiming at	Power based on	Categories
Type R1: Repositioning certain individuals or groups	Discursive players	Managerial legitimacy	<ul style="list-style-type: none"> • Manipulating hiring criteria • Promoting, demoting, retiring, or transferring certain employees • Putting certain employees in positions that connect them with a particular context • Assigning employees who are morally supportive of an idea to carry out the related work assignments
Type R2: Restructuring the communication patterns	Rules and norms of text circulation	Managerial legitimacy	<ul style="list-style-type: none"> • Breaking a division or department that is dominated with a certain morality into smaller units and cutting the organizational links and communications among those units (divide and conquer) • Starting parallel divisions or departments to establish a certain morality • Linking a division or department to an external entity with established morality • Controlling the information flow
Type R3: Reframing the meanings that employees employ for making sense of organizational life	Texts	Various types of legitimacy (managerial, professional, moral, etc.)	<ul style="list-style-type: none"> • Moralizing/demoralizing an issue • Translating the broader moral requirements for the organization • Directly promoting a certain morality (through managerial questioning/justifying/evaluating/recommending decisions or actions) • Objectifying the common and

			stratified identity/status <ul style="list-style-type: none"> • Connecting to life beyond organizational boundaries
Type R4: Cooperating/not cooperating	Text circulation	Job autonomy	<ul style="list-style-type: none"> • Prioritizing the initiation of certain tasks/projects over others • Treating certain tasks/projects with more leniency than others (in terms of deadlines, resources, controls, etc.) • Cooperating with certain individuals or groups more than others

4.2. Underlying Institutional Characteristics

I define “institutional characteristics” as the set of shared and taken-for-granted understandings that are underpinning the processes of regulating morality. It refers to those salient social understandings that are historically institutionalized among organizational members and constitute a foundation for existing forms of moral regulation in organizations. For organizational regulation of morality to be possible, people in organizations should have certain understandings of morality, organization, and the power of different social actors. For example, if people in general believe that morality has its own spheres of application that have no intersection with organizational life, then organizational morality and its regulation would be meaningless. So the organizational regulation of morality that I presented in the previous section rests on a foundation of basic beliefs and understandings regarding morality and organizational life.

Most people do not directly address institutional characteristics, because these basic beliefs and understandings are shared and taken-for-granted assumptions. To extract them, thus, I focused on certain kinds of assumptions underlying the talk of the interviewees. The descriptions and examples mentioned in the interviews sometimes not

only included the “what” and “how” of the organizational regulation of morality, but also signalled the “why”. Therefore, empirical identification of institutional characteristics is based upon these signals and an analysis of their similarities (see the Table 6 below).

Table 6 – Institutional characteristics underlying organizational regulation of morality

	Institutional underpinnings
Type R1: Repositioning certain individuals or groups	<ul style="list-style-type: none"> • The organizational position of a manager or employee determines the level of influence that his words have on morality • Staffing is a natural right of managers • It is a natural right of managers to speak on behalf of the organization
Type R2: Restructuring the communication patterns	<ul style="list-style-type: none"> • The patterns of communication within the organization influences morality • Organizational structures are morally innocent • Organizational information system is morally innocent • Structuring is a natural right of managers • It is a natural right of managers to speak on behalf of the organization
Type R3: Reframing the meanings that employees employ for making sense of organizational life	<ul style="list-style-type: none"> • Organization is expected to appear in compliance with the morality of its social context • The frame of reasoning for a business organization’s decisions and actions has to be economic • There are only some predefined areas of organizational life in which morality is applicable • Organizational language is morally innocent • The words of managers bear a natural legitimacy both in terms of distribution and validity • It is a natural right of managers to speak on behalf of the organization
Type R4: Cooperating/not cooperating	<ul style="list-style-type: none"> • Morality is a concern of organization primarily as a contributor to organizational goals • It is a natural right of managers to speak on behalf of the organization

4.2.1. I1: Organizational morality is maintained and transformed through communications of organizational members

The first theme that emerged from my analysis of the interviews was the understanding that organizational morality is maintained and transformed through communications of organizational members. According to this institutional characteristic, change or stability of organizational morality is rooted in how communications of organizational members treats that morality. Several descriptions and explanations of the interviewees were based on the assumption that for changing the organizational morality or for maintaining it one needs to direct how organizational members talk and write about moral issues. To better illustrate this institutional characteristic, consider the moral issue of relationship with foreign companies. As I mentioned in previous sections, when top executives of the Iranian oil industry announced the beginning of new projects with cooperation of foreign companies, several managers complained and resisted based on their specific moral views. These managers were mostly associated with a major regional office of the NIOC. In the view of my interviewees, the close and continuous interactions and communications of these resisting managers was a major contributing factor in the establishment of their moral view. For example, a senior executive of the industry described them in the following manner:

“You know? They are local, or in simple words, they are peasants. They are a group who are born in this village, have studied in the university of the same place, always been there, never been to Tehran, only every once in a while have come to Tehran. This is all he got... They have only been living in Khuzestan around themselves. You cannot find [over there] two persons who have studied at Sharif or Tehran or Polytechnic (the three

best universities in Iran). They are all from fourth or fifth grade universities and have gathered around themselves. Their heads are only among their heads (i.e. they are a closed circle). With this system of organizational housing, at nights they go back and forth all the time in the houses of one another. They become a cult.” (I1-2)

The dependence of morality on communications is also evident when senior executives of the oil industry tried to deal with the moral resistance. As a former top executive described:

“I was going to connect all those regional [units] to Tehran... We had to scatter them, to cut their communications. They were all connected to one place in Ahwaz. When they become five companies, their communication will be cut. Communications will become weak. They become connected to the core company.” (R2-2)

Based on my interviews with executives and employees of the Iranian oil industry, I distinguished two different versions of the dependence of organizational morality on communications. I refer to these different kinds as “categories” throughout this dissertation. The first category of the dependence of morality on communication is the understanding that the patterns of communication within the organization influence morality. Based on this belief, whenever people in the Iranian oil industry talk about how to establish or destabilize a certain morality, they automatically refer to patterns of communication among organizational members. For example, the following quote is from my interview with a former executive of the industry and he described that the morality of nationalization took shape among a small group of Iranians who were in

constant communication only with one another (not with the foreigners that were working in Iran):

“In the period of, for example consider the years 1330 to 1332 (in the Iranian calendar, which is 1951 to 1953 A.D.), most of the movements in the national Iranian oil company were not among the Iranian workers working in those partner [foreign] companies, because the management of those [companies] were in the hands of foreigners and indeed they (the Iranians) were dissolved in that system... While on this side (in the small portion of the oil industry that was completely run by Iranians at the time), the main persons that you see were assistants of Dr. Mosaddegh or assistants of Dr. Bazargan in increasing the knowledge and increasing the information regarding what the oil industry should become, with respect to a moral issue called nationalization.” (I1-1)

This category of institutional characteristic I1 is underpinning the type R2 of organizational regulation of morality. The taken-for-granted assumption underlying the interviewees’ identification of “restructuring the communication patterns” as a process of moral regulation is that they believe the patterns of communication within the organization influence morality.

The second category of the dependence of morality on communication is the understanding that the organizational position of a manager or employee determines the level of influence that his words have on morality. According to this belief, some formal positions in the organization provide people with more communicative advantages for influencing morality than others. For example, people in the Iranian oil industry do not

commonly hear from those who possess advisory positions (of course except the person to whom he advise) and consequently the influence of their words on the organizational morality is quite limited. Referring to these advisory positions as “secluded spots”, a former executive of the industry described why they repositioned some managers to transform the morality as follows:

“There were those who were stubborn, so we laid them aside, in a secluded spot where they can have no effect... [After a while, things turned and they came in power]... They fired them one by one as treacherous, or demoted their jobs and omitted their positions, or transferred them to some [marginal] places.” (I1-3)

This category of institutional characteristic I1 is underpinning the type R1 of organizational regulation of morality. While my interviewees identified and described “repositioning certain individuals or groups” as a process of moral regulation, they usually assumed that the organizational position of a manager or employee determines the level of influence that his words have on morality.

