



Excellence in
Management
Education

Activity Report 2015/2016

Chair of Organizational Behavior
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Foreword



Dear Ladies and Gentlemen,

During the academic year 2015/2016 the major focus of our work in research, teaching, and practice was devoted to corporate failure, corporate failure treatment tactics and corporate trust restoration.

With regard to research, we launched the research project “Culture change in the financial industry – the role of rewards” where we are investigating the role of variable compensation as means to induce culture change. In cooperation with an international financial institution, we started interviewing top managers from Human Resources, Compliance, and Legal Functions in order to understand systemic changes related to rewards and culture change. In the next step of the project, we will analyze how changes in the reward system affect daily interactions between front office and back office functions as well as front office functions’ perspectives on these changes. The project is funded by the German Research Foundation (DFG).

In terms of teaching, we taught the newly developed course “How to successfully deal with failure”, a primarily video-based course. In this vein, we used video-sequences of interviews with prominent individuals that have either failed personally (e.g. Lance Armstrong, Jerome

Kerviel) or that publicly took over responsibility for corporate failure (e.g. Martin Winterkorn for Volkswagen) to enable class discussion. This approach allowed us to overcome cognitive distance and thus to take the perspective of those who have failed or who have to take responsibility for others’ failures.

Finally, as regards corporate connections, we were invited to give a presentation on “Illegal Behavior in Favor of the Company - Why (basically) good people engage in misconduct” at the Volkswagen VMA – Management – Conference 2016 in Stendal. Based on our research, we discussed managers’ intentions and motives for wrong doing, biases in decision making and leaders’ unwilling support of followers’ wrong doing with leaders from Volkswagen. All these achievements would not have been possible without the support of my team, my research partners and my business partners. Thank you for your continuous engagement, your insightful ideas, and the inspiring working atmosphere.

Vallendar, September 2016

Prof. Dr. Miriam Müthel

1. Team



Professor Dr. Miriam Müthel
Chairholder

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Miriam Müthel (BSc in Information Management, MSc in Business Administration, PhD in Management) holds the Chair of Organizational Behavior at WHU – Otto Beisheim School of Management. Her research interests comprise international management (particularly Confucian Asia), organizational behavior, and business ethics. Miriam Müthel has been appointed as visiting scholar at the Center for European Studies at Harvard University in 2016/2017. Furthermore has been a Network Fellow at the Harvard University, Safra Center for Ethics in the academic terms 2013/ 2014 (as of Februar 2014) and 2014/ 2015. She has published in the internationally leading international management journals such as the Journal of International Business Studies, the Journal of World Business, Management International Review, the Journal of International Management, and the Journal of Cross-Cultural Psychology. Furthermore, her practitioner-related work has been published in MIT Sloan Management and Organizational Dynamics. In 2014, she was awarded for her reviewing excellence by the Journal of World Business. Before joining WHU, Dr. Muethel worked for over two years as a business consultant at an internationally leading company from the automobile industry in the area of international project management.



Rita Lingscheid
Personal Assistant

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In September 2006, Rita Lingscheid joined WHU as chair secretary at the Chair of Leadership and Human Resource Management. Since January 2012, she supports the Chair of Organizational Behavior as Personal Assistant. Before joining WHU, she was employed as assistant at the technology and quality assurance department of an international aluminum company.



Schazia Delhvi
Research Assistant and Doctoral Student

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Schazia Delhvi studied Psychology at the University of Bonn (BSc and postgraduate classes) and Human Resource Development and Consultancy at Birkbeck, University of London (MSc). She interned at Koch Transport and Masonite (Toronto), TMI (Bonn), and at the University of Bonn and York (UK). During her studies, she gained work experience at the NHS (London), Solar World (Bonn), and as a student assistant at the University of Bonn. She also worked for a newspaper magazine, as an executive board member for the student organization AIESEC, and coordinated a process- and product evaluation project. After her graduation, she worked as a Research Assistant at the University of Düsseldorf. In October 2014, she joined the Chair of Organizational Behavior as a Research Assistant.



