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# Publics' Expectation Toward Ethical Leadership and Ethical Corporate Social Responsibility (CSR): Evidence From the U.S. and South Korea

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#### **ABSTRACT**

Despite continuous academic attempts to investigate the relationship between public expectations of ethical leadership and corporate social responsibility (CSR) efforts, little research has demonstrated the subliminal process of the relationship. This study focuses on the publics' power distance perceptions as a key driver to lead individuals to prioritize CSR, mediated by the expectations of corporate ethical leadership. To further understand the mechanism and the way power distance perception influences public attitudes toward CSR operations, this study suggests a theoretical model illustrating the relationships among power distance perception, expectancy of ethical leadership, expectancy of ethical CSR, and willingness to support socially responsible companies. A cross-national survey was conducted to provide empirical evidence from the United States (U.S.) and South Korea. Given that strategic approaches of CSR prioritize meeting public expectations toward corporate social roles, this study provides meaningful implications on public relations practice and CSR scholarship by demonstrating how public expectations of corporate ethical operations are shaped and how these expectations influence the public evaluation of corporate behaviors.

#### 1 | Introduction

Meeting public expectations of corporate social roles is a crucial part of successful corporate social responsibility (CSR) initiatives. As social pressures asking for corporate responsible behaviors as a member of society have increased, companies have made efforts to respond to public expectations by fulfilling diverse aspects of CSR. These include economic, legal, ethical, and philanthropic responsibilities (Carroll 1991; Silva Junior et al. 2023). In turn, corporations may receive a social license to operate their business with a sustainable perspective (Wilburn and Wilburn 2011).

While our understanding of the effects and effectiveness of CSR has been well documented, previous studies have focused on

generalized CSR that embraces four domains of CSR (Carroll 1979, 1991) or a particular domain, such as philanthropic or discretionary CSR practices (e.g., gender diversity, Chang et al. 2024; environmental preservation, Maco and Kwon 2024). The domain of ethical responsibility, which is "expected" of business by society (Carroll 1979, 1991), has received less attention despite the fact that ethical CSR has been at the center of scholarly discourses for conceptualizing CSR, especially from normative perspectives (Schoeneborn, Morsing, and Crane 2020; Silva Junior et al. 2023). The current study attempts to address critical questions related to the ethical domain of CSR, such as the following:

 To what extent do publics expect corporations to engage in ethical CSR and how do the public expectations of ethical

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CSR relate to their willingness to support socially responsible corporations?

- How do power distance perceptions and expectations toward ethical leadership explain public expectations of ethical CSR?
- Are the expectations of ethical leadership and CSR, and their effects, differentiated depending on the social atmosphere?

Corporate leaders as individual agents of CSR play a critical role in establishing the moral ground for ethical CSR. Research has shown that ethical leadership in workplaces is positively related to trust and satisfaction with leaders, commitment, optimism about the future of the organization, organizational citizenship behavior, and perceived leadership effectiveness (De Hoogh and Den Hartog 2008; Kalshoven, Den Hartog, and De Hoogh 2011). Moreover, recent research suggested that ethical leadership shapes external stakeholders' perceptions of an organization's CSR efforts, including the authenticity of those initiatives (Park 2024). Given that the ethical responsibility domain is closely related to the role of the leaders in an organization and to their ethical approaches to management, the study investigates the link between ethical leadership expectation and ethical CSR.

Based on the insights from expectation-confirmation theory (ECT, Oliver 1980), this study proposes a theoretical model connecting power distance perception, expectancy of corporate ethical leadership, expectancy of ethical CSR, and willingness to support socially responsible companies. In particular, this study focuses on the mediating role of expectancy of corporate ethical leadership that originates from corporations' and their leaders' moral identity and behavior rooted in their altruistic motives for managing their businesses (Turner et al. 2002). Furthermore, the study examines the importance of the individuals' power distance perception in shaping the publics' expectation of ethical leadership and ethical CSR. Thus, in addition to integrating power distance perception into our proposed model, the results were tested by samples from the U.S. and South Korea.

Scholars have connected high power-distanced culture to low CSR performances on social or national levels (e.g., Luo, Tang, and Peng 2018; Ringov and Zollo 2007). Since power distance perception makes people allow for unequal distribution of power and resources in a given society, corporations might be

less motivated themselves to share their resources with stakeholders. However, the subliminal process between the publics' power distance perception and CSR performances still calls for academic attention to illustrate the decision-making process of individuals as they develop their attitude toward socially responsible/irresponsible companies and behaviors. In particular, due to the lack of research on ethical CSR, the effects of power distance perception need to be explored in more detail while also focusing on the ethical aspects of corporate leadership and CSR.

Corporate communication managers and public relation practitioners often plan diversified strategies to meet different public expectations and thus build mutually beneficial relationships. In these circumstances, by proposing a theoretical model linking power distance perceptions to support socially responsible company with empirical evidence (See Figure 1), this study will contribute to providing an examination of the importance of public expectations of corporate ethical responsibility and leadership in cultivating public support. Corporations also have an opportunity to re-think the proper level of social responsibility when public expectations are under-represented due to invisible barriers, such as the power distance perception of publics.

#### 2 | Literature Review

#### 2.1 | CSR and Ethical Responsibility

The prominence of CSR in both academia and practice is often attributed to stakeholders' increasing expectations for businesses to demonstrate social responsibility and address stakeholder interests (Crane et al. 2008; Freeman 1984; Ji, Tao, and Rim 2022). CSR is broadly defined as a voluntary commitment by a business to contribute its resources to make a positive impact on societal and stakeholders' well being following the notion that business and society are interwoven rather than distinct entities (Kotler and Lee 2005; Wood 1991). The discourse around CSR has amplified since the 1950s as the responsibility of business has surpassed economic and legal obligations. Subsequently, a common question has arisen: What is a corporations' responsibility to the society in which it operates? Since then, CSR has been contextualized and understood in various disciplines, including management, organizational communication, and public relations, by

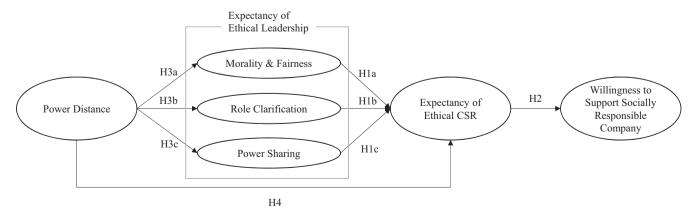


FIGURE 1 | Theoretical model and hypotheses of this study.

embracing perspectives from instrumental to normative and constitutive (Ji, Tao, and Rim 2022; Schoeneborn, Morsing, and Crane 2020).