Table 7 – I1: Organizational morality is maintained and transformed through communications of organizational members

In the column of moral issue, F stands for “foreign relationships”, C stands for “internal corruption”, and G stands for “general moral issues”	Moral issue
The patterns of communication within the organization influences morality	
1. In the period of, for example consider the years 1330 to 1332 (solar calendar, which is 1951 to 1953 A.D.), most of the movements in the national Iranian oil company were not among the Iranian workers working in those partner [foreign] companies, because the management of those [companies] were in the hands of foreigners and indeed they (the Iranians) were dissolved in that system... While on this side (in the small portion of the oil industry that was completely run by Iranians at the	F

time), the main persons that you see were assistants of Dr. Mosaddegh or assistants of Dr. Bazargan in increasing the knowledge and increasing the information regarding what the oil industry should become, with respect to a moral issue called nationalization.	
2. You know? They are local, or in simple words, they are peasants. They are a group who are born in this village, have studied in the university of the same place, always been there, never been to Tehran, only every once in a while have come to Tehran. This is all he got... They have only been living in Khuzestan around themselves. You cannot find [over there] two persons who have studied at Sharif or Tehran or Polytechnic (the three best universities in Iran). They are all from fourth or fifth grade universities and have gathered around themselves. Their heads are only among their heads (i.e. they are a closed circle). With this system of organizational housing, at nights they go back and forth all the time in the houses of one another. They become a cult.	F
The organizational position of a manager or employee determines the level of influence that his words have on morality	
3. There were those who were stubborn, so we laid them aside, in a secluded spot where they can have no effect... [After a while, things turned and they came in power]... They fired them one by one as treacherous, or demoted their jobs and omitted their positions, or transferred them to some [marginal] places.	F
4. The managerial spirit dominant in there (oil industry before Islamic Revolution) that defines the culture of there was one that was taking away self-believing from individuals, meaning that they were not letting [Iranian] experts penetrate in certain domains... Therefore, the culture that was brought by that [management] was the culture of compliance to those core values or main managerial positions that were mostly in the hands of foreigners.	F

4.2.2. I2: The relevance of morality in organizational life is limited

The second theme that emerged from my analysis of the interviews was the understanding that the relevance of morality in organizational life is limited. According to this institutional characteristic, communications in organizations can refer to morals and values only in a particular domain of organizational affairs, otherwise the moral reference does not make sense. Several descriptions and explanations of the interviewees were based on the assumption that there is a point beyond which morality is not relevant

to organizational affairs. To better illustrate this institutional characteristic, consider the moral issue of relationship with foreign companies. As I mentioned in previous sections, there were different moral perspectives among members of the Iranian oil industry on how to address this issue. Common across these different perspectives, however, was the assumption that morality is relevant only in some aspects of the cooperation with foreigners not in all. Those managers who were associated with North perspective were explicitly arguing that it is an economic question that has to stay separate from morality. As I quoted earlier from a former executive associated with North perspective:

“It (moralizing the issue of cooperation with foreign companies by some organizational members) is a tool. In order to convince the other person, you make the discussion about values. Because in a value-based discussion, the issue becomes qualitative. For example, you say that having a foreigner in the Telecommunication [Company of Iran] would cause [vital] information leakage. Then it becomes incomparable with any sector. Nobody asks why you have spent for example one milliard dollar when you could have done it cheaper. Or why you have spent the same amount but the quality is so low, as if the cost price has been tenfold. Because it has a national security aspect. It means that when you make the discussion about values, no one compares it anymore. Because it is not quantitative, it is qualitative. It is a tool in the hands of this group and no matter intentional or unintentional they use it to crush an opponent and proceed with their opinion. Particularly in oil-rich countries there are such discussions. Particularly in the oil-rich countries of Middle East that oil is

mixed with their values. For example, most of Arabian countries still do not outsource the production to anyone, even to a partner, and they extract themselves, while PS (Production Sharing) would definitely be beneficial to the country from an economic perspective. But the discussion is value-based. Countries such as Kuwait and Saudi Arabia do not give their production to foreigners, but in a country like Venezuela it is easier and they even have given some concessions.” (R3-1)

On the other hand, although those managers who were associated with South perspective were bringing up moral aspects of the cooperation with foreign companies, they also believed that morality is relevant to only some aspects. A former top executive of the industry described that the moral problems raised with respect to cooperation with foreigners is only in the domain of who is in charge and who is under control:

“Even those who are opposed do not have any problem if we go and get foreign labor, or to get a foreign accountant. They have problem that we give them our control, that they set the values for us. Certainly this discussion is one hundred percent or ninety percent moral, definitely not entirely economic. In other words, I can tell you that today in Iran, perhaps, for example assume this contract is 10-90 for us, and this other contract is 13-87, no one easily accepts the 10-90. The question is with what price? To what extent they are going to intervene in our affairs? To what extent they are going to become our master? To what extent we are the master in it?” (R3-4)

Based on my interviews with executives and employees of the Iranian oil industry, I distinguished between three different categories under this institutional characteristic. The first category of the limitedness of the relevance of morality that I found was the belief that organization is expected by organizational members to appear in compliance with the morality of its social context. This belief sets an external frame (morality of the social context) for the kind of moralities that are relevant for organizational life. An organization, or at least a well-managed organization, has to be in line with its social context. As an executive of the industry explained:

“The regulations that the organization makes has to be compatible with the social norm. It means that an alert organization, an informed management in a large organization does not enact rules that are not in accord with the social norms of that place. For example, assume that if an American organization goes to Saudi Arabia, it is obliged to set different working hours in the month of Ramadan. The same month it has one regulation in Chicago and a different regulation in Jeddah. Because it has to be in accord and in compliance with the social norm. And this is so called the good management of an organization that tries to not have such rules that make people deviate from rules, meaning that their social norm does not accept those. If it does not do it, that organization has a problem, meaning that the organization has not managed and planned well.” (I2-1)

This category of institutional characteristic I2 is underpinning certain processes of the type R3 of organizational regulation of morality. One of the common beliefs to which interviewees referred for “reframing the meanings that employees employ for making

sense of organizational life” was the understanding that organization is expected to appear in compliance with the morality of its social context. So this belief can be considered as an enabler for the type R3 of organizational regulation of morality.

The second category of the limitedness of the relevance of morality that I found was the belief that morality is a concern of organization primarily as a contributor to organizational goals. This belief defines a specific domain for the morality that is the concern of organization. For example, when faced with the question about morality most of my interviewees started their talk by laying out the instrumental reasons why organizations care about morality. The following quote from a former top executive of the industry illustrates this belief:

“Private companies for their customers to have a good image of them, even if they don’t quite believe in moral issues, these are important for them because their customers might be in various parts of the society or other parts of the world, and these might be important for them. For us [too], when I was, I am a governmental company. First, its actions and behaviors end up being under the name of the Government. Second, in particular it is oil, because most of the country’s income is coming from here and most of the money is here. Consequently, the tiniest moral behavioral issues that you said, usage of unpleasant words for us, perhaps are fifty fold [or] forty fold more important for people, even creates excitement.” (I2-4)

This category of institutional characteristic I2 is underpinning certain processes of the type R4 of organizational regulation of morality. While my interviewees identified

“cooperating/not cooperating” as a process of moral regulation, they usually described that their level of cooperation influences the perceived usefulness or relevance of a certain morality for organizational goals, and consequently, influences the level of support that organization provides for that certain morality. Entailed in this description is the belief that morality is a concern of organization primarily as a contributor to organizational goals.

The third category of the limitedness of the relevance of morality that I found was the belief that the frame of reasoning for a business organization’s decisions and actions has to be economic. This belief defines a large area of organizational affairs as the area of economic reasoning as opposed to moral reasoning. For example, many of my interviewees stressed that morality is not relevant in many situations; so long as one considers the economic calculations of cost and benefit. As an executive of the industry explained:

“(Referring to the frictions that prevent the Iranian oil company from working properly with foreign companies) It is perhaps partly due to the perspective that is in power now that we can do everything by ourselves. Nowadays this perspective is again established in the whole country and in the oil [industry], and decisions are made less practically and less in accordance with reality... We are not sensitive to it [economic logic]. If we become sensitive to economics, we will make decisions correctly.” (I2-6)

This category of institutional characteristic I2 is underpinning certain processes of the type R3 of organizational regulation of morality. One of the common beliefs to which

interviewees referred for “reframing the meanings that employees employ for making sense of organizational life” was the understanding that the frame of reasoning for a business organization’s decisions and actions has to be economic. So this belief can be considered as another enabler for demoralization in the type R3 of organizational regulation of morality.

The final category of the limitedness of the relevance of morality was the belief that there are only some predefined areas of organizational life in which morality is applicable. This belief explicitly defines certain predefined areas for discussing morality in organizational life and excludes several other areas. For example, some of my interviewees offered specific frameworks that implicitly limited the organizational matters related to morality. In the following quote from a senior executive of the industry, relevant morality is expertise-related, management-related, or personal:

“These discussions around morality and values, particularly in the period after the victory of Revolution, we want to bring up, my sense is that perhaps it is better to put them in a three-category typology: One is the expertise morality or expertise values, that has which bases and which important points are in that [area]. The other one is the discussions around managerial moralities or supervisory [moralities] that on what [issue] they stress more. The third is personal moralities.” (I2-7)

Such frameworks exclude many basic moral questions about the existence of organization and the consequences of its existence. This category of institutional characteristic I2 is again underpinning certain processes of the type R3 of organizational regulation of morality. Another common belief to which interviewees referred in

“reframing the meanings that employees employ for making sense of organizational life” was the understanding that there are only some predefined areas of organizational life in which morality is applicable. So this belief can be considered as another enabler for the type R3 of organizational regulation of morality.