Christina Frei
Research Assistant and Doctoral Student

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Christina Frei studied Business Administration at WHU – Otto Beisheim School of Management (BSc & MSc). During her studies, she attended under- and postgraduate classes at American University (USA) and SciencesPo. (France). She interned at ArtFinTour (Finland), Grupotel (Spain), the Foreign Ministry of Germany (Germany), Simon-Kucher & Partners (Germany), Robert Bosch (Malaysia), and Pricewaterhouse Coopers (Germany). During her studies, she gained work experience as a student assistant at the American University in Washington D.C. She also worked for the WHU Europa Sportverein e.V. where she was in charge of the acquisition of sponsors. After her graduation in September 2015, she joined the Chair of Organizational Behavior as a Research Assistant.



Li Chen
External Doctoral Student

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Li Chen studied Business Administration at the University of Bayreuth. During her studies, she attended under- and postgraduate classes at the University of Essex (UK), the London School of Economics (UK), and New York University (USA). Amongst others, she gained practical experience as intern at Siemens, Berlin and Deutsche Bank, Frankfurt.

During her studies, Li Chen was co-executive board of oikos Bayreuth, the student initiative for sustainable Management and Economics. In cooperation with AIESEC Bayreuth, oikos organized the China Symposium from the perspective of sustainability, which was funded by the European Commission.

In September 2012, she joined the Chair of Organizational Behavior as a Research Assistant. Since 2015, Li Chen has been an external doctoral student.



Laura Kläner
External Doctoral Student

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Laura Kläner studied business administration at the University of Göttingen.

During her study time, she gained practical experiences at Kraft Foods, Volkswagen and MAN in Germany, as well as at Volkswagen and Audi in Brazil. She also interned at a local newspaper, a German public television broadcaster, and a financial news agency.

After her graduation as Diplom Kauffrau in 2009 she completed a two-year trainee program at BASF and subsequently worked as a public relations officer for the company. In May 2012, she joined the Chair of Organizational Behavior as a Research Assistant.

Since 2014, she has been an external doctoral student.

2. Teaching

2.1 Bachelor of Science Program

Business Ethics
(Prof. Dr. K. Praveen Parboteeah)
Spring Term 2016, 2 SWS

The course builds on numerous ethical theories such as

- 1) ethical theories of decision making based on utilitarianism and Kantian ethics,
- 2) ethical climate theory,
- 3) institutional anomie theory,
- 4) governance theory among others.

These theories are applied to real life situations through cases and other ethical dilemmas to show the practical utility of such theories to solve problems with ethical implications.

2.2 Master of Science Program

Seminar: Ethics and Leadership - Challenges for Contemporary Leaders in Theory and Practice (Prof. Dr. Miriam Müthel)
Fall Term 2015, 2,5 SWS

In the aftermath of the financial crisis, government authorities as well as the public request a culture change within the banking industry towards more compliant and responsible behavior. Banks, such as Deutsche Bank, have signaled readiness to take on responsibility. In this vein, Deutsche Bank set up a culture change project that is part of the bank's current corporate strategy.

However, corporate illegal and irresponsible behavior is not exclusive to the banking industry, as the Siemens scandal has shown. Particularly after corporate failure, inducing a culture change towards compliant and responsible behavior becomes a strategic task. Jürgen Fitschen and Anshu Jain from Deutsche Bank considered the culture change as one of their top priorities. Also Peter Löscher (former CEO Siemens) emphasized the strategic importance of the culture change.

In this course, we discuss strategic issues that are related to establishing compliant and responsible corporate conduct. These include (among others) installing compensation and incentive systems that reward responsible behavior (and eventually punish illegal and irresponsible behavior). Furthermore, we will discuss compliance and ethics programs and their effectiveness. Finally, we will discuss the role of ethical leadership for inducing culture change.