With attempts to integrate various concepts related to CSR, Carroll (1979) introduced the corporate social performance (CSP) model, which gained scholarly attention and stimulated further theoretical development (Frederick 1994, 1998; Ji, Tao, and Rim 2022; Lee 2008). The CSP model was mainly concerned with an organization's positive and negative influence on the environment resulting from its business interactions. The model focused on the outcomes of social responsibility that were supposed to be measured (Carroll 1979). Later, Carroll (1991) elaborated on this CSR dimension of his CSP model and conceptualized a pyramid of CSR that encompasses economic, legal, ethical, and philanthropic (discretionary) responsibilities.

In a nutshell, the pyramid of CSR suggests that a corporation not only has a responsibility to be profitable but also to obey the law and uphold ethical standards. Economic responsibilities are the fundamental domain, indicating that a corporation's primary role is to be profitable by producing products that meet consumers' expectations. Legal responsibilities are depicted in the second layer, which refers to the social requirement of a firm's legal compliance. Ethical responsibilities entail the social value, norms, and moral standards that are not required by law but are expected by consumers, employees, stakeholders, and communities. Philanthropic responsibilities placed at the top layer of the pyramid involve the public's desire for the corporate's voluntary investment in humanitarian or welfare programs. The four dimensions are collectively referred to as the social responsibility of corporations, yet they are aggregated into a hierarchical structure (Carroll 1991). This suggests that corporations aiming for higher obligations, such as ethical and philanthropic processes, have to fulfill economic and legal responsibilities first. This is because economic and legal responsibilities are socially mandatory, and ethical responsibility is socially expected, while philanthropic responsibility is socially desired (Carroll 1991). Scholars have applied and expanded the concept of CSR pyramid to a global context, illustrating culturally and nationally distinct stakeholder expectations and examining societal factors that influence CSR practices (Maignan 2001; Rim and Dong 2018).

#### 2.1.1 | Ethical Responsibilities

Among these four parts of CSR, the present study focuses on ethical responsibility, which is "expected" of business by society (Carroll 1979, 1991). While operating businesses within a legal boundary is essential and mandated by society, the normative expectations of most societies are beyond what has been established by lawmakers. Carroll (2016) noted that "part of the ethical expectation is that businesses will be responsive to the "spirit" of the law, not just the letter of the law" (3). That is, fulfilling legal responsibilities is considered passive compliance, whereas ethical responsibilities are seen as a signal of a corporation's higher level of commitment to the stakeholders and society.

Corporations are expected to embrace norms, values, and principles that are important to diverse stakeholders. The ethical components include: (1) performing in a manner consistent with expectations of societal mores and ethical norms; (2) recognizing and respecting new or evolving ethical/moral norms adopted by society; (3) preventing ethical norms from being compromised in order to achieve corporate goals; (4) being good corporate citizens by doing what is expected morally or ethically; and (5) recognizing that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations (Carroll 1991, 41).

Although ethical CSR has been the center of scholarly discourses for scholars taking normative perspectives, research is scarce in marketing and public relations disciplines, where instrumental or functionalist perspectives have dominated the CSR literature (Schoeneborn, Morsing, and Crane 2020). For example, Fu et al. (2023) suggested that ethical responsibility directly enhances financial performance in healthcare organizations by improving employee happiness. The effect is further amplified when employees and the organizational culture uphold strong altruistic values, demonstrating the interplay between ethical responsibility and ethical values.

Rather, studies have primarily focused on the philanthropic or discretionary domain and investigated how CSR helps achieve desirable corporate performances and competitive advantages. Past research has focused on how philanthropic expenditure or discretionary practices contributed to a company's bottom line by enhancing company reputation, building organizational-public relationships, and improving corporate financial performance (e.g., Adomako and Tran 2024; Khan et al. 2023; Kim 2019; Oh, Bae, and Kim 2017). Scholars have also investigated the effectiveness of various discretionary CSR practices and strategies (Baskentli et al. 2019; Kim and Austin 2019). However, ethical CSR deserves more attention as it creates "a factor which cuts through and saturates the entire pyramid," given that ethical considerations are meant to be reflected in each of the other responsibility categories (Carroll 2016, 5). A recent study proposed the "CSR spinner" model (Silva Junior et al. 2023), where the ethical dimension is positioned at its center where Carroll's other four dimensions are incorporated into. The ethical dimension plays a critical role in driving dynamism within the model, influencing other dimensions and thus the direction and speed of CSR development.

Simultaneously, due to stakeholder skepticism, past research has warned of the challenges associated with promoting discretionary practices (Du, Bhattacharya, and Sen 2010; Jeong and Chung 2023; Rim and Kim 2016). Du, Bhattacharya, and Sen (2010) noted that people are likely to "refrain from making positive inferences about the corporate identity when they suspect ulterior, self-serving motives; thus, a key challenge of CSR communication is how to minimize stakeholder skepticism and to convey intrinsic motives in a company's CSR activities" (10). Considering prevalent public skepticism, especially toward communicating philanthropic CSR, ethical CSR is a necessary condition prior to promoting philanthropic CSR practices. Such actions also have the potential to create a meaningful impact on CSR and CSR communication outcomes by doing what is just and fair while avoiding harm. Therefore, the current study intends to examine the publics' expectations specifically toward ethical CSR.

#### 2.2 | Linking Ethical Leadership to Ethical CSR

The ethical CSR component is closely related to the role of the managers (i.e., leaders in the organization) and their ethical approaches to management. According to Carroll (1991), managers act as moral actors in the organization. The type of management can be characterized as immoral management, amoral management, and moral management (see Carroll 1991, for more details). Since their orientation toward each stakeholder group (e.g., shareholders, employees, customers, and local communities) is shaped based on their management types, ethical responsibilities are often isolated from the integrated CSR model and should be discussed separately in the context of stakeholder relationships (e.g., Carroll 1991; Valentine and Fleischman 2008). Furthermore, when tracing back the historical development, the fundamental notion of CSR is closely related not only to corporate behaviors but also to the role of executives and their behavior within the organizations. For example, Bowen (1953) highlighted the social responsibilities embedded in decision making, noting that, in addition to economic results, companies should consider the social consequences of their actions. Davis (1960) also focused on the role of businessmen as agents and defined social responsibility as "businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (70). Despite the critical role of corporate leaders as individual agents of CSR who establish the moral ground for ethical CSR, the link between ethical leadership expectations and ethical CSR has not been empirically investigated.

To have a better understanding of the link between ethical CSR and business leadership, this study explores ethical leadership. Scholars have studied the importance of corporate ethical leadership that originates from the moral identity of leaders and their behavior rooted in the altruistic motives for managing their businesses (Turner et al. 2002). When it comes to ethical leadership, Mcwilliams and Siegel (2001) suggested that respectable leaders share their visions based on altruism, justice, and humanistic values. More specifically, Brown, Treviño, and Harrison (2005) defined ethical leadership as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (120).