Table 8 – I2: The relevance of morality in organizational life is limited

In the column of moral issue, F stands for “foreign relationships”, C stands for “internal corruption”, and G stands for “general moral issues”	Moral issue
Organization is expected to appear in compliance with the morality of its social context	
1. The regulations that the organization makes has to be compatible with the social norm. It means that an alert organization, an informed management in a large organization does not enact rules that are not in accord with the social norms of that place. For example, assume that if an American organization goes to Saudi Arabia, it is obliged to set different working hours in the month of Ramadan. The same month it has one regulation in Chicago and a different regulation in Jeddah. Because it has to be in accord and in compliance with the social norm. And this is so called the good management of an organization that tries to not have such rules that make people deviate from rules, meaning that their social norm does not accept those. If it does not do it, that organization has a problem, meaning that the organization has not managed and planned well.	G
2. We cannot. It is to some extent [empty] complimenting if we say no, we [make] all our parts, we [do] all our works by ourselves. It is not possible. And if [on the other hand] one has the view that again like sixty years ago you [foreigners] come and do all the works and just give us a percentage of the oil money, it is not practical, because seventy million population [of Iran] among which twenty or thirty million are young educated active thoughtful with good thoughts and intelligence do not accept it at all that a person comes and walk them like a child.	F
Morality is a concern of organization primarily as a contributor to organizational goals	
3. You see for example an organization like here is not established to teach morality to people. This organization is established to finish around fifty research projects every year, and to derive their results as outputs by the end of the year, and to deliver it in the form of a set [of outputs] to those who it has to deliver to. Now this organization or any other organization	G

has its own proportionate outputs. An operational organization, project organization, administrative organization, each has to deliver some outputs. None of these organizations under the Iranian oil company are established to merely come and teach morality to people... Among those moral initiatives that come from religious, ideological, and mental initiatives, the one that we should consider its effects in the organization is the one that contributes to, and can have a significant influence on the realization of the success of the organization's plans. In this part of the topic, which ones are meaningful and sensible? Those that increase the measure of organizational discipline, increase the measure of organizational orderliness, reduce the measure of this differential between plan and performance, increase the measure of harmony in the organization, increase the measure of promise keeping in the organization, increase the measure of trustworthiness in the organization, increase the measure of honesty in reporting in the organization.	
4. Private companies for their customers to have a good image of them, even if they don't quite believe in moral issues, these are important for them because their customers might be in various parts of the society or other parts of the world, and these might be important for them. For us [too], when I was, I am a governmental company. First, its actions and behaviors end up being under the name of the Government. Second, in particular it is oil, because most of the country's income is coming from here and most of the money is here. Consequently, the tiniest moral behavioral issues that you said, usage of unpleasant words for us, perhaps are fifty fold [or] forty fold more important for people, even creates excitement.	G
The frame of reasoning for a business organization's decisions and actions has to be economic	
5. No one does moral things in his business that for example, I mean morality has not come to say you give these goods to a person for a less price just because for example he is your friend. We don't have any such thing in any ethical report. Business is business; there is a set of moral principles that rules it... There needs to be a cost analysis for the country, there needs to be a cost-benefit analysis that how much money is needed for this discount that we are giving. It has always been a serious discussion. It means that whenever you are giving a discount, you need to draw some sort of benefit from it.	G
6. (Referring to the frictions that prevent the Iranian oil company from working properly with foreign companies) It is perhaps partly due to the perspective that is in power now that we can do everything by ourselves. Nowadays this perspective is again established in the whole country and in the oil [industry], and decisions are made less practically and less in accordance with reality... We are not sensitive to it [economic logic]. If we become sensitive to economics, we will make decisions correctly.	F

There are only some predefined areas of organizational life in which morality is applicable	
7. These discussions around morality and values, particularly in the period after the victory of Revolution, we want to bring up, my sense is that perhaps it is better to put them in a three-category typology: One is the expertise morality or expertise values, that has which bases and which important points are in that [area]. The other one is the discussions around managerial moralities or supervisory [moralities] that on what [issue] they stress more. The third is personal moralities.	G
8. It is possible to look at this issue (morality in organizations) from different perspectives. Sometimes you view it merely from an operational perspective and practical values. Sometimes you view from a professional perspective. Sometimes you view from an engineering perspective.	G

4.2.3. I3: Organization is morally innocent in terms of those aspects that are not readily ascribed to a person or group

The third theme that emerged from my analysis of the interviews was the understanding that the organization is morally innocent in terms of those aspects that are not readily ascribed to a person or group. According to this institutional characteristic, organizational matters are not morally questioned if there is no one understood as responsible for them. Several descriptions and explanations of the interviewees were based on the assumption that those aspects for which no one is responsible are just natural. To better illustrate this institutional characteristic, consider structure of organization and the information system implicated in it. In the interviews that I conducted with the managers and employees of the Iranian oil industry, I found that apart from the cases in which a structural decision is explicitly made by a person or group, interviewees did not evaluate the morality of the organizational structure. In the following quote from an executive of the industry, although he is critical of the procedure of designing the organizational structure by foreigners, but the resulting structure itself is absent from criticisms:

“Its structure was naturally not made by Iranians, because the company was in the hands of foreigners. Even organizational structure, organizational form, I don’t know, operational procedures, even rules and regulations of salary payments, even the grading system, foreigners wrote them several times. The system was like this that foreigners were coming here, Iranians were sitting beside them, they were dictating in English and they were writing in Farsi.” (I3-2)

The following quote from another executive of the industry illustrates how organizational members view the information system implicated in the organizational structure as the nature of job:

“British have a proverb that says what you don’t know doesn’t hurt you... Look, even this me myself that I am talking with you, I was working in the oil industry until the time of Revolution, I didn’t know that we were selling oil to Israel, not at all. We were producing oil. These are important. They didn’t let these information [leak]. Even also now [it is the same situation], not because they are doing something secret. Our oil producers in the south or north or anywhere or even myself, we don’t ask who were the buyers of my oil yesterday, who were they today.” (I3-3)

Based on my interviews with executives and employees of the Iranian oil industry, I distinguished three different categories under this institutional characteristic. The first category of moral innocence of the organization that I found was, as I mentioned above, that organizational structures are morally innocent (invisible to moral questioning). According to this belief, people do not question the morality of

organizational structures when they are not readily ascribed to the decision of a person or group. A former executive of the industry described this belief in the following way:

“They (foreign managers at the time of Consortium) were doing it (Personnel Planning) themselves. For example us, we were not doing it. Personnel Planning was in a manner that everybody knew to where he has to reach in this system... This system was established in the system of Consortium. Now, this was for what? For that there was always someone above you who was operating you... I did not know anyone who says something bad about this system. Nobody was saying anything bad about this system.” (I3-1)

This category of institutional characteristic I3 is underpinning the type R2 of organizational regulation of morality. Although organizational members identified “restructuring the communication patterns” as a process of moral regulation, they do so only when restructuring was an action readily ascribed to a person or group. Otherwise, they normally talked about organizational structures in neutral terms showing the taken-for-granted belief that organizational structures are morally innocent.

The second category of moral innocence of the organization was that organizational information system is morally innocent. According to this belief, people do not question the morality of organizational information system when it is not readily ascribed to the decision of a person or group. A former executive of the industry described this belief in the following way:

“It is not the case that there is an attempt for not informing. It is just the nature of job... The oil that is produced in different fields of Iran, these go

in Ahwaz or other places and become mixed. We don't have any documentation that this barrel is from which specific field. Off-shore, yes we have. Even there we have blend. We have Forouzan blend, Siri blend. It is only Soroush-Norouz that is special, and is sold separately. This oil becomes mixed in several places, then goes and remains in one-million barrel reservoirs in Khark and elsewhere. Then International Affairs [Office] in Tehran, London, Singapore, and I don't know, Rotterdam, buys and sells. Then a ship comes and transports oil. So even if control officials want to know, they cannot ask the lads [down in the operation or storage]. They should go and get the bills of lading and see with whom was the contract, whose ship was it, where it went. But in the contracts we have it that these things (terms and conditions) has to be observed. But neither me Mr X. who have been an executive nor I imagine Mr. Y (another former high executive of the Iranian oil industry) have seen any of these. Not that they don't show it to us. It is irrelevant. It is not the nature of job that we see it." (I3-4)

This category of institutional characteristic I3 is again underpinning the type R2 of organizational regulation of morality. Although organizational members identified "restructuring the communication patterns" as a process of moral regulation, they do so only when restructuring the information system was an action readily ascribed to a person or group. Otherwise, they normally talked about organizational information system in neutral terms showing the taken-for-granted belief that organizational information system is morally innocent.

The final category of moral innocence of the organization was that organizational language is morally innocent. According to this belief, people do not question the morality of the work-related language and vocabulary that organization employs. For example, many of my interviewees described that before the Revolution, most of the communications in the oil industry were in English without referring to any moral consequence of that. The following quote is only one example:

“In the south, it was in English. It means that the booklet of regulations that we were receiving didn’t have even one page in Farsi. The book was in English, the booklet was in English, organizational chart was in English, communications were in English.” (I3-5)

This category of institutional characteristic I3 is underpinning certain processes of the type R3 of organizational regulation of morality. Although organizational members identified “reframing the meanings that employees employ for making sense of organizational life” as a process of moral regulation, they do so only when the reframing was an action readily ascribed to a person or group. Otherwise, they normally talked about organizational language in neutral terms showing the taken-for-granted belief that organizational language is morally innocent.