2.3 Full-Time MBA Program

Workshop Successfully Dealing with Failure (Prof. Dr. Miriam Müthel)
Fall Term 2015, 1,33 SWS

Having to deal with past ethical and legal failure is not an exclusive problem that only a few managers share. In contrast, the sheer number of scandals across all disciplines shows that effective failure treatment strategies are a prerequisite for globally acting firms. From a managerial perspective, successfully dealing with (past) failures becomes a strategic competence. Nevertheless, as the Deutsche Bank example shows, transforming failures into successes is very difficult to do. In this class, we will deal with individual and corporate failure and we will discuss tactics and measures to transform past failures into future successes. More precisely, we discuss the different tactics managers can apply to deal with past failure. The different tactics most often applied by managers can be distinguished with regard to the level of internal and external acceptance for failure and can range between tactless behavior and true change. As failure treatment tactics might also change over time, we will analyze how and why managers and/or firms decide to change their tactics over time and we will identify the underlying forces pressuring managers/firms to take responsibility for their mistakes. Discussing how managers can move from one tactic to another, we will discuss how past failure can be transformed into future success.

2.4 Part-Time MBA Program

Leadership Failure Workshop (Prof. Dr. Miriam Müthel)
Fall Term 2015

Having to deal with past ethical and legal failure is not an exclusive problem that only a few managers share. In contrast, the sheer number of scandals across all disciplines shows that effective failure treatment strategies are a prerequisite

for globally acting firms. From a managerial perspective, successfully dealing with (past) failures becomes a strategic competence. Nevertheless, as the Deutsche Bank example shows, transforming failures into successes is very difficult to do. In this class, we will deal with individual and corporate failure and we will discuss tactics and measures to transform past failures into future successes.

3. Theses

3.1 Bachelor of Science Program

N.A. (Sabbatical)

3.2 Master of Science Program

N.A. (Candidates only for SS 2016, Sabbatical)

3.3 Part-Time MBA Program

N.A. (Sabbatical)

3.4 Full-Time MBA Program

N.A. (Sabbatical)

3.5 Doctoral Program

Supervisions

Li Chen
Title: When the Chinese Dragon Goes Abroad: Leadership Challenges for Chinese Managers in Germany
Secondary Examiner: Prof. Dr. Lutz Kaufmann

China became world's third largest investor in 2012 (UNCTAD, 2013). The scope of Chinese companies' foreign direct investments in the German market place grows steadily (Deutsche Bundesbank, 2012). We delineate the soft side of Chinese companies' FDI endeavors, and investigate Chinese managers' leadership effectiveness in the German context. Due to high institutional, economic developmental and cultural discrepancies, we observe operational difficulties arisen from collaborations between Chinese leaders and German employees. However, intercultural interdependencies receive little attention in our discipline. To address this gap, our analysis is threefold: First, we explore Chinese managers' indigenous understanding of leadership effectiveness. Second, we investigate German employees' perception of Chinese managers' leadership effectiveness, and third, we evaluate the question, how Chinese managers can appropriately enhance leadership effectiveness in German-Chinese collaboration.

Schazia Delhvi

Title: (Dis-)respect in Leader-Follower Relationships: A Sino-German, Cross-Cultural Analysis
Secondary Examiner: Prof. Dr. Dr. h. c. Jürgen Weber

In the course of Chinese MNE globalization, there are an increasing number of Sino-Western leader-member relationships. Due to individuals' different cultural backgrounds, varying understandings of respect and different respect-related behavioral expectations might clash in Sino-Western relationships, leading to perceived disrespect. Yet, being treated disrespectfully can cause anger, intentions to withdraw, or even counter-productive behavior. While considerable past work has focused on respect in leader-follower relationships, previous research has predominantly been approached through a Western lens and disrespect has not yet attracted specific scholarly attention. Accordingly, emic aspects of other cultures' interpretation of (dis-)respect have not been considered. Against this background, the aim of this research project is to investigate cross-cultural differences in the interpretation and behavioral expectations related to (dis-)respect between leaders and followers in Western countries, such as Germany, and China. Moreover, it will be analyzed how differences in these interpretations influence German and Chinese leader-follower dyads.

Christina Frei

Title: Justification Based Ethical Decision Making
Secondary Examiner: N.N.