Ethical leadership has been explored as part of the ethical personality and behavioral characteristics of leaders, such as caring, being honest, moral, trustworthiness, fair, and authentic traits (e.g., Avolio and Gardner 2005; Brown, Treviño, and Harrison 2005; Kalshoven, Den Hartog, and De Hoogh 2011; Yeap 2024). This approach regards leaders as moral role models who motivate their followers to behave ethically. Based on social learning theory (c.f., Bandura 1969), Brown, Treviño, and Harrison (2005) discussed ethical leaders as idealistic normative role models who represent ethical conduct for their followers. People can learn what behaviors can be "expected, rewarded, and punished" (Brown, Treviño, and Harrison 2005, 119) via observations of the behavior of leaders. Through this perspective, ethical leaders can legitimize their identity as credible role models by engaging in normatively appropriate behaviors (Brown, Treviño, and Harrison 2005). Ethical leadership research based

on the social learning approach has attempted to establish a notion of ethical leadership in organizational communication literature, which differentiates it from transformational leadership. This approach tends to be more biased toward normative and moral perspectives depending on the individual leaders' personality rather than on practical leadership behaviors which would guide ethical relationships between leaders and followers.

Research building on social exchange approaches (c.f., Blau 1968; Cropanzano and Mitchell 2005) provides the importance of ethical leadership as a reciprocal interaction between leaders and followers. Social exchange theory explains the relationships between two agents using the cost-benefit analysis, which maintains that until the relationship provides more rewards than costs, each agent needs more input to continue. When people perceive that leaders behave with careful consideration of their followers' and organizations' success rather than following egoistic motivation, they might voluntarily engage in supportive behaviors. Ethical leadership enhances followers to perceive trust toward the leader and fairness in the work environment so that they are willing to support the organization to reciprocate the perceived benefits (Brown and Treviño 2006). Amory et al. (2024) suggested that the relationship between ethical leadership and positive follower outcomes, such as organizational citizenship behavior, strengthened globally over time, based on a cross-temporal meta-analysis using 359 independent samples from 314 studies.

Ethical leadership followers' reciprocal responses should include leaders' behavioral practices on guiding how to ethically treat their subordinates, in addition to individual personality. Rooted in Brown, Treviño, and Harrison's (2005) ethical leadership scale, De Hoogh and Den Hartog (2008) categorized these responses into (1) morality and fairness, (2) role clarification, and (3) power-sharing the most basic dimensions of ethical leadership that are morality and fairness, which include leaders' honesty, trustworthiness, and caring traits. Role clarification refers to leaders' transparency and willingness to engage in open discussion with followers. The authors claimed that the role clarification process also promotes and rewards leaders' ethical management of followers. Lastly, the power-sharing dimension can be defined as leaders' encouragement for followers to participate in making decisions. The willingness of leaders to share power encourages followers to perceive their organizational activities as more meaningful.

## 2.3 | Role of Expectancy in Evaluating Corporate Behaviors: Insights From Expectation-Confirmation Theory

Given that the nature of ethical CSR is an expected responsibility of business leaders (Carroll 1979, 1991), public expectancy of corporate ethical responsibility can be connected to the expectation of ethical leadership. To understand how the publics' expectations of ethical CSR are cultivated and how they are related to the evaluation of corporate behaviors, this study explores the characteristics of expectancy in communication and public relations literature. Expectancy refers to what individuals anticipate will occur in a given situation (Burgoon 1978). From an interpersonal relational perspective, scholars have demonstrated that an individual's

expectation of others represents their enduring cognition of anticipated behaviors (Burgoon et al. 2016). Expectations include not only an individual's prediction of what is likely to occur (i.e., predictive expectancies) but also of the normative propositions that should occur (i.e., prescriptive expectancies; Houser 2005). Thus, individuals' expectations are cultivated based on social value and norms, and they are used as criteria in evaluating other communicators and communicative behaviors (Burgoon and Walther 1990). Scholars agree that people decide whether they are willing to accept or reject the communicator's behavior, depending on their pre-existing expectations (e.g., Burgoon 1978; Goffman 1959; Kunda 1990).

According to previous research, people hold beliefs about what an organization should do, which might be presented as standards and/or a prototype mental model that leads them to perceive and judge the organization's behaviors (Balmer and Podnar 2021; Olkkonen and Luoma-aho 2014). Therefore, expectation management is a vital part of strategic communication designed to build beneficial relationships with publics. It also forms the framework for scholars' understanding of what publics expect of organizations (Olkkonen and Luoma-aho 2014).

Drawing from the expectation-confirmation theory (ECT), this study examines how public expectations of ethical CSR can be connected to corporate ethical behavior and public support toward socially responsible companies. According to ECT, consumers tend to support an entity continuously when their experience with the entity (i.e., when they use a service or a product) is congruent with expectations developed prior to the direct experience (Oliver 1980). This is because when consumers have their expectations confirmed, they are more likely to have customer satisfaction connecting continuous support toward the entity (Bhattacherjee 2001; Oliver 1980). On the other hand, consumers tend to be dissatisfied with an entity when their actual experience is not congruent with pre-existing expectations. The dissatisfaction leads consumers to discontinue their support to the entity (Bhattacherjee 2001; Oliver 1980).

ECT has long been adopted by scholars to explain consumer satisfaction and behavior, focusing on consumers' purchasing activities (Oliver 1980, 1993). Recent research extended the application of ECT to explain stakeholder communication processes, which enhances quality relationships between an organization and its stakeholders. For example, Kim (2019) illustrated how effective CSR communications can be connected to corporate reputation, mediated by trust in CSR commitment, while adopting insights from ECT.

In the context of CSR communication, the insights from expectations have been used to understand CSR message effects based on perceived expectancy discrepancies from stakeholders. For example, it has been used to understand how stakeholders' attribution of CSR motives are affected by inconsistent CSR message cueing (Rim, Park, and Song 2020). In addition, it has also been used to examine stakeholder reactions to CSR messages during times of corporate crisis (Koch et al. 2024; Tao and Song 2020) or to messages that describe corporate socially irresponsible behaviors (Park, Cho, and Kim 2021). Recently, it has been used to understand differences in people's expectations toward companies versus nonprofits regarding messages about sustainability

(Cho, Park, and Kim 2021). In these regards, companies tend to reflect public expectations on their CSR activities. Tian, Liu, and Fan (2015) showed empirical evidence that Chinese companies' CSR implementation has been affected by external stakeholders' pressure, with survey data collected among 224 middle-level managers from 40 companies. Therefore, this study proposes Hypothesis 1 and 2 based on the aforementioned discussion:

**Hypothesis 1.** *The expectancy of ethical leadership will be positively related to the expectancy of ethical CSR.* 

**Hypothesis 1b.** The expectancy of morality and fairness is positively related to the expectancy of ethical CSR.

**Hypothesis 1a.** *The expectancy of role clarification is positively related to the expectancy of ethical CSR.* 

**Hypothesis 1c.** The expectancy of power-sharing is positively related to the expectancy of ethical CSR.

**Hypothesis 2.** Expectancy of ethical CSR is positively related to willingness to support socially responsible companies.