Table 9 – I3: Organization is morally innocent in terms of those aspects that are not readily ascribed to a person or group

In the column of moral issue, F stands for “foreign relationships”, C stands for “internal corruption”, and G stands for “general moral issues”	Moral issue
Organizational structures are morally innocent	
1. They (foreign managers at the time of Consortium) were doing it (Personnel Planning) themselves. For example us, we were not doing it. Personnel Planning was in a manner that everybody knew to where he	F

has to reach in this system... This system was established in the system of Consortium. Now, this was for what? For that there was always someone above you who was operating you... I did not know anyone who says something bad about this system. Nobody was saying anything bad about this system.	
2. Its structure was naturally not made by Iranians, because the company was in the hands of foreigners. Even organizational structure, organizational form, I don't know, operational procedures, even rules and regulations of salary payments, even the grading system, foreigners wrote them several times. The system was like this that foreigners were coming here, Iranians were sitting beside them, they were dictating in English and they were writing in Farsi.	F
Organizational information system is morally innocent	
3. British have a proverb that says what you don't know doesn't hurt you... Look, even this me myself that I am talking with you, I was working in the oil industry until the time of Revolution, I didn't know that we were selling oil to Israel, not at all. We were producing oil. These are important. They didn't let these information [leak]. Even also now [it is the same situation], not because they are doing something secret. Our oil producers in the south or north or anywhere or even myself, we don't ask who were the buyers of my oil yesterday, who were they today.	F
4. It is not the case that there is an attempt for not informing. It is just the nature of job... The oil that is produced in different fields of Iran, these go in Ahwaz or other places and become mixed. We don't have any documentation that this barrel is from which specific field. Off-shore, yes we have. Even there we have blend. We have Forouzan blend, Siri blend. It is only Soroush-Norouz that is special, and is sold separately. This oil becomes mixed in several places, then goes and remains in one-million barrel reservoirs in Khark and elsewhere. Then International Affairs [Office] in Tehran, London, Singapore, and I don't know, Rotterdam, buys and sells. Then a ship comes and transports oil. So even if control officials want to know, they cannot ask the lads [down in the operation or storage]. They should go and get the bills of lading and see with whom was the contract, whose ship was it, where it went. But in the contracts we have it that these things (terms and conditions) has to be observed. But neither me Mr X. who have been an executive nor I imagine Mr. Y (another former high executive of the Iranian oil industry) have seen any of these. Not that they don't show it to us. It is irrelevant. It is not the nature of job that we see it.	G
Organizational work-related language is morally innocent	
5. In the south, it was in English. It means that the booklet of regulations that we were receiving didn't have even one page in Farsi. The book was in English, the booklet was in English, organizational chart was in	F

English, communications were in English.	
6. The [National Iranian Oil] Company, like the Parliament, does not include the so called moral terms in its [internal] law enactments. It does not happen much... But for us, the letter that announces that regulation, that general cover itself is usually [morally] loaded... We say either towards the realization of social justice or following the talks of the Supreme Leader or other persons who mostly have a moral face, a value face.	G

4.2.4. I4: Managers have a natural legitimacy for communicative and practical advantages

The final theme that emerged from my analysis of the interviews was the understanding that managers have an unquestioned legitimacy for communicative and practical advantages. According to this institutional characteristic, the easy spread and influence of what managers say or write is not morally questionable (although the content of what they say or do can be criticized on moral grounds). Several descriptions and explanations of the interviewees were based on the assumption that all the communicative and practical advantages that managers have over other organizational members are just natural. The following quote from a former manager of the industry illustrates that the power of managers is taken-for-granted:

“I would like to ask Mr. X (a high-level executive of the industry) give me one example of what you want to do and you didn’t do. Everything that you decided and understood yourself, you went and obtained its permission. Every manager, in this country you can do anything that you decide to do, when you are in the system. It means that when you are responsible for a Ministry, you can do whatever you want [if you] stand on it strictly... There is a serious question that I have from these [high-level

managers of the industry]. What was it that you really wanted to do and you couldn't do? Tell me this.” (I4-1)

Another executive of the industry described the natural influence that the talks of a manager have on the morality of organizational members:

“When you see a manager despite not delivering an speech for his factory every day or two... but it is sufficient (for influencing the morality of organizational members) that a manager [holds a meeting] every month and for only around one hour, no more, even with the motivation of reporting back and evaluating the progress made in the past month, and suggestions for improvement in the coming month... It is sufficient that this one or half hour becomes theorizing and stressing on increasing this innate guarantee that raises the organizational morality, raises the attention to values.” (I4-2)

Based on my interviews with executives and employees of the Iranian oil industry, I distinguished between three different categories under this institutional characteristic. The first category of natural legitimacy of managers that I found was the belief that the words of managers bear a natural legitimacy both in terms of distribution and validity. According to this belief, organizational members view the wide distribution and strong influence of the words of managers as natural and taken-for-granted. For example, most of my interviewees talked about these managerial advantages without morally questioning their existence. The quote presented in the previous paragraph was only one example in this category. This category of institutional characteristic I4 is underpinning certain processes of the type R3 of organizational regulation of morality.

The understanding that the words of managers bear a natural legitimacy both in terms of distribution and validity was one of the common beliefs to which interviewees referred for “reframing the meanings that employees employ for making sense of organizational life”.

The second category of natural legitimacy of managers that I found was the belief that it is a natural right of managers to speak on behalf of the organization. According to this belief, people do not question the morality of the managerial talks on behalf of the whole organization. For example, my interviewees described the explanations and justifications of managers for establishing a new relationship between NIOC and the Government without mentioning the moral questions around the talks of managers as representatives of the organization. The following quote from a manager of the industry is only one example:

“Mr. X (a senior executive of the industry) came and said that, [he] made an Act 11 for the portion of Government from the [oil] industry [income]... He said that consider the total production of the oil industry, from that we give this percentage to the oil industry. But with that [budget], the oil industry should manage itself without being engaged with responding to control systems (referring to the cumbersome governmental controls).” (I4-5)

This category of institutional characteristic I4 is underpinning all the four types of organizational regulation of morality (R1, R2, R3, and R4). The understanding that it is a natural right of managers to speak on behalf of the organization was one of the common beliefs to which interviewees referred when talking about why some of the managers

were repositioned (R1), why communication channels of certain managerial positions were restructured (R2), how managers reframed some cultural meanings (R3), and why employees were cooperating or not cooperating with certain managers (R4). In all cases, speaking on behalf of the organization was assumed in the role of manager.

The final category of natural legitimacy of managers that I found was the belief that staffing and structuring are natural rights of managers. According to this belief, people do not normally question the morality of proposing and setting up these organizational systems by managers. For example, my interviewees described many of the decisions about organizational human resources as if they were naturally the right of managers. The following quote from a manager of the industry is only one example:

“Mr. X extended this one step more and selected the managers of the centre (headquarters) from the South. In fact, he went one step more in delivering it (the whole Iranian oil industry) to them. Almost all the managers are or becoming Southern. The culture is becoming completely Southern.” (I4-6)

This category of institutional characteristic I4 is underpinning the types R1 and R2 of organizational regulation of morality. In the descriptions of moral regulation by “repositioning certain individuals or groups” and “restructuring the communication patterns” that my interviewees provided me, the focus was on how and why managers engage in these tasks such as staffing and structuring. It was already assumed that these tasks are natural rights of managers.

Table 10 – I4: Managers have a natural legitimacy for communicative and practical advantages

In the column of moral issue, F stands for “foreign relationships”, C stands for “internal corruption”, and G stands for “general moral issues”	Moral issue
The words of managers bear a natural legitimacy both in terms of distribution and validity	
1. I would like to ask Mr. X (a high-level executive of the industry) give me one example of what you want to do and you didn’t do. Everything that you decided and understood yourself, you went and obtained its permission. Every manager, in this country you can do anything that you decide to do, when you are in the system. It means that when you are responsible for a Ministry, you can do whatever you want [if you] stand on it strictly... There is a serious question that I have from these [high-level managers of the industry]. What was it that you really wanted to do and you couldn’t do? Tell me this.	G
2. When you see a manager despite not delivering an speech for his factory every day or two... but it is sufficient (for influencing the morality of organizational members) that a manager [holds a meeting] every month and for only around one hour, no more, even with the motivation of reporting back and evaluating the progress made in the past month, and suggestions for improvement in the coming month... It is sufficient that this one or half hour becomes theorizing and stressing on increasing this innate guarantee that raises the organizational morality, raises the attention to values.	G
3. It is the role of management, senior managers, to in fact be able to distinguish the rightness or wrongness, the genuineness of those moralities, those written or spoken [pieces], meaning to be able to distinguish the false and non-false, and after distinguishing, to be able to execute and implement them, I believe it is [the role of] management, whose position is the head or software brain here.	G
It is a natural right of managers to speak on behalf of the organization	
4. For example, Mr. X wants to show that domestic [forces] do a lot of things. Perhaps he doesn’t have any other option, because in these conditions foreigners don’t come to the Ministry of Petroleum. Well then he says so why showing any weakness? Why look needy?	F
5. Mr. X (a senior executive of the industry) came and said that, [he] made an Act 11 for the portion of Government from the [oil] industry [income]... He said that consider the total production of the oil industry, from that we give this percentage to the oil industry. But with that [budget], the oil industry should manage itself without being engaged with responding to control systems (referring to the cumbersome governmental controls).	G

It is a natural right of managers to propose and set up the organizational systems (human resources, inputs and facilities, producing outputs, etc.)	
6. Mr. X extended this one step more and selected the managers of the centre (headquarters) from the South. In fact, he went one step more in delivering it (the whole Iranian oil industry) to them. Almost all the managers are or becoming Southern. The culture is becoming completely Southern.	F
7. I myself, for example, threw nearly 25,000 out of 120,000 out of the oil industry... It was hard but it became reality.	G

4.2.5. Summary of Underlying Institutional Characteristics

In this section, I identified the four main institutional characteristics that are underlying the organizational regulation of morality in the Iranian oil industry and presented different manifestations of each characteristic as its categories. The first institutional characteristic was the understanding that organizational morality is maintained and transformed through communications of organizational members. The different versions of this understanding that I observed in the Iranian oil industry were as follows: (a) The patterns of communication within the organization influences morality; and (b) the organizational position of a manager or employee determines the level of influence that his words have on morality.