During the last decade, managers' legal landscape has shifted dramatically towards harsher punishments in case of organizational scandals. Numerous new laws are in place that provide for stricter manager liability - including high financial penalties and long prison sentences. Additionally, in the face of organizational scandals, a fair attribution of failure between the organization and the individual is oftentimes difficult to realize, thereby, enabling scapegoating or scapetribing. In order to safeguard against legal claims and guarantee a fair attribution of failure between the organization and the individual, managers are increasingly in need for justification based decision making. In this vein, the aim of this research project is to investigate the importance of documentation as a form of justification during the different steps of the manager's decision making process.

Laura Kläner

Title: Truth Seeking and Truth Avoiding Behaviors in Organizations
Secondary Examiner: Prof. Dr. Lutz Kaufmann

Individuals suspecting unethical or illegal behavior in their work environment may be inclined to avoid the truth. The reason is that knowing the truth – and the responsibility that comes with it – can be quite inconvenient. On the other hand, those who seek the truth and insist on it may experience resistance because they are perceived as disagreeable, skeptic or even threatening. While truth telling, deception, and the detection of lies is already discussed in the organizational behavior (OB) literature, the act of seeking or avoiding truth in the first place has received little or only indirect attention to date. The aim of this research project, therefore, is to investigate how individuals in organizations get to the truth when they encounter improprieties in their work environment, or avoid doing so.

Co-Supervisions

Claudia Wagner
Working Title: Intuition in Supplier Selection - An Emotional Perspective of Team Decision Making
Primary Examiner: Prof. Dr. Lutz Kaufmann

Leona Wiegmann

Title: The interplay of Artifacts in Routines' Change – Studying the Development and Implementation of Accounting and Control Systems
Primary Examiner: Prof. Dr. Dr. h. c. Jürgen Weber

Disputations

Leona Wiegmann
Title: The Interplay of Artifacts in Routines' Change – Studying the Development and Implementation of Accounting and Control Systems
Primary Examiner: Prof. Dr. Dr. h. c. Jürgen Weber
Secondary Examiner: Prof. Dr. Miriam Müthel
Chairman: Prof. Dr. Martin Glaum

Defenses

Schazia Delhvi
Title: (Dis-)respect in Leader-Follower Relationships: A Sino-German, Cross-Cultural Analysis
Secondary Examiner: Prof. Dr. Dr. h. c. Jürgen Weber

4. Teaching Innovation

Continuous improvement in teaching quality is central to the course development of the Chair. During the academic year 2015/2016, we first taught the newly developed course “How to successfully deal with failure”, a primarily video-based course. In this vein, we used video-sequences of interviews with prominent individuals that have either failed per-

sonally (e.g. Lance Armstrong, Jerome Kerviel) or that publicly took over responsibility for corporate failure (e.g. Martin Winterkorn for Volkswagen) to enable class discussion. This approach allowed us to overcome cognitive distance and thus to take the perspective of those who have failed or who have to take responsibility for others' failures.

5. Research

5.1 Edited Volumes

M. Muethel (2016). Chinese Students' Interpretations of Trust, In: M. Saunders (Eds). Research Methods for Business Students.

M. Muethel, & M. Hoegl (2016). Expertise Coordination over Distance: Shared Leadership in Dispersed New Product Development Teams, In: Birgit Schyns, Susanne Braun, & Claudia Peus (Eds). Leadership Lessons from Compelling Contexts

M. Muethel (2015). Mixed Methods Application in Trust Research: Simultaneous Hybrid Data Collection in Cross-Cultural Settings Using the Board-Game Method, In: F. Lyon, G. Moellering, M. Saunders, & T. Hatzakis (Eds). Handbook of Research Methods on Trust, 2nd Edition

5.2 New Articles in Refereed Journals (Double-Blind)

M. Muethel (in press). Pro-organisationales unethisches illegales Verhalten: Warum (eigentlich) gute Mitarbeiter Schlechtes tun. *Zeitschrift Führung und Organisation*.