#### 2.4 | Power Distance and Public Expectancy

Individuals' expectations can be cultivated based on their culture and social values (Burgoon 1978). In this regard, the current study focuses on the effects of power distance in constructing individuals' expectations of ethical CSR. Power distance perception refers to how an individual accepts unequal distribution of power and resources among social entities (Hofstede 1980, 1993). Power distance research originated from national-level cultural studies. Hofstede (1980) defined culture as "the collective programming of the minds which distinguishes the members of one group from another" (5) and classified national cultures depending on four dimensions (i.e., individualism, masculinity, power distance, and uncertainty avoidance). In this vein, low-power distance societies are regarded as communities where people are interdependent when defining roles among others in different positions, and where they have less regard for people based on their status (Hofstede 1993). On the other hand, high-power distance societies allow people in higher positions (e.g., business owners) to determine how others in lower positions (e.g., subordinates) should behave (Hofstede 2001).

Although social influences are critical in shaping individuals' power distance perception, recent research sheds light on individual traits and situational conditions, which stimulate different levels of power distance perception in a given society (e.g., Daniels and Greguras 2014). This is because cultures may have varied influence depending on the situation and individual characteristics, and thus, the effects of power distance can be cued in and effect have different effects within different context (Winterich and Zhang 2014). Although the power distance is not a real distance, it is an individual's perception or belief. However, it influences the individual's decision-making process once it is cued (Vizcaíno, Cardenas, and Cardenas 2021).

Individuals' power distance perception influences the way they define their relationships with and responsibility to others.

Power distance, which accepts unequal status among social entities, is less likely to connect people in different positions, either physically or emotionally. Thus, they perceive their resources as independent possessions and thus less responsible to others in different statuses. For example, Winterich and Zhang (2014) provided empirical evidence that higher power distance decreases individuals' charitable behavior because the higher power distance perception is that there is a weaker perceived responsibility to take care of others.

Discussions on the power distance perception provide a clue to understanding different business environments in relation to various public expectations. Since individuals influenced by higher power distance tend to set a higher threshold in accepting unequal power distribution between them and more powerful counterparts (Hofstede 1993), they tend to allow corporations' autonomy without serious considerations in the decision-making process. Hence, people high in power distance have fewer demands or engage in the way corporations operate their business. For example, Jain and Jain (2018) showed that people high in power distance belief are less likely to express their preference for corporate transparency, such as corporate transgressions, job interview settings, and or having information on corporate policy.

Power distance cultures allow corporations not to actively share their leadership and disclose their efforts to uphold the value of equality. Humphries and Whelan (2017) suggest that national orientations with power distance differentiate between corporate governance codes. Specifically, corporations in countries with high power distance are less likely to generate corporate governance codes regarding the inclusion of female board members, separation of the CEO roles from the board chair, and documenting the frequency of specific board meetings (Humphries and Whelan 2017). In a similar vein, previous research highlighted that power distance discourages corporate ethical decision-making when facing ethical dilemmas. For example, Curtis, Conover, and Chui (2012) showed a mediating effect of the power distance on the relationship between nationality and ethical decision-making in layoff decisions and the whistleblowing situations.

However, given that CSR initiatives are designed to fill the gap between public expectations of corporate social roles and current operations (Le, Lu, and Kweh 2023), lack of public expectations may cause corporations to be less likely to voluntarily operate their leadership on an ethical basis and fulfill ethical CSR. Previous research also suggested that power distance culture hinders CSR performance (Ringov and Zollo 2007). As discussed above, people high on power distance prioritize their responsibility to others less frequently, and corporations used a decision-making process based on efficiency and serious considerations of ethical operations. These cultural backgrounds and lack of public expectancy may discourage corporations from actively indulging in social responsibility.

When it comes to publics' expectation toward CSR and its ethical component, scholars noted that people across countries weighted the importance of each of their CSR domains in a different manner (Maignan 2001; Visser 2009; Zhang and Dong 2021). For example, Rim and Dong (2018) compared publics' prioritizations of business responsibilities by surveying consumers in the U.S., U.A.E., and South Korea. The study

showed that legal responsibility was regarded as the most important obligation for business to U.S. consumers, while the U.A.E. respondents attributed economic responsibility as the most important obligation. Meanwhile, Korean consumers allocated more importance to legal and ethical duties than to economic or philanthropic responsibilities (Rim and Dong 2018). They further explained that publics' trust in business and government were the contributing factors that shaped publics' expectations toward each CSR domain.

CSR engagement has been used as a practical tool to legitimize corporate roles and existence in a given society. In this perspective, individuals' high power distance perception decreases corporate practical needs to engage in CSR (Luo, Tang, and Peng 2018). For instance, Luo, Tang, and Peng (2018) showed that a lower concentration of power promoted corporate social responsibility and reduced carbon opaqueness (i.e., carbon performance and transparency) suggesting that disclosure is driven by the purpose of establishing legitimacy.

Lastly, power distance perception can be connected to individuals' behavior toward corporations that are socially responsible or irresponsible. Williams and Zinkin (2008) conducted research on consumers' willingness to punish irresponsible corporate behavior. Based on results from national surveys, the authors showed that people in high power distance cultures are less likely to punish corporate irresponsible behavior than people from a low power distance culture. Similarly, in the context of corporate social irresponsibility (CSI), Kim and Rim (2023) demonstrated that individuals within organizational cultures characterized by lower levels of power distance were more inclined to recognize problems and engage in voice behavior, thereby fostering a supportive environment for employees who perceive CSI issues as significant concerns to be addressed.

Based on the aforementioned discussions, this study posits the negative relationship between power distance and willingness to support that socially responsible companies are mediated by the individuals' expectancy of ethical leadership and ethical CSR. Therefore, the following hypotheses are proposed:

**Hypothesis 3.** *Power distance is negatively related to the expectancy of ethical leadership.* 

**Hypothesis 3a.** *Power distance is negatively related to the expectancy of morality and fairness.* 

**Hypothesis 3b.** *Power distance is negatively related to the expectancy of role clarification.* 

**Hypothesis 3c.** *Power distance is negatively related to the expectancy of power-sharing.* 

**Hypothesis 4.** Power distance is negatively related to the expectancy of ethical CSR.

#### 3 | Methods

We tested the hypotheses mentioned above through two survey studies. Studies 1 and 2 used the same survey questionnaire, and they only varied in their sample characteristics (i.e., the U.S. residents (Study 1) and South Korean residents (Study 2)). Survey participants of both studies were recruited from research panels registered in professional research companies in both countries.