The second institutional characteristic was the understanding that the relevance of morality in organizational life is limited. The different versions of this understanding that I observed in the Iranian oil industry were as follows: (a) Organization is expected to appear in compliance with the morality of its social context; (b) morality is a concern of organization primarily as a contributor to organizational goals; (c) the frame of reasoning for a business organization's decisions and actions has to be economic; and (d) there are only some predefined areas of organizational life in which morality is applicable.

The third institutional characteristic was the understanding that organization is morally innocent in terms of those aspects that are not readily ascribed to a person or group. The different versions of this understanding that I found in the Iranian oil industry were as follows: (a) Organizational structures are morally innocent; (b) organizational information system is morally innocent; and (c) organizational work-related language is morally innocent.

Finally, the fourth institutional characteristic was the understanding that managers have a natural legitimacy for communicative and practical advantages. I presented three categories of this understanding as follows: (a) The words of managers bear a natural legitimacy both in terms of distribution and validity; (b) it is a natural right of managers to speak on behalf of the organization; and (c) it is a natural right of managers to propose and set up the organizational systems (human resources, inputs and facilities, producing outputs, etc.). Taken together, the presented typology of institutional characteristics provides a picture of main shared and taken-for-granted understandings that were underlying the organizational regulation of morality in the Iranian oil industry.

Table 11 – Summary of institutional characteristics underlying organizational regulation of morality

	Effects	Categories
I1: Organizational morality is maintained and transformed through communications of organizational members	Those who have control over communications have the power to regulate morality	<ul style="list-style-type: none"> • The patterns of communication within the organization influences morality • The organizational position of a manager or employee determines the level of influence that his words have on morality

I2: The relevance of morality in organizational life is limited	Morality is bound within the logic of organization	<ul style="list-style-type: none"> • Organization is expected to appear in compliance with the morality of its social context • Morality is a concern of organization primarily as a contributor to organizational goals • The frame of reasoning for a business organization's decisions and actions has to be economic • There are only some predefined areas of organizational life in which morality is applicable
I3: Organization is morally innocent in terms of those aspects that are not readily ascribed to a person or group	People do not normally question the morality of organizational actions and demands so long as they are faceless	<ul style="list-style-type: none"> • Organizational structures are morally innocent • Organizational information system is morally innocent • Organizational work-related language is morally innocent
I4: Managers have a natural legitimacy for communicative and practical advantages	Managers have enormous power to regulate morality and stay exempt from some types of moral criticism	<ul style="list-style-type: none"> • The words of managers bear a natural legitimacy both in terms of distribution and validity • It is a natural right of managers to speak on behalf of the organization • Staffing and structuring are natural rights of managers

CHAPTER 5. DISCUSSION

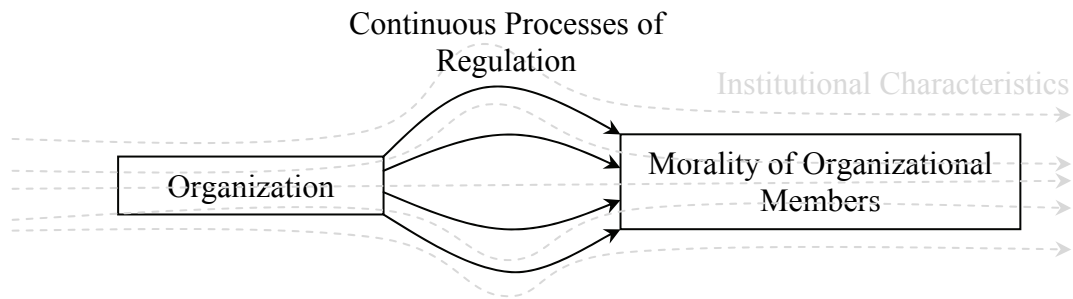
The aim of this chapter is to situate the findings of this study in the existing literature and discuss the insights they bring to the organizational studies of moral phenomena. In the first section, I present and discuss the overall theoretical contribution of this study and organize the findings in a framework. In the two sections following that, I focus on the two main components of the presented framework and discuss their implications and insights for our understanding of morality in organizational life. In the final section, I discuss the limitations of this study and draw the boundaries in which the results are valid.

5.1. A Framework for Processes of Regulating Morality in Organizations

Figure 1 presents an overall image of the findings organized as a framework. As a basic guide to embed this framework in the existing literature, note that it presents a descriptive theory. There is a historical division between descriptive and prescriptive modes of inquiry, with descriptive theories being “couched predominantly in statements that describe past, present, or future states of affairs”, and prescriptive theories being “couched primarily in terms of statements that guide choice or conduct” (Donaldson, 1994: 158). As a descriptive theory, this framework describes that there are a number of intra-organizational processes that organizations employ for regulating the morality of their employees, but concerns neither with evaluating the rightness or wrongness of the content of the morality of organizational members nor with judging if organizations

should or should not engage in regulating morality. It is only a description of what is happening in organizations.

Figure 1 – The overall framework of organizational regulation of morality



Within the existing literature of descriptive scholarship, the presented framework is an extension of the few previous studies that have taken morality as a dynamic, intersubjective phenomenon (Haveman & Rao, 1997; Jackall, 1988). Beyond the usual understandings of morality in organizations, I highlighted that morality is not always stable, automatically self-policing, or entirely taken-for-granted; rather different sets of organizational members actively monitor and regulate the continuous production and reproduction of morality. So while they draw on the institutionalized repertoire of social constructions and political practices available to them, they are mindful of what they are doing and act strategically for achieving what they want. Therefore, the overall novel contribution of this framework is the exploration and explication of the embedded agency of organizational members with respect to their morality.

The broad zone of intellectual work that hosts this contribution is the social and organization research that aims to connect the notions of structure and agency (Bourdieu, 1977; Giddens, 1979, 1984; Heugens & Lander, 2009; Sewell, 1992). Despite the relative absence of studies focusing on morality in this zone, there is a literature that has focused

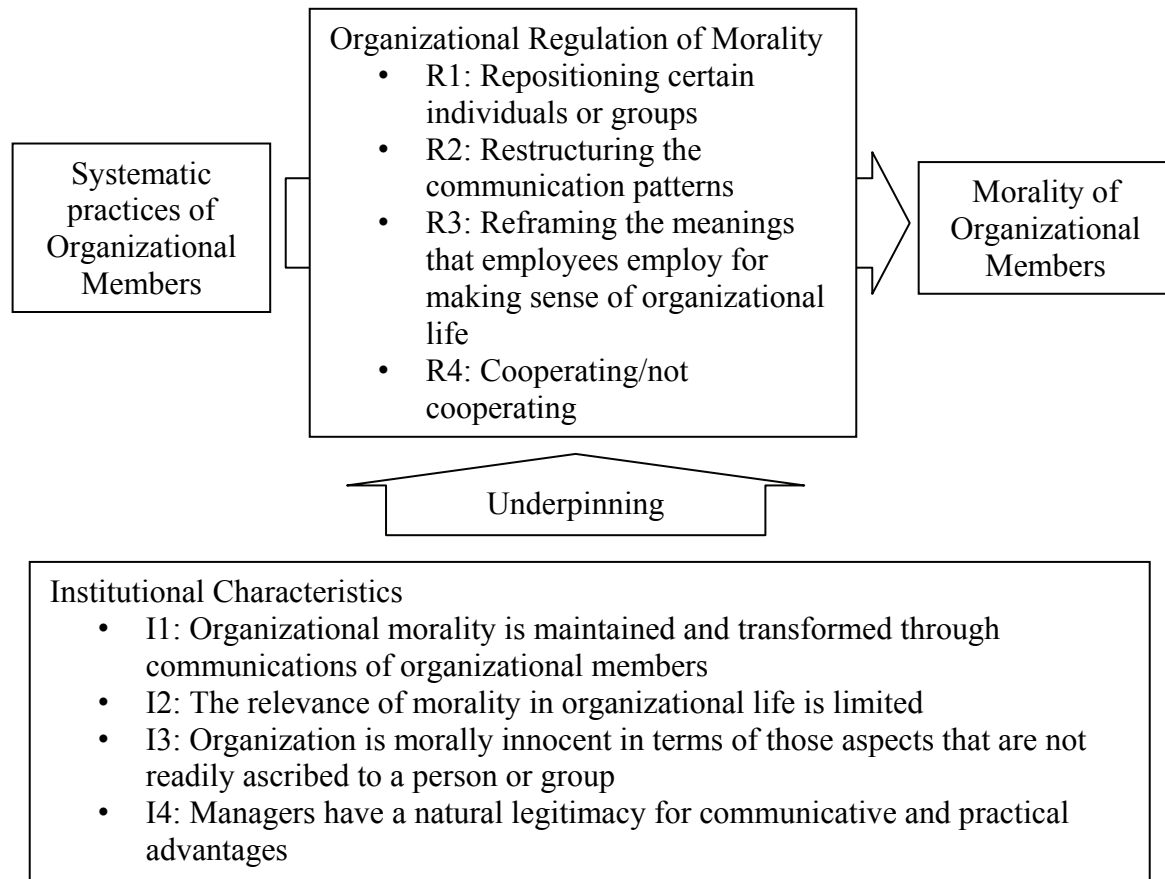
on the institutional (Holm, 1995; Oliver, 1991; Seo & Creed, 2002; Zietsma & Lawrence, 2010) and cultural aspects (Emirbayer & Godwin, 1994; Hays, 1994; Sewell, 2005; Swidler, 1986; Vaisey, 2009) of the connection between structure and agency. The overall framework of this study helps researchers recognize that in the case of morality (and probably in many other cases too), to the extent that people in organizations are aware of their morality, this morality enters their daily political life. Agency exists and manifests itself in continuous efforts of people to regulate morality. As people live their lives and work in organizations, they find themselves ways to influence morality, and they exert their influence in a sustained and systematic manner. These ways, however, are not idiosyncratic; rather they follow certain patterns or configurations. So the agency of organizational members follows (and thus reproduces) a set of regulatory processes, which correspond to what Sewell (1992) call “surface structures”. These surface structures in turn are embedded in a context of institutionalized conceptions and social constructions. These institutional characteristics refer to what Sewell (1992: 22) call “deep structures” which “tend to be relatively unconscious, in the sense that they are taken-for-granted mental assumptions or modes of procedure that actors normally apply without being aware that they are applying them”.