Ethische Unternehmensskandale, wie zum Beispiel der aktuelle Volkswagenskandal oder auch der Siemens Korruptionsskandal, sind immer

wieder auf Situationen zurückzuführen, in denen Mitarbeiter zum Wohl des Unternehmens illegale Verhaltensweisen zeigen. Dieses Verhalten wird als pro-organisationales, illegales Verhalten bezeichnet. Im diesem Artikel wird die bestehende Theorie zusammengefasst und praxisnah erläutert, warum Mitarbeiter pro-organisationales illegales Verhalten zeigen und inwiefern Führungskräfte ungewollt dazu beitragen können. Zum Abschluss werden konkrete Handlungsempfehlungen für Führungskräfte diskutiert.

M. Hoegl, & M. Muethel (2016). *Enabling Shared Leadership in Virtual Project Teams: A Practitioners' Guide. Project Management Journal*, (47/1): Pages: 7-12.

Many virtual project teams perform better when leadership is shared (rather than centralized with the formal team leader); however, team leaders are often neither prepared to identify shared leadership potential nor to actually share leadership responsibility. Based on a study of 96 globally dispersed software development teams we show that team leaders tend to underestimate the team members' capacity to lead themselves. As a consequence, these leaders monopolize decision-making authority and provide insufficient levels of autonomy for team members to tackle their tasks. Preventing the team members from unfolding their true potential, these leaders unconsciously jeopardize virtual team performance. Paradoxically, it is thus team leaders themselves hindering leadership effectiveness in virtual teams.

5.3 Working Papers

1. M. Weiss, L. Salm, M. Muethel, & M. Hoegl (Working Paper). Good Guanxi versus Bad Guanxi Behaviors in Teams: A Cross-cultural Analysis. Revise and Resubmit at Academy of Management Journal.
2. S. Gehrlein, M. Muethel, & M. Hoegl (Working Paper). When Sharing Leadership Hurts – The Importance of Trustworthiness for Shared Leadership Emergence in Project Teams. Revise and Resubmit at Schmalenbach Business Review.
3. L. Klaener, M. Muethel, & Soundararajan (Working Paper). How business ethics research can profit from qualitative research methods. Submitted to: Journal of Business Ethics
4. C. Frei, & M. Muethel (Working Paper). Antecedents and consequences of bribery - A multilevel review. Submitted to: Journal of Management Inquiry
5. E. Amit, J. Koralnik, A.-C. Posten, & M. Muethel (Working Paper). Institutional Corruption – Past contributions and enduring questions. Submitted via Espresso
6. J. Ziegert, & M. Muethel (Working Paper). How I see them and how they see me: A relational identification perspective of ethics in teams. In preparation for submission.
7. S. Delhvi, M. Muethel, M.-H. Bond, & W. Chiu (Working Paper). How Leaders and Followers Earn Respect - A Sino-Western Comparison. In preparation for submission.
8. M. Muethel, C. Hanser, & M. Hoegl (Working Paper). Buyer-supplier collaboration in new product development projects: An equity sensitivity perspective. In preparation for submission.
9. L. Chen, & M. Muethel (Working Paper). What do we really know about China? A quantitative review of organizational behavior in China. In preparation for submission.
10. Hengst, P. Jarzabkowski, M. Hoegl, & M. Muethel (Working Paper). CSR Strategy Execution and Recipient Reactions. In preparation for submission.
11. M. Muethel (Working Paper). Proactive trust building in Sino-foreign business relationships via the GRIT strategy. In preparation for submission.
12. M. Haude, M. Hoegl, & M. Muethel (Working Paper). How do German expatriates trust in China: A typology of vulnerability and its implications for our understanding of the trust concept. In preparation for submission.
13. M. Haude, F. Li, M. Hoegl, & M. Muethel (Working Paper). How leaders can and why they should foster cultural integration in teams: A study of bicultural identity integration on the team level. In preparation for submission.
14. S. Gehrlein, M. Muethel, & M. Hoegl. Team Reflexivity and Team Proactive Behaviors in Dispersed Teams. In preparation for submission.
15. L. Salm, M. Hoegl, & M. Muethel (Working Paper). Intercultural role expectations – A German perspective. In preparation for submission.
16. L. Salm, M. Hoegl, & M. Muethel (Working Paper). How Attitudes affect Teamwork and Citizenship Behavior (differently) in the East and in the West. In preparation for submission.
17. L. Salm, M. Hoegl, J. Froehlich, & M. Muethel (Working Paper). Do you think how I think? A Comparative Study of Perceptions of Cognitive Diversity and Thematic-Taxonomic Thinking Diversity in Western and East Asian Teams. In preparation for submission.
18. M. Haude, M. Muethel, & M. Hoegl (Working Paper). Affect- and Cognition-Based Trust in Sino-German Teams: The Influence of Communication Behavior. In preparation for submission.
19. Hengst, M. Hoegl, & M. Muethel (Working Paper). Paradoxes and Dilemmas in Corporate Social Responsibility Strategy Execution. In preparation for submission.