This study conducted a cross-national survey to test the generalizability of the proposed theoretical model with individuals living in different countries (the U.S. to South Korea). There are two streams of research addressing power distance. One views power distance at the organizational level, while the other employs it to explain national culture, following Hofstede's notion and typology (Humphries and Whelan 2017; Kim and Rim 2023; Vitell, Nwachukwu, and Barnes 1993). However, it is inherent that national culture translates into the organizational level (Rehman et al. 2021). Thus, by testing our model in two different countries, we aimed to enhance the external validity of the model while also capturing potential organizational and national-level influences (Oumlil and Balloun 2017; Rim, Dong, and Zhang 2024; Sims 2009). Furthermore, stakeholders' perception toward business ethics and expectations can vary across cultures due to differences in values, norms, and societal expectations (Vitolla et al. 2021). We selected the two countries characterized by distinct cultural and business environment, such as the US with its individualistic culture and high expectation of accountability and South Korea with its collectivistic culture and hierarchical business structure (Oumlil and Balloun 2017; Rim, Dong, and Zhang 2024; Sims 2009). Previous research also showed that the U.S. and South Korea have relatively different corporate business environments from each other in relation to CSR operations (e.g., CSR adoption, Chambers et al. 2003; legacy of implicit CSR, Matten and Moon 2008). In addition, CSR cultures in the U.S. and South Korea are distinctive in comparison to other Western and Eastern countries (e.g., Chapple and Moon 2005).

#### 3.1 | Procedure

Survey respondents in both studies (i.e., Study 1 and 2) completed a web-based self-reporting questionnaire. Once they agreed to consent, respondents were asked to provide their demographic information. Survey questions measuring the main variables of this research followed.

#### 3.2 | Measures

Survey respondents indicated their level of agreement on each measurement item (1: strongly disagree to 7: strongly agree).

#### 3.2.1 | Power Distance

We measured participants' cultural orientation with power distance, adopting five measurement items from the study by Yoo, Donthu, and Lenartowicz's (2011), such as "People in higher positions should make most decisions without consulting people in lower positions." (USA: Cronbach's alpha=0.93, Mean (SD)=3.27 (1.67); South Korea (Cronbach's alpha=0.86, Mean (SD) = 2.89 (1.22)).

#### 3.2.2 | Expectancy of Ethical Leadership

Based on De Hoogh and Den Hartog's (2008) measurement items of the three dimensions (i.e., morality and fairness, role clarification, and power-sharing), we asked participants how they expect CEOs to behave in general. *Morality and fairness* was measured with five items, including "[CEOs should] make sure that his/her actions are always ethical." (U.S.A.: Cronbach's alpha=0.92, Mean (SD)=5.63 (1.12); South Korea: Cronbach's alpha=0.86, Mean (SD)=5.70 (0.90)). *Role clarification* was measured with five items, including "[CEOs should] explain who is responsible for what". (U.S.A: Cronbach's alpha=0.87, Mean (SD)=5.77 (1.07), South Korea: Cronbach's alpha=0.88, Mean (SD)=5.44 (0.85)). *Power-sharing* was also measured with five items, such as "[CEOs should] allow subordinates to have an influence on critical decisions." (USA: Cronbach's alpha=0.88, Mean (SD)=5.46 (1.05); South Korea (Cronbach's alpha=0.86, Mean (SD)=5.16 (0.87)).

#### 3.2.3 | Expectancy of Ethical CSR

Adopted from Maignan's (2001) study, individual's expectations of ethical CSR was measured with four items, including "[Corporations should] ensure that the respect of ethical principles has priority over economic performance." (U.S.A.: Cronbach's alpha = 0.84, Mean (SD) = 4.14 (0.97), South Korea: Cronbach's alpha = 0.77, Mean (SD) = 4.11 (0.75)).

# 3.2.4 | Willingness to Support Socially Responsible Company

Borrowing from a previous study (Ramasamy, Yeung, and Au 2010), this variable was measured with six items, such as "I consider the ethical reputation of businesses when I shop." (U.S.A.: Cronbach's alpha=0.91, Mean (SD)=5.47 (1.65); South Korea: Cronbach's alpha=0.90, Mean (SD)=6.16 (1.19)).

Correlations among the main variables are presented in Table 1.

### 3.3 | Data Analysis

This study employed structural equation modeling (SEM) using AMOS 24.0 to analyze the survey data collected from both countries (i.e., the U.S.: Study 1 and South Korea: Study 2). The final SEM model was tested, adding control variables (i.e., demographics and political identity).

# 4 | Study 1: The U.S.

#### 4.1 | Participant Profile

A total of 491 responses collected from the U.S. were used for the data analysis in Study 1. The demographic information included an average age of 50.19 years old, ranging from 18 to 87 (SD=17.70). A total of 53.97% (n=265) were female; 74.5% (n=365) identified as White; 18.73% had an annual household income of \$50,000-\$79,999 USD and 58.25% had college or graduate degrees. (See Table 2 for details).

**TABLE 1** | Correlations among main variables.

	Correlations					
Variables	1	2	3	4	5	6
1. Power distance	1	-0.19***	-0.28***	-0.20***	-0.02	0.19***
2. Expectancy of morality and fairness	-0.254***	1	0.794***	0.741***	0.577***	0.333***
3. Expectancy of role clarification	-0.12***	0.69***	1	0.76***	0.53***	0.24***
4. Expectancy of power-sharing	-0.18***	0.55***	0.65***	1	0.55***	0.37***
5. Expectancy of ethical CSR	-0.10***	0.58***	0.55***	0.49***	1	0.39***
6. Willingness to support socially responsible company	-0.13***	0.40***	0.35***	0.32***	0.38***	1

Note: Upper diagonals indicate data from the U.S. (n = 491). Lower diagonals indicate data from South Korea (n = 548).

#### 4.2 | Results

#### 4.2.1 | CFA

Confirmatory factor analysis (CFA) confirmed the conceptual structures of the main variables, including power distance, expectations of ethical leadership (i.e., morality and fairness, role clarification, and power-sharing), the expectancy of ethical CSR, and willingness to support socially responsible companies. Most indicators of the CFA model suggested larger than 0.05 loading. The model demonstrated an acceptable data-model fit (comparative fit index (CFI) =0.96, Tucker-Lewis index (TLI)=0.95, root mean square error of approximately (RMSEA) = 0.051 (90% CI [0.048, 0.055]),  $\chi^2$  = 1054.35, df = 382,  $\chi^2/df$  = 2.76, p < 0.001, n = 491).