Figure 2 presents the detailed version of the framework based on the findings, in which the four processes of moral regulation and the four institutional characteristics underlying them are summarized. The primary area of research that benefits from the identified regulatory processes in this framework is the recent research that is focused on the influence of organizations on moral understandings (Alvesson & Willmott, 2002; Barley, 2007; Dacin, Munir, & Tracey, 2010; Kärreman & Alvesson, 2010; Lippens,

2001; Zilber, 2009). For example, Kärreman and Alvesson (2010: 58) study Swedish media organizations with respect to what they call “ethical closure – the ways ethical considerations are arrested, blocked, and short-circuited”. They identify four processes – sealing, bracketing, double dehumanization, and moral commodification – that lead to ethical closure. The specified processes, however, are all different manifestations of only one of the processes that I have presented: Reframing the meanings that employees employ for making sense of organizational life (R3). My framework, on the other hand, highlights other significant processes that are involved and thus provide a more comprehensive view of ethical closure.

Moreover, the specified institutional characteristics in this research contribute to the ongoing discussions of organization scholars about the fundamental intertwinements between today organizations (modern or postmodern bureaucracies) and morality (normative or cultural systems) (Bauman, 1989, 1993; Brand, 2009; Clegg, 2006; Crane, 1999; du Gay, 2000; King, Felin, & Whetten, 2010; Phillips & Margolis, 1999; Selznick, 1992). Rather than focusing on specific organizations, the specified institutional characteristics are the major pillars of people’s social understanding of organization qua organization. For example, King, Felin, and Whetten (2010) examine the assumptions underlying the current conceptions of organization in organization theory and offer insights for how organization studies should proceed. But their meta-theoretical examination does not refer to how actual people in real organizational settings understand organization. By drawing on the institutional characteristics identified in my framework, organization research can modify the conception of its core construct – organization – in a manner that corresponds better with the understandings of laypersons (Weber, 2004).

Figure 2 – The detailed framework of organizational regulation of morality



There are two components in this framework. The first one is the box named “organizational regulation of morality” and summarizes the main processes through which systematic practices of organizational members aim to regulate morality. The second one is the box named “institutional characteristics” and summarizes the institutionalized social understandings that are underlying the organizational regulation of morality. Below I discuss each of these components and identify the contributions of these findings for the existing literature.

5.2. Processes of Moral Regulation in Organizations

The findings suggest that regulation of morality in organizations predominantly occurs through four processes. The main implication is that engagement in these specific

processes is institutionalized in organizational settings as ways of regulating morality. This insight suggests couple of overall directions for organization research on morality. First, it supports an explicit perspective that examines morality “as a kind of symbolic good or commodity that is explicitly produced” (Wuthnow & Witten, 1988: 50). There are of course aspects of morality that are implicit and taken-for-granted in organizational life, but there are also aspects of morality that are explicit and present in the daily organizational politics. Organizational members distinguish between what is considered a moral issue and what is not, they draw on different moral codes and logics, they transpose and blend moral discourses, and they do so consciously, systematically, and strategically. So while I do not deny the role of automatic reflections (Reynolds, Leavitt, & DeCelles, 2010) or emotion (Haidt, 2001), this study shows that people in organizations are explicitly concerned with their morality, and they deliberately engage in regulating it. In accord, future research in this area has a busy agenda for studying various aspects of moral politics in organizations. Second, it suggests the research in the intersection of morality and organizational life to pay more attention to how organizational members themselves understand their world (Sanders, 1982; Steffy & Grimes, 1986). For example in the case of the present study, although it matters to specify which processes theoretically can be used for organizational regulation of morality (regulation of practice and privilege), but that is only helpful for guiding the empirical researcher in terms of where to look and what to observe. The task of researcher is to describe which processes are actually known to and used by organizational members. In this study, I illustrated that organizational members usually find certain pedals (the four specified processes of regulation) under their feet for

regulating morality. In the same direction, future research in this area needs to reduce their distance with the understandings and life of real people in organizations.

As a way of highlighting some of the differences of the four specified processes of regulating morality, I organize them along two dimensions (Figure 3). The first dimension distinguishes those regulatory processes that involve a change in the formal settings of the organization from those that keep the formal settings and work within the existing frame. Repositioning certain people (R1) and restructuring the communication patterns (R2) often involve changing the formal settings in terms of human resource management or organizational structure. On the other hand, reframing the meanings that employees employ for making sense of organizational life (R3) and cooperating or not cooperating (R4) often refer to modes of reasoning and prioritizing that organizational members do within the existing formal settings of their organization. The second dimension distinguishes those processes that are based on characteristics of organizational roles from those that are based on characteristics of persons beyond their organizational role. Restructuring the communication patterns (R2) and cooperating or not cooperating (R4) are often based on a consideration of the resources, latitudes, and constraints that accompany organizational roles. In contrast, repositioning certain people (R1) and reframing the meanings that employees employ for making sense of organizational life (R3) are often based on considering and evaluating not only the roles, but also the ideas and qualities of individual persons.

Figure 3 – Processes of regulating morality in organizations

	Changing the formal settings	Keeping the formal settings
Role-based	R2: Restructuring the communication patterns	R4: Cooperating/not cooperating
Person-based	R1: Repositioning certain individuals or groups	R3: Reframing the meanings that employees employ for making sense of organizational life

Below I analyze each of the specified processes of moral regulation from these two dimensions, as well as two other significant aspects of each: First, how the process intervenes to influence the moral discourse; and second, what power is the basis of the influence of that process (see Table 5).

5.2.1. R1: Repositioning certain individuals or groups

The emergence of this type as the first theme in my study of moral regulation shows that people in organizations primarily understand morality as being resided inside people. The famous “bad apples” approach is one example of this understanding of morality, which suggests regulating morality is by hiring and promoting good persons and avoiding bad persons (Treviño & Youngblood, 1990). For organizational managers with this view of morality, the most rational and natural way of regulating morality is to regulate who holds which position in the organization. In other words, individual persons or groups are monitored and evaluated with respect to their morality, rather than characteristics of their organizational roles. The process of repositioning individuals or

groups, thus, aims at controlling the set of discursive players in the organization. For doing so, managers continuously screen individuals and evaluate the appropriateness of the morally charged texts that they produce, disseminate, or consume (Jackall, 1988). The changes in the formal organizational position of the individual then are decided based on the outcome of these evaluations.

This process of moral regulation relies on two types of variance among organizational positions: First, with respect to the resources that they provide their inhabitants for influencing the moral discourse; and second, with respect to the morally charged texts that people read or have access to because of their organizational positions. So this process in itself testifies the social and cultural stratification that is implicated in organizational structure (Acker, 1990; Ravlin & Thomas, 2005). The limitations and latitudes of people's voice are so dependent on their position in the structure of organization that managers employ repositioning as a strategy for regulating the moral discourse of people. Hardy and Phillips (2004) identify four sources that determine the discursive influence of organizational positions: (a) formal power, (b) critical resources, (c) network links, and (d) discursive legitimacy. This study adds that people in organizations are normally aware of the discursive advantages of different organizational positions and they use this knowledge for regulating morality.