5.4 Research Projects

Research Projects at the Intersection of International Management and Organizational Behavior

Trust, Knowledge Sharing and Innovation: A Cross-Cultural Perspective on Sino-German Collaboration (Kwok Leung, Lin Lu, Martin Högl, Miriam Müthel):

Sino-German business collaboration increasingly accounts for a significant part of both Chinese and German foreign investment. However, collaborating companies encounter many problems. Most critically, initial distrust among the business partners due to cross-cultural stereotyping and perceived values dissimilarity threatens knowledge exchange so that employees are found reluctant to share their unique knowledge. To increase innovation and performance in Sino-German alliances, it is thus important to understand the motivational drivers of knowledge sharing and to interpret the trust/distrust mechanisms in China and in Germany. For this aim, we explore cultural explanations for the differences between Chinese and Germans in their knowledge sharing motives and their processes of trust/distrust development and derive a joint model to depict intercultural knowledge sharing in Sino-German teams. The research project is funded by the Sino-German Center for Research Promotion in Beijing, which is a joint research funding initiative of the Deutsche Forschung Gesellschaft (DFG) and the National Science Foundation China (NSFC).

When the Chinese Dragon Goes Abroad: Leadership Challenges for Chinese Multinationals in Germany (Li Chen & Miriam Müthel):

China became world's third largest investor in 2012. The scope of Chinese companies' foreign direct investments in the German market place grows steadily. In this research project, we delineate the soft side of Chinese companies' FDI endeavors, and investigate Chinese managers' leadership effectiveness in the German context. Due to high institutional, economic developmental and cultural discrepancies, Chinese leaders face serious difficulties in leading their German employees.

To address this research gap, we explore Chinese managers' indigenous understanding of leadership effectiveness and investigate German employees' perception of Chinese managers' leadership effectiveness. Based on our analyses, we formulate managerial implications for Chinese managers.

How Leaders Earn Respect: A Cross-Cultural and Intercultural Analysis of German and Chinese Leader-Follower Relationships (Michael H. Bond, Warren Chiu, Schazia Delhvi & Miriam Müthel):

Continuously, employee surveys across the globe show the importance of respect at the workplace. In this vein, the 'Great Place to Work' (GPTW) initiative considers respect as one of the main pillars of work place attractiveness. While the most attractive companies seem to be characterized by high levels of respect in their inter-personal relationships, destructive and humiliating leadership is daily reality for many followers. To make it even more complex, interpretations of respect and disrespect are culture-dependent. In a joint research project with Michael H. Bond and Warren Chiu from the Hong Kong Polytechnic University, we will investigate culture-specific interpretations and behavioral expectations related to respect and disrespect in leader-follower relationships in China and Germany. Furthermore, we will analyze how differences in these interpretations influence Sino-German leader-follower-dyads.

Justification Based Decision Making (Christina Frei & Miriam Müthel):

During the last decade, managers' legal landscape has shifted dramatically towards harsher punishments in case of organizational scandals. Numerous new laws are in place that provide for stricter manager liability - including high financial penalties and long prison sentences. Additionally, in the face of organizational scandals, a fair attribution of failure between the organization and the individual is oftentimes difficult to realize, thereby, enabling scapegoating or scapetribing. In order to safeguard against legal claims and guarantee a fair attribution of failure between the organization

and the individual, managers are increasingly in need for justification based decision making. In this vein, the aim of this research project is to investigate the importance of documentation as a form of justification during the different steps of the manager's decision making process.