#### 4.2.2 | SEM

SEM was performed to test the proposed hypotheses in Study 1. In addition to the main variables tested with CFA, the following control variables were included in the final structure equation model: demographics (i.e., age, education, income, and gender) and political identity. The hypothesized structural model also achieved a good fit with the data in Study 1: comparative fit index (CFI) = 0.94, Tucker-Lewis index (TLI) = 0.93, IFI = 0.94, root mean square error of approximation (RMSEA) = 0.054 (90% CI [0.050, 0.057]),  $\chi^2 = 1268.04$ , df = 527,  $\chi^2/df = 2.41$ , p < 0.001, and n = 491.

# 4.2.3 | Hypothesis Testing of Study 1

The respondents' higher expectancy of ethical leadership in the morality and fairness dimension was statistically significantly related to the higher expectancy of ethical CSR (Hypothesis 1a:  $\beta$ =0.56, SE=0.17, p<0.001, supported in Study 1). However, the U.S. respondents' expectancy of ethical leadership in role clarification (Hypothesis 1b, not supported) and power-sharing (Hypothesis 1c, not supported in Study 1) failed to yield any significant relationships with the expectancy of ethical CSR.

The results showed that the more the respondents expected ethical CSR, the more they were willing to support socially

responsible companies (Hypothesis 2:  $\beta$ =0.49, SE=0.05, p<0.001, supported in Study 1). Study 1 found that when people were oriented with the higher power distance in general, they tended to have lower expectations about CEOs' ethical leadership in morality and fairness (Hypothesis 3a:  $\beta$ =-0.24, SE=0.35, p<0.001, supported in Study 1), role clarification (Hypothesis 3b:  $\beta$ =-0.32, SE=0.30, p<0.001, supported in Study 1), and power sharing (Hypothesis 3c:  $\beta$ =-0.24, SE=0.33, p<0.001, supported in Study 1) in the U.S.

Finally, findings of this study did not suggest any significant connections between the two variables (Hypothesis 4, not supported in Study 1) in Figure 2.

#### 5 | Study 2: South Korea

#### 5.1 | Participant Profile

Study 2 analyzed a total of 548 responses completed in South Korea. The respondents from South Korea were age 18 to 68 (Mean = 44.19, SD = 13.40); and 50% (n = 274) were male and 50% (n = 274) were female. A total of 28.65% (n = 157) had an annual household income of \$50,000–\$79,999 U.S.D, and 77.07% (n = 422) had a college or graduate degree (See Table 1 for details).

#### 5.2 | Results

#### 5.2.1 | CFA

In Study 2, all indicators of the CFA model suggested larger than 0.05 loading. The measurement model also demonstrated an acceptable data-model fit (comparative fit index (CFI) = 0.94, Tucker-Lewis index (TLI)=0.94, and root mean square error of approximation (RMSEA) = 0.052 (90% CI [0.047, 0.056]),  $\chi^2$ =936.29, df=560,  $\chi^2/df$ =2.42, p<0.001, n=548).

#### 5.2.2 | SEM

In accordance with the model performed in Study 1 (i.e., the U.S. data), Study 2 performed SEM, controlling for

<sup>\*\*\*</sup>p < 0.001

**TABLE 2** | Sample characteristics.

	Frequency (Percentage)			
Demographic characteristics	USA (n = 491)	South Korea (n=548)		
Gender				
Male	226 (46.03%)	274 (50.00%)		
Female	265 (53.97%)	274 (50.00%)		
Age-group (years)				
18-29	75 (15.27%)	102 (18.61%)		
30-39	81 (16.50%)	103 (18.80%)		
40-49	77 (15.68%)	121 (22.08%)		
50-59	73 (14.87%)	124 (22.63%)		
60+	185 (37.68%)	98 (17.88%)		
Ethnicity				
White (non-Hispanic)	365 (74.34%)	N/A		
African American	64 (13.03%)			
Hispanic American	23 (4.68%)			
Asian	22 (4.48%)			
Native American	6 (1.22%)			
Middle Eastern	2 (0.41%)			
Pacific Islander	1 (0.20%)			
Others	8 (1.63%)			
Education				
High school graduate or equivalent	205 (41.75%)	126 (22.99%)		
College graduate or equivalent	162 (32.99%)	367 (66.97%)		
Graduate degree or equivalent	124 (25.25%)	55 (10.04%)		
Household income (\$)				
<10,000	31 (6.31%)	17 (3.10%)		
10,000-19,999	57 (11.61%)	37 (6.75%)		
20,000-29,999	47 (9.57%)	96 (17.52%)		
30,000-39,999	27 (5.50%)	94 (17.15%)		
40,000-49,999	42 (8.55%)	94 (17.15%)		
50,000-59,999	27 (5.50%)	75 (13.69%)		
60,000-69,999	28 (5.70%)	55 (10.04%)		
70,000-79,999	37 (7.54%)	27 (4.93%)		
80,000-89,999	30 (6.11%)	18 (3.28%)		
90,000-99,999	26 (5.30%)	13 (2.37%)		
100,000-149,999	78 (15.89%)	22 (4.01%)		
>150,000	61 (12.42%)	0 (0.00%)		

demographics (i.e., age, education, income, and gender) and political identity. The hypothesized structural model also achieved a good fit with the data collected from South Korea: comparative fit index (CFI) = 0.93, Tucker-Lewis index (TLI) = 0.92, IFI = 0.93, root mean square error of approximation (RMSEA) = 0.049 (90% CI [0.045, 0.052]),  $\chi^2$  = 1206.99, df = 526,  $\chi^2/df$  = 2.30, p < 0.001, n = 548.

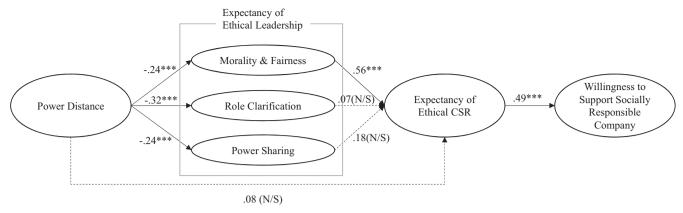
#### 5.2.3 | Hypothesis Testing for Study 2

When people expected higher ethical leadership on morality and fairness (Hypothesis 1a:  $\beta$ =0.57, SE=0.08, p<0.001, supported in Study 2) and power-sharing (Hypothesis 1c:  $\beta$ =0.13, SE=0.06, p<0.05, supported in Study 2), they were more likely to have a higher expectancy for ethical CSR. The expectancy of ethical leadership on role clarification was not significantly related to the expectancy of ethical CSR (Hypothesis 1b: not supported in Study 2). In addition, the higher expectancy of ethical CSR was statistically significantly related to the higher willingness to support socially responsible companies (Hypothesis 2:  $\beta$ =0.50, SE=0.06, p<0.001, supported in Study 2) in Figure 3.