The power to engage in this type of moral regulation comes from holding high organizational positions, since deciding about the position of employees often needs some sort of managerial legitimacy. Here I refer to managerial roles in a broad sense including executive board, top executives, and middle managers. Managers regulate morality, managers decide on every important decision in the organization, and more

importantly, managers decide on who gets to be a manager. This is a case of management hegemony the moral consequences of which needs further research to be fully revealed (Spicer & Böhm, 2007).

5.2.2. R2: Restructuring the communication patterns

The existence of this process shows that people in organizations understand the significance of organizational communications for maintaining or changing morality. I discuss this insight in the next section under I1. As a basis for this process of moral regulation, note that the social constructions that emerge through organizational communications and conversations are largely tied to structure (Molotch & Boden, 1985; Ranson, Hinings, & Greenwood, 1980). Organizational structure embodies prescriptions and expectations about rules, roles, and routines of communication, which facilitate certain values and meanings and hinder others. Inhibiting certain structures and relying on their guidance can also prevent organizational members from understanding themselves as moral agents. In this sense organizational structure, or more broadly communication structure, has the power to fatefully enable or constrain the moral agency of organizational members in certain ways (MacIntyre, 1999; Willmott, 1993).

This study extends the existing understanding of the effects of structure on morality by showing that organizational members are somewhat aware of these effects, based on which they employ restructuring as a strategy for regulating the moral discourse. Rather than a focus on characteristics of persons, organizational members modify the formal patterns of communications to regulate which texts reach which organizational positions. So the process of restructuring communication patterns aims at controlling the rules and norms of text circulation in the organization. For example,

routines of text circulation can define the discursive distance of people from one another, i.e. who gets to be in constant interaction with whom and about what. Bauman (1989) provides a compelling illustration of producing distance where he describes how Nazi Germany employed an organizational structure in which the reports and communications between different departments and units, while concerning the different phases of the process of eradicating the Jewish population, were designed to be impersonal and task-oriented. My study highlighted that it is not only in extreme cases such as Holocaust that restructuring the patterns of communications is used to regulate morality; rather it also occurs in normal organizations.

Similar to the previous type R1, the power to engage in this type of moral regulation comes from managerial legitimacy, because deciding on the structure is often considered a responsibility of those in managerial positions (Bowman & Singh, 1993). This again strengthens the case of management hegemony in organizations to which I referred earlier.

5.2.3. R3: Reframing the meanings that employees employ for making sense of organizational life

This type refers to the discursive work of organizational members and highlights their resources and skilfulness for modification of morality. A stark example of this type of regulation is what Alvesson and Willmott (2002: 627) identify as “identity regulation” in organizations: “Discursive practices concerned with identity definition that condition processes of identity formation and transformation”. Texts that certain organizational members generate and disseminate for providing other employees with answers for the question of “Who am I?” exemplify one set of morally charged texts that are generated

and disseminated in the organization. The process of reframing the meanings that employees employ for making sense of organizational life, thus, directly aims at controlling the texts that constitute organizational morality. It includes such practices as inserting new morally charged texts into the organizational discourse, and legitimizing or delegitimizing certain existing texts.

This process of moral regulation rests upon the capacity of new morally charged texts to influence the moral discourse. Hardy and Phillips (2004) identify four characteristics of texts that determine their successful influence on the discourse: (a) their connection to other texts and discourses, (b) the genre of the text, (c) the linguistic devices they employ, and (d) the degree to which they become distanced from the circumstances of their original production. This study sheds light on how people in organizations optimize these elements in the practical conditions of their daily organizational life in order to regulate the morality. For example, organizational members consider several factors beyond characteristics of organizational roles, including many of the elements covered by the four categories of Hardy and Phillips (2004), and then use the strategy of “connecting to life beyond organizational boundaries” in producing and distributing their texts.

The power for engaging in this type of regulation can come from any legitimate basis for having a voice in the existing formal settings of the organization, because that would mean a green light for producing texts (Hardy, Palmer, & Phillips, 2000). This means that although managers certainly have the needed legitimacy to use this process of moral regulation, but other employees too can engage in this type of regulation by drawing on other types of legitimacy, such as professional or representative legitimacy.

So this process can also be used to resist or even counter the managerial regulation of morality (Holmer-Nadesan, 1996).

5.2.4. R4: Cooperating/not cooperating

The emergence of this type in my study of moral regulation shows that people in organizations understand morality as in need of realization or practical manifestation. This is a manifestation of the logic of performativity that has dominated our social and organizational life and contends that the ultimate evaluation criterion and objective in our hand is usefulness in practical terms (Fournier & Grey, 2000; Lyotard, 1984). A morality that “does not work” is rejected and substituted with another morality that “works”. The competition between different moralities in organizations, thus, is not primarily in terms of the rightness or righteousness of those moralities rather it plays out in terms of their usefulness or success in practice. Accordingly, one way of regulating morality is to influence which morality achieves practical success and superiority in the organization by cooperating or not cooperating in certain affairs.

This process of moral regulation rests upon the conscious willingness or reluctance of organizational members to maintain certain moralities. Recent research in institutional theory has examined the processes that are involved in the maintaining institutions and has shown that their maintenance relies on active adoption and support of social actors (Lawrence & Suddaby, 2006; Zilber, 2009). This study highlights a significant aspect of the support that moral institutions need for persistence in organizational life, and that is the appearance of practical success. People in organizations are largely aware of this need and accordingly they adjust their level of cooperation with different moralities.

The power for engaging in this type of regulation comes from the job autonomy won or granted to employees in the formal settings of organizations. To the extent that organizational members have autonomy and flexibility in their job, they can use that autonomy strategically and decide on their level of cooperation in different organizational affairs. This regulatory process, consequently, is not exclusive to managers and other organizational members too can use it, particularly those whose work is less directly visible or measurable by a supervisor (Wrzesniewski & Dutton, 2001). Similar to the previous process of moral regulation R3, it can also be employed for resisting another moral regulation (Holmer-Nadesan, 1996).

5.3. Institutional Characteristics Underlying Moral Regulation in Organizations

While specifying the processes of moral regulation, the findings also highlight the four institutional characteristics that are underpinning those processes. The main idea here is that the existence and working of these organizational processes rest upon a particular institutional configuration. It is rooted in Weber's sociology (2004) that acknowledges the effects of structural processes on morality (superstructure) and yet views morality as underlying those structural processes. In contrast with a large portion of research on the ethical or unethical conduct of organizations (James, 2000), this insight emphasizes the role of basic social beliefs and understandings underlying people's view of organizational and moral life. These social understandings are those that fix the position and territory of morality and organization in our lives. Future research needs a systematic approach for examining this institutional layer (few exceptional works in this direction are Gusfield, 1955; Haveman & Rao, 1997; Jackall, 1988). Below I analyze the

effects of each of the specified institutional characteristics on organizational regulation of morality (see Table 11).

5.3.1. I1: Organizational morality is maintained and transformed through communications of organizational members

This institutional characteristic highlights that people in organizations view morality as sustained or modified through communications. This finding shows that the discursive conception of morality that I used as the theoretical lens of this study is in reality close to the understanding of people in organizations. In interpretive streams of sociology, selecting a theoretical conception that is close to the understanding of the lay person is considered a significant advantage, because the researcher has to understand the meanings that render actions social (Weber, 2004). Existing research has employed a range of conceptions such as understanding morality as normative ethics (Hasnas, 1998), social contract (Donaldson & Dunfee, 1999), practice (Clegg et al., 2007), emotion (Haidt, 2001), ways of conducting oneself (Foucault, 1985), or a pre-social impulse (Bauman, 1989, 1993). This study contributes to the interpretive research on morality by developing a conception of morality as discourse, and showing that it is in accord with the understanding of real subjects.

Since organizational members ascribe such a significant role to communication, they generally try to regulate morality through influencing the organizational communications. All the four processes of moral regulation identified in the findings chapter effect the communication of morally charged texts in one way or another. In the competition among organizational members, those who have more control over communication channels have more power to regulate morality. However, the

relationship between morality and different discursive practices and processes is to date inadequately studied in social sciences in general (Bergmann, 1998; Sterponi, 2003) and is virtually unexplored in organization studies. This study can be a useful starting point for future studies in this direction.

5.3.2. I2: The relevance of morality in organizational life is limited

This institutional characteristic emphasizes that in the understanding of organizational members morality is not the ultimate court of appeal outside certain limited spheres of organizational life. This finding shows that people view organization as having its own rules and logic, and that in organizational affairs morality is bound to stay within that logic. There are some references to this phenomenon in the existing research, as for example Jackall (1988) observes that in organizations strong adherence to moral principles is considered misplaced. Nonetheless, empirical research has not yet explored the intertwining of morality and organization as two spheres of social life (Clegg, 2006; Crane, 2009; Phillips & Margolis, 1999). In the findings chapter, I outlined few aspects of this institutional characteristic that can serve as a foundation for further research in this area.

The way people understand the notions of morality and organization, their social and historical construction, play a significant role in how people aim at regulating morality. Organizational members draw on their common understandings of when morality is or is not relevant at a specific organizational situation and what kind of morality is or is not relevant. The most evident manifestation of this institutional characteristic is in reframing the meanings that employees employ for making sense of organizational life (R3), when organizational members explicitly articulate their

understandings. But people also engage in the other three processes of moral regulation based on their own understandings and moral reasoning. Further research is needed to explicate these understandings and to examine how each one is played out in organizational politics.