Research Projects at the Intersection of Organizational Behavior and Business Ethics

Taking Culture Seriously: Banks' Efforts to Change Culture following Allegations of Institutional Corruption (Miriam Müthel, Richard Painter, & Malcolm Salter):

Since the financial crisis of 2008, wide ranging regulations aimed at improving bankers' ethics have been promulgated in the United States and in Europe. On the one hand, academics, regulators, and public officials have proposed many of these measures. On the other hand, banks themselves are examining ways to improve ethical standards within their organizations and are implementing their own company-tailored change programs. Our research project aims at discerning and describing US and European banks' measures to induce culture change. What are banks currently doing and what are they planning to do to persuade their employees to behave ethically? More specifically, how are banks using promotion, compensation and other incentives to change objectionable behavior? And what are banks' experiences with the changes so far?

Truth Seeking and Truth Avoiding Behaviors in Organizations (Laura Kläner & Miriam Müthel):

Individuals suspecting unethical or illegal behavior in their work environment may be inclined to avoid the truth. The reason is that knowing the truth – and the responsibility that comes with it – can be quite inconvenient. On the other hand, those who seek the truth and insist on it may experience resistance because they are perceived as disagreeable, skeptic or even threatening. While truth telling, deception, and the detection of lies is already discussed in the organizational behavior literature,

the act of seeking or avoiding truth in the first place has received little or only indirect attention to date. The aim of this research project, therefore, is to investigate how individuals in organizations get to the truth when they encounter improprieties in their work environment, or avoid doing so.

Ethics in Teams: How I see them and how they see me (Jonathan Ziegert & Miriam Müthel):

Individuals' ethical perspectives are made up of both intentions and behaviors. Intentions reflect an individual's willingness to engage in ethical behaviors, which are actions that are consistent with generally accepted moral norms. This relationship between ethical intentions and behaviors is complex and does not occur in a vacuum, especially in organizational settings. Research has demonstrated the impact of both individual (i.e., moral development) and organizational (i.e., climate and leadership) characteristics on employees' ethical intentions and behaviors. While these efforts have focused on within-individual elements and broader organizational factors, scholars have heeded less attention on a more proximal and immediate context in which an individual resides in terms of the team as little research has considered the group's influence on the ethical behavior of the individual. In this research project we thus investigate the group's influence on individual behavior in teams.

Sustainovation – How strategic corporate social responsibility is implemented in the New Product Development (Ariane Hengst, Martin Högl & Miriam Müthel):

Corporate social responsibility (CSR) refers to the incorporation of social and environmental goals into firms' decision making process. In this joint research project, we investigate how strategic CSR can be implemented in new product development. Focusing on so called 'Sustainovation', we analyze how through the process of cross-level strategy implementation, CSR can be taken from the strategic top management team level to concrete operational procedures in the new product development process.

5.5 Conference Presentations

Frei & Muethel (EURAM 2016): Antecedents and Consequences of MNE Bribery – A Multi-Level Review

Delhvi, Chi-Kwan Chiu & Muethel (IACCP 2016): Respect in Leader-Follower Relationships: A Sino-German, Cross-Cultural Analysis

Hengst, Jarzabkowski, Muethel, & Hoegl (AOM 2016): Micro Mechanisms of Sub-Strategy Implementation Processes and Practices

Ziegert, Muethel & Graham (AOM 2016): How I See Them and How They See Me: A Relational Identification Perspective of Ethics in Teams

Haude, Li, Muethel, & Hoegl (AOM 2016): Team Bicultural Identity Integration: Investigating Its Antecedents and Consequences

5.6 National and International Research Collaborations

We would like to thank our research partners for their continuous contribution to our joint projects and for an amazing learning experience.