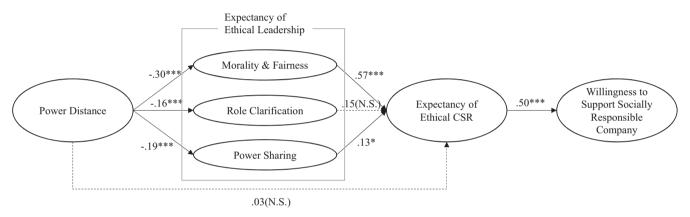
Regarding Hypothesis 3, the results showed that the higher people were oriented by power-distance culture and the lower expected business leaders' ethical treatment in morality and fairness (Hypothesis 3a:  $\beta$ =-0.30, SE=0.41, p<0.001, supported in Study 2), role clarification (Hypothesis 3b:  $\beta$ =-0.16, SE=0.37, p<0.001, supported in Study 2), and power sharing (Hypothesis 3c:  $\beta$ =-0.19, SE=0.30, p<0.001, supported in Study 2). However, the results of Study 2 failed to provide any significant relationship between power distance orientation and the expectancy of ethical CSR (Hypothesis 4: not supported in Study 2). Table 3 suggests the hypothesized relationships among key variables of this study and outlines the outcomes of the hypothesis testing.

#### 6 | Discussion

Corporate ethical responsibility has been regarded as an expected obligation by publics (Carroll 1991). Since ethical CSR is not required by law, it might be viewed as a reflection of organizational leadership designed to manage businesses using ethical approaches (Carroll 1991). In this regard, the current study investigated the relationship between public expectations of ethical leadership, ethical CSR, and their support of socially responsible companies. Furthermore, this study explored how publics have varied levels of expectations toward corporate ethical leadership and social responsibility, focusing on the role of power distance perception. The mediating role of expectancy of ethical leadership was further examined using the relationship between power distance and the expectation of ethical CSR. Given the influence of national culture, particularly its translation into stakeholders' ethical and power distance orientations (Martin 2009; Rehman et al. 2021; Vitolla et al. 2021), we tested our proposed model in both the US and South Korea to enhance the generalizability of our findings.



**FIGURE 2** | Results of hypothesis testing in study 1 (the US. n = 491). Comparative fit index (CFI) = 0.94, Tucker-Lewis index (TLI) = 0.93, root mean square error of approximation (RMSEA) = 0.054 (90% CI [0.050, 0.057]),  $\chi^2$  = 1268.04, df = 527  $\chi^2/df$  = 2.41, p < 0.001. Bias-corrected 95% bootstrapped confidence interval (CI) based on 5000 resamples. The solid lines indicate supported hypotheses, while the dotted lines indicate rejected hypotheses in this study.



**FIGURE 3** | Results of hypothesis testing in study 2 (South Korea, n = 548). Comparative fit index (CFI) = 0.93, Tucker-Lewis index (TLI) = 0.92, root mean square error of approximation (RMSEA) = 0.049 (90% CI [0.045, 0.052]),  $\chi^2 = 1206.99$ , df = 526,  $\chi^2/df = 2.30$ , p < 0.001. Bias-corrected 95% bootstrapped confidence interval (CI) based on 5000 resamples. The solid lines indicate supported hypotheses, while the dotted lines indicate rejected hypotheses in this study.

#### 6.1 | Key Findings and Theoretical Implications

Expectations illustrate the desire for normative propositions to occur in addition to predictions about what will be happen (Houser 2005). In the line of research on expectancy, the findings of this study showed that expectancy ethical leadership can be a driving force in individuals' expectancy on the ethical aspects of corporate social responsibility. The results also suggested which specific dimensions of expectancy of ethical leadership can be related to the expectancy of ethical CSR. In both the U.S. and South Korea, the expectancy of moral and fair leadership was related to the expectancy of ethical CSR. Considering that morality and fairness are the fundamental dimensions of ethical leadership (Brown, Treviño, and Harrison 2005; De Hoogh and Den Hartog 2008), the finding may imply that the basic idea of the role of ethical leadership in shaping the expectancy of corporate ethical responsibility can be commonly shared by the two countries. However, our findings suggested that expectations of ethical leadership in the power-sharing dimension were directed to the expectation of ethical CSR only in South Korea, South Korea, being an Asian country, has a higher power distance index (Hofstede 2011), which means that it places importance on hierarchical structures and accepts imbalances in power as a cultural norm. Thus, when leaders engage in power-sharing behaviors, it might be perceived as especially significant and progressive, strongly influencing expectations of ethical standards and practices within the organization. Moreover, the discrepancy of the results from the two different countries can be understood as a varied boundary of ethical leadership. Although this study does not include further discussion on the cultural aspects of ethical leadership, previous research has shown that different countries tended to attribute each component of ethical leadership with varying levels due to their different socio-cultural contexts (Martin 2009). The findings showed that the expectancy of role clarification failed to yield any connections to the expectancy of ethical CSR in the U.S. or South Korea. Given that the role clarification dimension is more applicable in the workplace, the general publics who are respondents to the surveys of this study might have limited expectations about role clarification of business leaders. Moreover, considering that ethical CSR mostly includes social obligations (Carroll 1991), the general publics might see a weak link between role clarification and ethical CSR.

**TABLE 3** | Hypothesis testing.

		Structural equation modeling analysis		
Hypothesis		Study 1 (the US)	Study 2 (South Korea)	
Hypothesis 1a	Expectancy of ethical leadership (morality and fairness) → expectancy of ethical CSR	Supported ( $\beta = 0.56$ , SE = 0.17, $p < 0.001$ )	Supported ( $\beta = 0.57$ , SE = 0.08, $p < 0.001$ )	
Hypothesis 1b	Expectancy of ethical leadership (role clarification) → expectancy of ethical CSR	Not Supported	Not Supported	
Hypothesis 1c	Expectancy of ethical leadership (power- sharing) → expectancy of ethical CSR	Not Supported	Supported ( $\beta = 0.13$ , SE = 0.06, $p < 0.05$ )	
Hypothesis 2	Expectancy of ethical CSR → Willingness to support socially responsible company	Supported ( $\beta = 0.49$ , SE = 0.05, $p < 0.001$ )	Supported ( $\beta = 0.50$ , SE = 0.06, $p < 0.001$ )	
Hypothesis 3a	Power distance perception → Expectancy of ethical leadership (morality and fairness)	Supported ( $\beta = -0.24$ , SE = 0.35, $p < 0.001$ )	Supported ( $\beta = -0.30$ , SE = 0.41, $p < 0.001$ )	
Hypothesis 3b	Power distance perception → Expectancy of ethical leadership (role clarification)	Supported ( $\beta = -0.32$ , SE = 0.30, $p < 0.001$ )	Supported ( $\beta = -0.16$ , SE = 0.37, $p < 0.001$ )	
Hypothesis 3c	Power distance perception → Expectancy of ethical leadership (power-sharing)	Supported ( $\beta = -0.24$ , SE = 0.33, $p < 0.001$ )	Supported ( $\beta = -0.19$ , SE = 0.30, $p < 0.001$ )	
Hypothesis 4	Power distance perception → Expectancy of ethical CSR	Not Supported	Not Supported	