5.3.3. I3: Organization is morally innocent in terms of those aspects that are not readily ascribed to a person or group

This institutional characteristic stresses that people in organizations do not morally question something in the absence of agency. This finding shows that in the view of organizational members, organizational life has a reality in which certain aspects are unquestioned (not a matter of moral question) while other aspects that are ascribed to a person or group are morally questionable. This reflects the metaphysical libertarian view that holds the basis of morality is our free will (Frankfurt, 1969). Whether it is justifiable or not to believe in this view is a matter of normative research, but the interesting part for descriptive research is that many people in organizations have this view. The implication is that hiding the agency responsible for an organizational aspect makes it invisible to moral question and criticism. Similarly, revealing the agency makes it vulnerable. Critical management studies, which aim at denaturalizing various aspects of organizations (Fournier & Grey, 2000), can benefit from this insight.

Organizational members can regulate morality and stay unchallenged using the moral innocence of certain aspects of organizations (Whyte, 1991). For example, in the findings chapter I illustrated how managers used restructuring for moral regulation, and benefited from the fact that employees normally do not question the morality of structure. Moreover, by revealing the person or group that has initiated the changes and moral

regulatory practices, organizational members can engage in a process of moral regulation (R3) to resist or undo the former moral regulation. Further research is needed to explore the visibility or invisibility of moral regulation in organizations.

5.3.4. I4: Managers have a natural legitimacy for communicative and practical advantages

This institutional characteristic highlights the superiority of managers, which is institutionalized as a natural and justified advantage among organizational members. This finding shows that in organizations, managers are accepted as those who should naturally have more practical and discursive advantages than other organizational members. Critical management studies have studied this phenomenon both in practice and in the writings and recommendations of organization scholars (Alvesson & Willmott, 1992). The dominance of managers in organizational life, and the hegemonic control that reproduces this domination, has been the target of many academic writings (Courpasson, 2000; Parker, 2002; Spicer & Böhm, 2007). My study shows that employees still see themselves in an asymmetric relationship with managers, and they view this situation as natural. Moreover, despite the extensive critical writings in this area, research has paid scant attention to the consequences of this managerial supremacy for morality of organizational members.

As I showed, managers effectively use these practical and discursive advantages for regulating morality in organizations. Their practical advantages over other employees enable them to easily engage in repositioning (R1) and restructuring (R2), while other employees lack such power. Also, their discursive advantages and legitimacy pave the way for them to use reframing the meanings (R3) in a far more effective manner than

other employees. Finally, managers usually have more autonomy and flexibility than other employees in their jobs, and this enables them to use the process of cooperating/not cooperating (R4) easier than other employees. Further research is needed to study how often managers engage in these processes and what are the conditions of their success in moral regulation.

5.4. Limitations of this Study

Like any empirical work, this study has been limited in a number of ways. First, although the discursive conception of morality that I employed in this study encompasses a wide variety of existing constructs in the literature, it brings about and emphasizes certain aspects of them. For example, consider ethical or unethical behaviour, which has been the focus of a large portion of the literature of business ethics (Brass, Butterfield, & Skaggs, 1998; Hegarty & Sims, 1978). My discursive approach views ethical or unethical behaviour as a discursive practice that produces, disseminates, or consumes texts and at the same time as a morally charged text in itself. This effectively leads to highlighting the cultural representations of behaviour in expense of deemphasizing their materiality (Latour, 1987, 2005; Orlikowski, 2007). Future research has to elaborate on the discursive conception of morality in order to develop its theoretical connections with material aspects of the existing constructs in the literature.

Second, I employed interviews as my main data collection strategy and extracted the types of moral regulation based on the understandings and sense-making of the organizational members themselves. Although this phenomenological method provides an interpretive account that is close to the understanding of actual people in organizations, it does not reveal the potential “underlying regularities and connections of

which organizational actors may be unaware” (Ranson et al., 1980: 4). For example, my discussion of institutional characteristics shows that organization qua organization is a site of regulated morality, and it is at a taken-for-granted level without the intention or complete comprehension of organizational members. Further research is needed to make explicit these invisible levels of organizational regulation of morality.

Finally, in this study I examined how organizational members in the Iranian oil industry engage in regulation of morality. The studied field is situated in one specific industry (oil) and one specific cultural context (Iranian society) and a particular historical period (the past three decades). Although the findings have face validity for all organizations and cultural contexts, this research cannot claim generalizability. Further research is needed to examine the organizational processes for regulation of morality in other organizations and cultural contexts (Crestwell, 2007).

CHAPTER 6. CONCLUSION

In this thesis study, I explored and further developed the path that was once opened by Jackall (1988), but was left relatively unwalked since then. I examined the dynamics and politics of morality in organizations, and specifically focused on the aspects of this dynamics and politics that unfold in social life. I took morality as an explicit discourse that resides outside people, a set of texts that is located external to their hearts and minds. Morality in this sense is an external object, an Other in Hegel's terms (1977), upon which people reflect, take stance, and act. This study illustrates that people in organizations use a wide array of strategies to control this external phenomenon and keep it in certain shapes and forms. They employ all their levers to regulate morality. The dynamics and politics of morality are products of the efforts of different sets of organizational actors with different and often-contradictory views about morality. My study shows that the often-depoliticized accounts of morality in the literature of organization studies (Palazzo & Scherer, 2006) are oversimplifications that neglect crucial aspects of the dynamics of organizational life.

Therefore, this study shows that organizational members are not passive recipients and users of organizational morality; rather they actively engage in regulating that morality. Accordingly, I identified four intraorganizational processes through which organizational members regulate morality: Repositioning, restructuring, reframing, and cooperating/not cooperating. Singling out these intraorganizational processes sheds light on the intertwinement of morality with the continuous web of processes that constitute

organizational life. In contrast to the micro studies of morality at the level of individuals (Jones, 1991; Treviño, 1986) and macro studies of morality at the level of large social systems (Alexander, 2002; Barley, 2007), this research opens up a space for analysis at the medium level of organizational processes. Studies at this medium level are also useful for understanding how the micro and macro dynamics connect to one another. For example, the macro dynamics of biopolitics in today societies (Foucault, 1997) is closely tied with the regulation of morality that occurs within research, service, and educational institutions of health and wellbeing as well as medical and biotech firms (Rose, 2001).

While focusing on exploration and explication of organizational members' agency in terms of regulating morality, this study also highlights the embeddedness of their agency in two layers of structure (Sewell, 1992). The surface structure is the four processes of regulating morality. Among all the possible processes that can be employed for regulating morality, the agency of organizational members usually follows these four patterns. The deep structure is the four institutional characteristics that I specified as taken for granted assumptions about morality and organization. This deep structure underlies the surface structure, since the patterns of moral regulation in organizations are explicitly or implicitly rooted in an understanding of what morality and organization are and how they are related. Attention to the distinction between surface and deep structures is a way of clarifying the connections between the two notions of morality and organization. This can help toward resolving several definitional and theoretical inconsistencies in various domains of business ethics that are caused by treating morality and organization as given (Egels-Zandén & Sandberg, 2010; Greve, Palmer & Pozner, 2010; Mackey, Mackey & Barney, 2007; Tenbrunsel & Smith-Crowe, 2008). This idea

can also be a fertile ground for cross-cultural studies of morality in organizations (Husted & Allen, 2008; Rashid & Ibrahim, 2008).

In the previous chapter, I discussed the implications and contributions of this study in detail. Here, I conclude with stressing two broader contributions of this study: First, based on this study the commonplace “snapshot” studies of morality lack significantly in terms of reliability and generalizability. The morality of organizational members is not a fixed or stable entity; rather it is in constant flux and can change over short periods of time. I illustrated several changes in the manner in which people in the Iranian oil industry were communicating about their issues in moral terms, what was held as value or worth, what was understood as duty or responsibility, and what was considered right or wrong. This effectively means that researchers need to critically re-examine a large portion of descriptive studies on morality in organizations that are based on single-time data (Brand, 2009; Crane, 1999), since this study shows that the underlying assumption of these previous studies that morality is relatively stable over time is not valid. It also suggests that researchers in this area need to rely more on longitudinal methods or at least those methods that cover a time span of few years (Kaptein & Schwartz, 2008).

Second, this study drew on institutional theory and critical management studies in a complementary manner. This complementary perspective can be developed and extended into a constant dialogue between these two streams of research by open exploration of the similarities of their invested assumptions and thereby co-construction of insights on organizational phenomena. For example, critical management studies usually have a sharp eye for implicit forms of power and control, which is quite

consistent with the concentration of institutional studies on higher-level systemic sources of social dynamics, because instantiations of power in institutional systems is usually taken for granted and invisible (Lawrence et al., 2005; Levy & Scully, 2007). Several common projects can then build upon this common perspective and capitalize on the relative advantages of these two traditions of scholarship. Institutional theory is better equipped to capture and describe the continuity and interdependence of organizational phenomena across different levels of analysis. On the other hand, critical management studies are better positioned to explicate and articulate the complexities of political relations. As I illustrated in the case of the dynamics and politics of morality in organizations, the fruitfulness of employing and combining both research streams is a reality at hand, not just a potential.

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