International Research Collaborations

Our international research partners include (as by their university affiliation):

- City University London - CASS Business School (Prof. Paula Jarzabkowski)
- Drexel University, LeBow College of Business, Department of Management, USA (Prof. Jonathan Ziegert)
- Harvard Business School, Boston, USA (Prof. Dr. Malcolm Salter (Emeritus))
- Hong Kong Polytechnic University, Hong Kong, China (Prof. Michael Bond, Prof. Warren Chiu)
- University of Minnesota Law School, Minneapolis, USA (Prof. Dr. Richard Painter)
- Xi'an Jiaotong University, Xi'an, China (Prof. Dr. Fuli Li)

National Research Collaborations

- Ludwig Maximilians Universität München, Institute for Leadership and Organization, Deutschland (Prof. Dr. Martin Högl)

5.7 Research Visits

Dec. 2015: SOAS University of London, Trust Workshop 'Affect- and Cognition-Based Trust in Sino-German Teams – The Role of Communication Behaviors'

April 2016: Visiting Researcher, SOAS University of London

April 2016: Queen Mary University of London, Invited Research Talk "Scapegoating"

5.8 Other

Head of the AOM Social Issues in Management Best Dissertation Committee

6. Services Provided to Academia

6.1 Services Provided to Journals

Membership in Editorial Review Board:

- Journal of World Business

Peer Reviews:

- Entrepreneurship Research Journal (2)
- Human Relations (2)
- Leadership Quarterly
- Human Resource Management (3)
- Journal of International Management
- Journal of Management Inquiry
- Journal of World Business

6.2 Services Provided to Academy of Management

Academy of Management, Social Issues in Management (SIM) Division, Best Dissertation Award (Head of the Committee 2016): In 2016, Miriam Müthel continued to serve as head of the selection committee of the Academy of Management, Social Issues in Management (SIM) Division, Best Dissertation Award.

7. Services Provided to the School

7.1 Involvement in University Committees, including Ad Hoc Committees

- Member of the WHU Faculty Conference
- Member of the WHU Habilitation Committee
- Member of the WHU Doctoral Program Commission
- Member of the Workgroup "Sustainability & Teaching"

7.2 Services Provided to WHU Centers

Member of the Center of Responsible Leadership

7.3 Services Provided to WHU Programs

Schnuppervorlesung. „Ethical failures and breach of trust – The VW case

7.4 Successful Fundraising on Behalf of WHU

For her research project 'Culture change in the financial industry', Prof. Müthel received funds from Deutsche Forschungsgemeinschaft (DFG) (22.840 Euro):

In the aftermath of the financial crisis, financial institutions across the world had to pay more than 100 billion dollars for fines and settlements. The systemic character of the wrongdoing revealed that failure was not primarily due to single individual perpetrators, but due to a widespread mislead corporate culture within the industry. In consequence banks lost institutional trust and regulators, politicians, media as well as industry representatives called for a culture change within the banking industry. From a scientific point of view, cultural interventions, i.e. specific measures used to directly influence the corporate culture, are seen as critical and it remains unclear whether or not culture change can actually be managed. The research project "Culture change in the financial industry: The role of rewards for culture change" thus addresses the questions if and how financial institutions' corporate culture can be changed via the reward system. In this vein, the research project documents the changes in the reward system since 2008/2009 and conducts interviews with critical employees to understand the employees subjective perceptions of the changes in the reward system and their relation to the current corporate culture.

8. Community Outreach

With our work on failure treatment and responsible leadership, we have been invited as selected guest speaker the Volkswagen VMA Management Conference on “Mit Werten in Führung gehen”.

9. Sustainability

Sustainability is an important credo of business action. In this vein, aspects of sustainability guide our research, our teaching, and also our own business practice at the Chair.

9.1 Sustainability in Research

The research project ‘Sustainovation’ together with Prof. Dr. Martin Högl and Ariane Hengst from LMU Munich particularly investigates aspects of sustainability in the field of new product development. Together with our research partner, we aim to contribute to the implementation of strategic corporate social responsibility into the arena of new product development in order to foster shared values creation, i.e. the development of products that serve not only economic, but also societal and environmental needs.

9.2 Sustainability in Teaching

Sustainability also guides our teaching. In particular, we teach the concept of shared values creation, i.e. the combination of economic and social value creation in various WHU programs.

9.3 Sustainability in Practice

Finally, the chair also takes sustainability as important credo for its own actions. In this vein, the Chair aims to contribute to the WHU Sustainability Vision.



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