Our findings further corroborate previous research claiming that higher power distance culture hinders corporate ethical operations (e.g., Curtis, Conover, and Chui 2012; Humphries and Whelan 2017) and deters individuals from acknowledging and addressing a firm's irresponsible behavior (Kim and Rim 2023). The current study provides empirical evidence that individuals' power distance perception negatively connects to their expectancy of ethical leadership regarding morality and fairness, role clarification, and power-sharing dimensions. The relationships were supported by survey respondents in both the U.S. and South Korea. Power distance culture has been known as a factor to decrease CSR performance on a social level (Luo, Tang, and Peng 2018; Ringov and Zollo 2007). This study approached the negative relationship between power distance and CSR based on an individual level, adding insights from expectancy literature (e.g., Afifi and Metts 1998; Burgoon 1993). Interestingly, the findings of this study showed that individuals' power distance perception was not directly related to their expectancy of ethical CSR. However, this study confirmed the full mediation effects of individuals' expectancy of ethical leadership, which draws a line of associations from power distance perception, individuals' expectancy of ethical leadership, and expectancy of ethical CSR in both the U.S. and South Korea. Hence, this study illustrated how the power distance perception influences individuals' decisionmaking process in shaping their expectancy toward leadership and social responsibility in ethical ways.

According to expectation-confirmation theory (ECT), people tend to support a counterpart when their experiences and communications are consistent with expectations set before the firsthand encounter (Oliver 1980). Taken together, in accordance with the framework of ECT, the present study proposed a theoretical model from the power distance perception to the willingness to support socially responsible companies

mediated by two expectancies (i.e., expectancy of ethical leadership, and expectancy of ethical CSR). This study provided empirical evidence with data collected from the U.S. and South Korea. Therefore, this study proposes the possible application of the ECT in the context of corporate leadership and CSR communications. Furthermore, our study contributes to existing transnational CSR literature by empirically demonstrating two influencing factors (i.e., power distance and ethical leadership) that shape expectations of ethical CSR and how these associations vary within two country samples. Previously, Rim and Dong (2018) showed that ethical CSR is one of the dimensions deemed most important in South Korea, significantly higher than in the US sample, and explained that such higher ethical CSR expectation in the South Korea sample can be attributed to a relatively lower level of corporate trust. In essence, our study illuminates nuanced cultural disparities that influence the connections among power distance, expectations of ethical leadership and CSR, and publics intention to support socially responsible companies, thus making a significant contribution to the CSR literature.

Regarding the practical implications, the findings of this study showed the way individuals' expectations of ethical leadership and ethical CSR are influenced by their perceptions of power distance. Therefore, corporations can predict the level of public expectations in a given situation or when dealing with specific stakeholder groups, considering the level of power distance perceptions. Given that meeting public expectations is a core part of public relations, the findings from this research will provide practical guidance for corporations in building mutually beneficial relationships with publics and the development of business success.

This study also provides implications for stakeholders who are directly and indirectly related to corporations. The findings

showed the importance of individuals' expectations toward corporate ethical behaviors in deciding their supportive behaviors toward socially responsible companies. Considering that stakeholders also have social responsibilities to make a better society when cooperating with business operators, stakeholders should express their expectations toward corporate ethical and responsible behaviors and actively support responsible companies in order to request a higher standard of CSR.

#### 6.2 | Limitations and Future Research Suggestions

The authors would ask that readers give careful attention to interpreting the outcomes of the current study. Although this study showed the effects of individuals' expectancy on engaging supportive behaviors for socially responsible companies, this does not mean that corporations should direct their efforts only to meeting the point where public expectation exists. For example, corporations may achieve more effective communications and build meaningful relationships with publics by engaging in proactive CSR practices, rather than reactive CSR (Wagner, Lutz, and Weitz 2009). Expectation violation theory also highlights the power of positive expectancy violation, which can include physical and psychological arousal but may provide a pleasant surprise (Burgoon et al. 2016). In these regards, future research on expectancy violation effects is needed in the context of ethical CSR.

#### 7 | Conclusions

This study highlights the relationship between cultural perceptions of power distance and expectations of ethical leadership and CSR. It demonstrates that these variables play a role in shaping public endorsements of socially responsible companies. The findings emphasize the importance of understanding cultural differences in ethical standards and suggest that integrating these insights can enhance corporate strategies and communication. Therefore, in order to enhance public relations and corporate sustainability, it is important to ensure that ethical leadership practices are in line with the varied expectations and cultural frameworks of global stakeholders.

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#### **Ethics Statement**

The study involved human participants. Informed consent was obtained from all participants for being included in the study.

The study was granted exemption by the University of Minnesota's Institutional Review Board (IRB). This study was approved under expedited category: (7) Research on individual or group characteristics or behavior or research employing survey, interview, oral history, focus group, program evaluation, human factors evaluation, or quality assurance methodologies. All procedures performed in the study involving human participants were in accordance with the ethical standards of the

IRB and with the ethical standards as laid down in the 1964 Declaration of Helsinki and its later amendments or comparable ethical standards.

The study does not contain any research with animal subjects performed by any of the authors.

#### **Conflicts of Interest**

The authors declare no conflicts of interest.

#### **Data Availability Statement**

The data that support the findings of this study are available from the corresponding author upon reasonable request.

#### **Peer Review**

The peer review history for this article is available at https://www.webofscience.com/api/gateway/wos/peer-review/10.1111/beer.12749.

#### **Endnotes**

 $^{1}$ We followed Hu and Bentler's (1999) criteria in evaluating SEM model fits. Those researchers suggested that a SEM model fit is good when at least two criteria show an acceptable level of the model fit index (i.e., CFI ≥ 0.95, IFI ≥ 0.90, NFI ≥ 0.90, TLI ≥ 0.90, RMSEA ≤ 0.06).

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